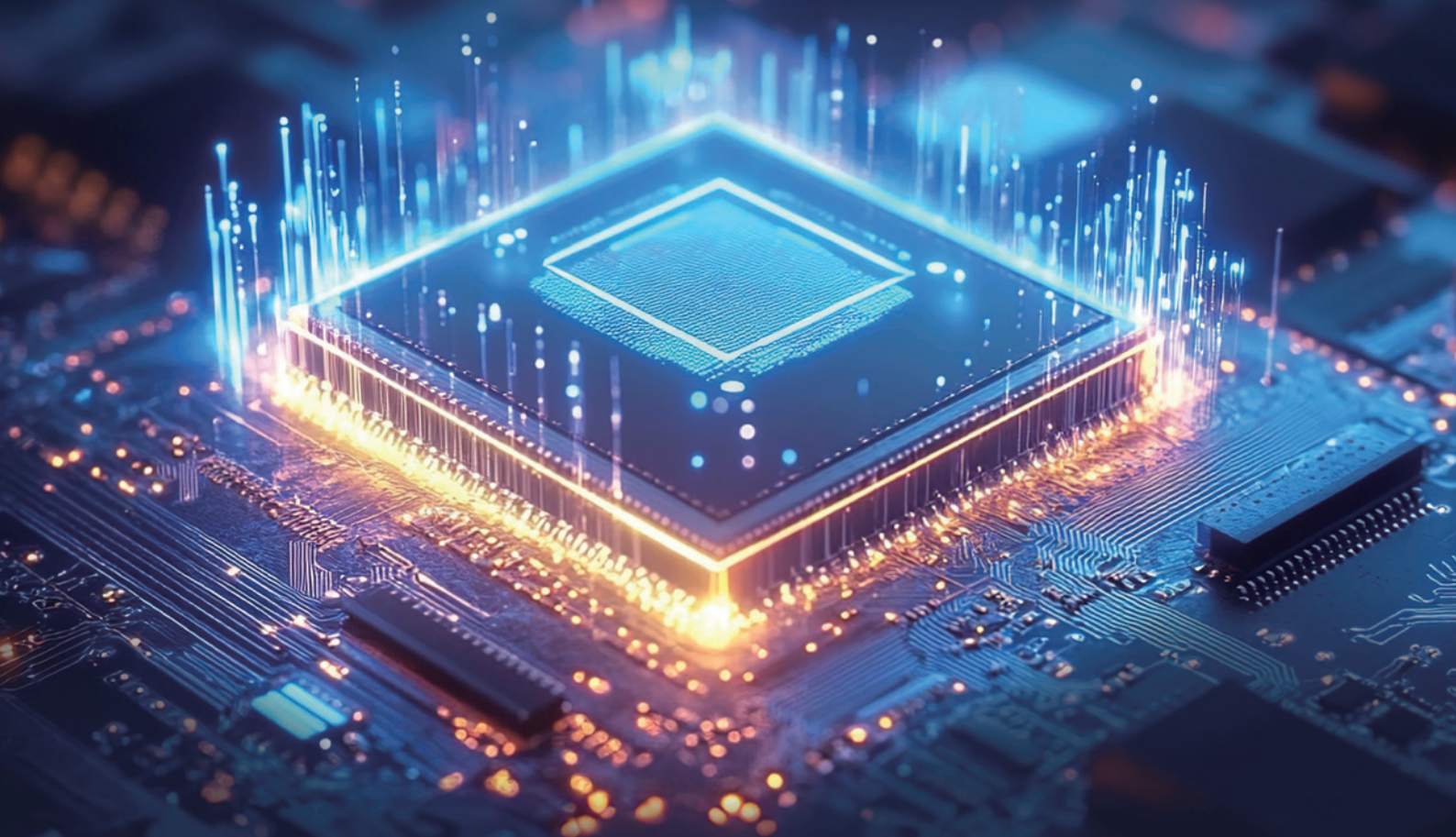
FourSemi

Shanghai FourSemi Semiconductor Co., Ltd.
上海傅里葉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 : 3625

GLOBAL OFFERING



Joint Sponsors, Joint Sponsor-Overall Coordinators, Joint Global Coordinators,
Joint Bookrunners and Joint Lead Managers

國泰海通 GUOTAI HAITONG | 國泰君安國際 GUOTAI JUNAN INTERNATIONAL

东方证券 DFZQ | 國際

IMPORTANT

IMPORTANT: If you are in any doubt about any of the contents of this Prospectus you should seek independent professional advice.

Shanghai FourSemi Semiconductor Co., Ltd.
上海傅里葉半導體股份有限公司

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

Global Offering

Number of Offer Shares under the Global Offering	**:**	**12,000,000 H Shares (subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	**:**	**600,000 H Shares (subject to reallocation)**
Number of International Offer Shares	**:**	**11,400,000 H Shares (subject to reallocation and the Over-allotment Option)**
Maximum Offer Price	**:**	**HK$50.00 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB1.00 per H Share**
Stock code	**:**	**3625**

Joint Sponsors, Joint Sponsor-Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

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东方证券 DFZQ | 國際

Joint Bookrunner and Joint Lead Manager

ABCI 農銀國際

Joint Bookrunners

建银国际 CCB International | 富途證券 FUTU Securities International | YELLOW RIVER SECURITIES | 申萬宏源香港 SWHYHK | 利弗莫尔证券 | 華福國際 HUAFU INTERNATIONAL | 元宇宙(國際)證券 | 浙商國際 ZHESHANG INTERNATIONAL

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display" in Appendix V to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any of the other documents referred to above. The Offer Price is expected to be fixed by agreement between the Overall Coordinators, on behalf of the Underwriters, and our Company on or before Friday, March 27, 2026 or such later time as may be agreed between the parties, but in any event, no later than 12:00 noon on Friday, March 27, 2026. If, for any reason, the Overall Coordinators, on behalf of the Underwriters, and our Company are unable to reach an agreement on the Offer Price by 12:00 noon on Friday, March 27, 2026, the Global Offering will not become unconditional and will lapse immediately.

The Overall Coordinators, on behalf of the Underwriters, may, with the consent of our Company, reduce the indicative Offer Price range below that stated in this prospectus (being HK$40.00 per H Share to HK$50.00 per H Share) at any time on or prior to the morning of the last date for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction in the number of Hong Kong Offer Shares and/or the indicative Offer Price range will be published on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.foursemi.com** as soon as practicable but in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. For further information, see the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus.

Pursuant to the termination provisions contained in the Hong Kong Underwriting Agreement in respect of the Hong Kong Offer Shares, the Overall Coordinators on behalf of the Hong Kong Underwriters, have the right in certain circumstances, in their absolute discretion, to terminate the obligation of the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement at any time prior to 8:00 a.m. on the Listing Date. Further details of the terms of the termination provisions are set out in the section headed "Underwriting—Underwriting Arrangements and Expenses—Hong Kong Public Offering—Grounds for Termination". It is important that you refer to that section for further details.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered, sold, pledged or transferred, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. The Offer Shares are being offered and sold only outside of the United States in offshore transactions in reliance on Regulation S.

Our Company is a Specialist Technology Company (as defined in Chapter 18C of the Listing Rules). The securities of Specialist Technology Companies carry high investment risks including risks of share price volatility and inflated valuation due to the difficulty in valuing such companies. Investors should fully understand the investment risks of a Specialist Technology Company and the risks disclosed by our Company before making their investment decisions.

ATTENTION

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk and our website at www.foursemi.com.

If you require a printed copy of this prospectus, you may download and print from the website addresses above.

March 23, 2026

IMPORTANT NOTICE TO INVESTORS: FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "*HKEXnews* > *New Listings* > *New Listing Information*" section, and our website at www.foursemi.com. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
White Form eIPO Service	**www.eipo.com.hk**	Investors who would like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	You may submit your application to the **White Form eIPO** Service Provider at **www.eipo.com.hk** (24 hours daily, except on the last application day) from 9:00 a.m. on Monday, March 23, 2026, until 11:30 a.m. on Thursday, March 26, 2026, and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Thursday, March 26, 2026, (Hong Kong time).
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit electronic application instructions on your behalf through HKSCC's FINI system in accordance with your instruction	Investors who would not like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	You are advised to contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

If you are an **intermediary**, **broker** or **agent**, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses above.

Please refer to the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus for further details of the procedures through which you can apply for the Hong Kong Offer Shares electronically.

Your application through the **White Form eIPO** service or the HKSCC EIPO channel must be made for a minimum of 100 Hong Kong Offer Shares and in multiples of that number of Hong Kong Offer Shares as set out in the table below.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares.

If you are applying through the **HKSCC EIPO** channel, your **broker** or **custodian** may require you to pre-fund your application in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for.

Shanghai FourSemi Semiconductor Co., Ltd.
(HK$50.00 per Hong Kong Offer Share)
NUMBER OF HONG KONG OFFER SHARES
THAT MAY BE APPLIED FOR AND PAYMENTS

No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment
	HK$		*HK$*		*HK$*		*HK$*
100	5,050.43	1,500	75,756.38	8,000	404,034.00	90,000	4,545,382.50
200	10,100.86	2,000	101,008.50	9,000	454,538.26	100,000	5,050,425.00
300	15,151.28	2,500	126,260.63	10,000	505,042.50	125,000	6,313,031.26
400	20,201.70	3,000	151,512.76	20,000	1,010,085.00	150,000	7,575,637.50
500	25,252.13	3,500	176,764.88	30,000	1,515,127.50	175,000	8,838,243.76
600	30,302.56	4,000	202,017.00	40,000	2,020,170.00	200,000	10,100,850.00
700	35,352.98	4,500	227,269.13	50,000	2,525,212.50	225,000	11,363,456.26
800	40,403.40	5,000	252,521.26	60,000	3,030,255.00	250,000	12,626,062.50
900	45,453.83	6,000	303,025.50	70,000	3,535,297.50	275,000	13,888,668.76
1,000	50,504.26	7,000	353,529.76	80,000	4,040,340.00	300,000[1]	15,151,275.00

(1) Maximum number of Hong Kong Offer Shares you may apply for.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the SFC and the AFRC respectively).

No application for any other number of Hong Kong Offer Shares will be considered and such an application is liable to be rejected.

*If there is any change in the following expected timetable of the Hong Kong Public Offering, we will issue an announcement in Hong Kong to be published on the websites of the Stock Exchange at **www.hkexnews.hk** and our website at **www.foursemi.com**.*

Time and date[(1)]

Hong Kong Public Offering commences . . . . . 9:00 a.m. on Monday, March 23, 2026

Latest time to complete electronic applications under **White Form eIPO** service through the designated website **www.eipo.com.hk**[(2)] . . . . . 11:30 a.m. on Thursday, March 26, 2026

Application lists open[(3)] . . . . . 11:45 a.m. on Thursday, March 26, 2026

Latest time to (a) give **electronic application instructions** to HKSCC and (b) complete payment of **White Form eIPO** applications by effecting internet banking transfer(s) or PPS payment transfer(s)[(4)] . . . . . 12:00 noon on Thursday, March 26, 2026

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** via FINI to apply for the Hong Kong Offer Shares on your behalf, you are advised to contact your broker or custodian for the latest time for giving such instructions which may be different from the latest time as stated above.

Application lists of the Hong Kong Public Offering close . . . . . 12:00 noon on Thursday, March 26, 2026

Expected Price Determination Date[(5)] . . . . . by 12:00 noon on Friday, March 27, 2026

Announcement of:

- the Offer Price;
- an indication of the level of interest in the International Offering;
- the level of applications in the Hong Kong Public Offering; and
- the basis of allocation of the Hong Kong Offer Shares

to be published and on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.foursemi.com**[(7)] at or before . . . . . 11:00 p.m. on Monday, March 30, 2026

The results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels, including:

- in the website of the Stock Exchange at **www.hkexnews.hk** and the Company's website at **www.foursemi.com**[(7)] . . . . . no later than 11:00 p.m. on Monday, March 30, 2026

- in the designated results of allocations website at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function . . . . . from 11:00 p.m. on Monday, March 30, 2026 to 12:00 midnight on Sunday, April 5, 2026

- from the allocation results telephone enquiry line by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. . . . . on Tuesday, March 31, 2026, Wednesday, April 1, 2026, Thursday, April 2, 2026 and Wednesday, April 8, 2026

For those applying through HKSCC EIPO channel, you may also check with your broker or custodian from . . . . . 6:00 p.m. on Friday, March 27, 2026

Dispatch of H Share certificates or deposit of the H Share certificates into CCASS in respect of wholly or partially successful applications pursuant to the Hong Kong Public Offering on or before[6] . . . . . Monday, March 30, 2026

Dispatch of **White Form e-Refund** payment instructions/refund cheques (if applicable) on or before[8][9][10] . . . . . Tuesday, March 31, 2026

Dealings in H Shares on the Main Board of the Stock Exchange to commence at. . . . . 9:00 a.m. on Tuesday, March 31, 2026

(1) All times and dates refer to Hong Kong local time and date, except as otherwise stated. Details of the structure of the Global Offering, including its conditions, are set out in "Structure of the Global Offering" in this prospectus. If there is any change in the above expected timetable, we will issue a separate announcement in Hong Kong to be published on our website at **www.foursemi.com** and the website of the Stock Exchange at **www.hkexnews.hk**.

(2) You will not be permitted to submit your application under the **White Form eIPO** service through the designated website at **www.eipo.com.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(3) If there is a tropical cyclone warning signal number 8 or above, a "black" rainstorm warning signal and/or Extreme Conditions in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, March 26, 2026, the application lists will not open and close on that day. See "How to Apply for Hong Kong Offer Shares—E. Severe Weather Arrangements."

(4) Applicants who apply for the Hong Kong Offer Shares via **HKSCC EIPO** channel should refer to "How to Apply for Hong Kong Offer Shares—A. Application for Hong Kong Offer Shares—2. Application Channels."

(5) The Price Determination Date is expected to be on or before Friday, March 27, 2026. If, for any reason, the Offer Price is not agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company by 12:00 noon on Friday, March 27, 2026, the Global Offering will not proceed and will lapse.

(6) The H Share certificates are expected to be issued on Monday, March 30, 2026 but will only become valid evidence of title provided that the Global Offering has become unconditional in all respects and neither of the Underwriting Agreements has been terminated in accordance with its terms, which is scheduled to be at around 8:00 a.m. on Tuesday, March 31, 2026. Investors who trade H Shares on the basis of publicly available allocation details before the receipt of H Share certificates and before they become valid evidence of title do so entirely of their own risk.

(7) None of the websites or any of the information contained on the websites forms part of this prospectus.

(8) Applicants being individuals who are eligible for personal collection must not authorize any other person to make collection on their behalf. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar. Applicants who have applied for Hong Kong Offer Shares through the HKSCC EIPO channel should refer to the paragraph headed "How to Apply for Hong Kong Offer Shares—D. Despatch/Collection of H Share Certificates and Refund of Application Monies" in this prospectus for details.

(9) Applicants who apply through the **White Form eIPO** service by paying the application monies through a single bank account, may have **White Form e-Refund** payment instructions (if any) dispatched to their application payment bank account. Applicants who apply through the **White Form eIPO** service by paying the application monies through multiple bank accounts, may have refund cheques in favor of the applicant (or, in the case of joint applications, the first-named applicant) sent to the address specified in their application instructions by ordinary post and at their own risk.

(10) **White Form e-Refund** payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications and in respect of wholly or partially successful applications if the Offer Price is less than the price per Offer Share payable on application.

The H Share certificates will only become valid evidence of title provided that the Global Offering has become unconditional in all respects and neither of the Hong Kong Underwriting Agreement nor the International Underwriting Agreement is terminated in accordance with its respective terms prior to 8:00 a.m. on the Listing Date. The Listing Date is expected to be on or about Tuesday, March 31, 2026. Investors who trade the H Shares on the basis of publicly available allocation details prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid evidence of title do so entirely at their own risk.

The above expected timetable is a summary only. Potential investors should read carefully "Underwriting," "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" for details relating to the structure and conditions of the Global Offering, procedures on the applications for Hong Kong Offer Shares and the expected timetable, including conditions, effect of bad weather and the dispatch of refund cheques and H Share certificates.

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This prospectus is issued by our Company solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares. This prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus for purposes of a public offering and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under applicable securities laws of such jurisdictions pursuant to registration with, or authorization by, the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus to make your investment decision. Our Company has not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorized by our Company, the Overall Coordinators, the Joint Global Coordinators, the Joint Sponsors, any of the Underwriters, any of our or their respective directors, officers, representatives, or affiliates, or any other person or party involved in the Global Offering. Information contained in our website, located at ***www.foursemi.com****, does not form part of this prospectus.*

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This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read the whole prospectus before you decide to invest in the Offer Shares. In particular, we are a specialist technology company seeking to list on the Main Board of the Hong Kong Stock Exchange under Chapter 18C of the Listing Rules because we are unable to meet the requirements under Rule 8.05(1), (2) or (3) of the Listing Rules. There are unique challenges, risks and uncertainties associated with investing in companies such as ours. In addition, we have incurred net losses since our inception, and we may incur net losses for the foreseeable future. We had net cash used in operating activities during the Track Record Period. We did not declare or pay any dividends during the Track Record Period and may not pay any dividends in the foreseeable future. Your investment decision should be made in light of these considerations.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk Factors" in this prospectus. You should read that section carefully in full before you decide to invest in the Offer Shares.

OVERVIEW

We are a provider of power amplifier audio chips and haptic drivers in China. We specialize in the design of low-power audio chips, mid/high-power audio chips and haptic drivers under a fabless model to offer a wide array of solutions for emerging application scenarios. According to the F&S report, by revenue in 2024, we ranked (1) fourth among power amplifier audio chip providers globally, (2) third among power amplifier audio chip providers in China, and (3) fifth among haptic driver providers in China.

Our portfolio of products empowers various industries, including consumer electronics and intelligent vehicles. We first introduced our power amplifier audio chip products for portable consumer electronics to optimize audio, create effects and protect speakers using our algorithms. When deployed, our power amplifier audio chip products receive the electrical signal input, analyze and preprocess the signal by filtering noise and strengthening the received signal, process the signal by amplifying electrical power, tunning audio signal based on scenario, convert the signal to code speaker driver movement while simultaneously enabling the speaker protection technologies. This allows users' devices to output the highest quality of audio, reduce power consumption, and protect the speakers to achieve device longevity.

With the success of our first power amplifier audio chip products, we expanded our product portfolio by adding a more powerful line of power amplifier audio chip products that are primarily for larger electronics and intelligent vehicles and a new line of chips that process haptic feedback to provide users with a diverse way of interacting with their devices. Our products are fundamental for devices to perceive operation scenarios accurately, respond to users dynamically and enhance human-device interaction. With our products, we have built deep technical expertise in these industries and believe we will benefit as new application scenarios continue to emerge, including smart displays, intelligent vehicles, AI-powered consumer electronics, and robotics, all of which present significant growth potential.

Our product innovation stems from our technological development. We have launched multiple China-first chip products under the trend of domestic substitution, with breakthroughs in algorithm and system architecture, low energy consumption, real-time processing, low distortion, and multi-scenario perception. In particular, we introduced China's first ASIC DSP-integrated portable power amplifier audio chips in 2017, China's first mid/high-power audio chip in 2021, and China's first automotive-grade AEC-Q100-certified power amplifier audio chip in 2023, according to the F&S report.

OUR PRODUCT OFFERINGS

Our products primarily consist of power amplifier audio chips. Power amplifier audio chips are integrated circuit modules based on mixed-signal design that incorporate some, or all of the following characteristics, including built-in or externally paired audio algorithms, digital input interfaces and integrated sound processing modules. Power amplifier chips leverage power control algorithms and audio processing algorithms to efficiently process audio signals and optimize output performance. They deliver low power consumption, high integration density and capabilities for intelligent control, catering to customized requirements of downstream industries. Power amplifier chips have extensive applications (1) in consumer electronics and smart home devices including smartphones, tablets, smart

wearables, smart displays, and smart speakers, and (2) in automotive systems such as automotive audio systems and displays. Our products are capable of processing in-cabin acoustic data including voice commands, infotainment system output, AVAS warning sounds, and T-BOX audio system communications but do not receive voice command inputs.

Our products include (1) low-power audio chips, comprising two major types, namely, our adaptive power control audio chips and portable power amplifier audio chips; (2) mid/high-power audio chips; (3) haptic drivers; and (4) others, comprising power management chips. In 2024, we delivered more than 400 million units of power amplifier audio chips in China, and more than 450 million units of power amplifier audio chips globally, according to the F&S report.

The following table sets forth a breakdown of our revenue by product line for the years indicated.

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in thousands, except for percentages)									
							(unaudited)			
Low-power audio chips	126,370	97.0	140,645	93.5	322,908	90.9	260,760	90.3	255,455	91.0
— Adaptive power control audio chips	*82,529*	*63.3*	*104,379*	*69.5*	*172,329*	*48.5*	*146,073*	*50.6*	*144,997*	*51.6*
— Portable power amplifier audio chips	*43,841*	*33.6*	*36,266*	*24.1*	*150,579*	*42.4*	*114,687*	*39.7*	*110,458*	*39.3*
Mid/high-power audio chips	3,957	3.0	8,662	5.8	26,707	7.5	23,612	8.1	20,596	7.3
Haptic drivers	—	—	984	0.7	5,332	1.5	4,277	1.5	3,702	1.3
Others[1]	—	—	—	—	248	0.1	183	0.1	1,025	0.4
Total	**130,327**	**100.0**	**150,291**	**100.0**	**355,195**	**100.0**	**288,832**	**100.0**	**280,778**	**100.0**

(1) Others primarily represent power management chips.

The following table sets forth our sales volume and ASP information by product line for the period indicated.

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Sales volume	ASP	Sales volume	ASP	Sales volume	ASP	Sales volume	ASP	Sales volume	ASP
	(ASP in RMB; units in thousands for sales volume)									
							(unaudited)			
Low-power audio chips	116,486	1.08	214,323	0.66	451,532	0.72	374,914	0.70	389,128	0.66
— Adaptive power control audio chips	*90,628*	*0.91*	*186,715*	*0.56*	*330,181*	*0.52*	*281,538*	*0.52*	*296,549*	*0.49*
— Portable power amplifier audio chips	*25,858*	*1.70*	*27,608*	*1.31*	*121,351*	*1.24*	*93,376*	*1.23*	*92,580*	*1.19*
Mid/high-power audio chips	1,771	2.23	3,266	2.65	11,739	2.28	10,708	2.21	9,964	2.07
Haptic drivers	—	—	1,006	0.98	5,845	0.91	4,678	0.91	4,173	0.89
Others[1]	—	—	—	—	1,026	0.24	726	0.26	1,866	0.55

(1) Others primarily represent power management chips.

The average selling price of low-power audio chips decreased from RMB1.08 per unit in 2022 to RMB0.66 per unit in 2023, primarily due to (i) the rapid increase in sales volume of adaptive power control audio chips, which generally have a lower ASP, and (ii) our strategic adoption of a more competitive pricing approach to prioritize market share expansion. Sales volume of low-power audio chips increased significantly from 214.3 million units in 2023 to 451.5 million units in 2024, driven by overall business growth and an enriched product portfolio. The average selling price of mid/high-power

amplifier audio chips increased from RMB2.23 per unit in 2022 to RMB2.65 per unit in 2023, primarily due to significantly increased customer demand for certain higher-priced models of the FS21 series. The ASP decreased to RMB2.28 per unit in 2024 as demand for other models with lower unit prices increased.

The following table sets forth a breakdown of our gross profit and gross profit/(loss) margin by product type for the periods indicated.

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	Gross profit/(loss) margin (%)	Amount	Gross profit/(loss) margin (%)	Amount	Gross profit margin (%)	Amount	Gross profit margin (%)	Amount	Gross profit margin (%)
	(RMB in thousands, except for percentages)									
							(unaudited)			
Before impairment loss of inventories										
Low-power audio chips	21,526	17.0	3,859	2.7	40,869	12.7	32,342	12.4	49,967	19.6
— Adaptive power control audio chips	*15,651*	*19.0*	*1,546*	*1.5*	*18,979*	*11.0*	*12,482*	*8.5*	*25,799*	*17.8*
— Portable power amplifier audio chips	*5,875*	*13.4*	*2,313*	*6.4*	*21,890*	*14.5*	*19,860*	*17.3*	*24,168*	*21.9*
Mid/high-power audio chips	(29)	(0.7)	3,336	38.5	4,832	18.1	6,167	26.1	4,664	22.6
Haptic drivers	—	—	518	52.6	3,448	64.7	2,789	65.2	2,323	62.7
Others	—	—	—	—	39	15.7	32	17.5	688	67.1
Subtotal	**21,497**	**16.5**	**7,713**	**5.1**	**49,188**	**13.8**	**41,330**	**14.3**	**57,642**	**20.5**
Less: impairment losses on inventories	(12,018)		(7,837)		(2,632)		(2,509)		(1,585)	
Total	**9,479**	**7.3**	**(124)**	**(0.1)**	**46,556**	**13.1**	**38,821**	**13.4**	**56,057**	**20.0**

Note:

(1) We present impairment losses on inventories as a separate line item to provide a clearer view of our gross profit margin by product type. Inventories are stated at the lower of cost and net realizable value. Net realizable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal. Management estimates the net realizable value for such inventories based primarily on the latest invoice prices and current market conditions. The impairment losses on inventories requires the use of estimates. Where the expectation is different from the original estimate, such difference will have an impact on the carrying value of inventories and the write-down of inventory amount in the year in which such estimates have been changed. By separating impairment losses, we differentiate the impact of these inventory valuation adjustments—which are estimates inherently subject to market volatility and may not reflect actual future outcomes—from the underlying operational profitability of our products.

Our gross profit margin demonstrated significant improvement in 2024 and continued to strengthen in the ten months ended October 31, 2025. In 2024, the improvement in gross profit margin for our audio chips was primarily attributable to the realization of economies of scale. This was driven by a substantial increase in our revenue, which grew from RMB150.3 million in 2023 to RMB355.2 million. This enhanced scale and market recognition contributed significantly to improved profitability. Furthermore, a favorable shift in our product mix towards higher-margin offerings, particularly the increased revenue contribution from portable power amplifier audio chips within the portable audio segment, and a rise in the proportion of mid/high-power audio chips, supported the margin expansion. Concurrently, the realization of economies of scale, strengthened supplier bargaining power, and product upgrade effectively reduced the per-unit cost of our chips from RMB0.69 in 2023 to RMB0.66 in 2024. In the ten months ended October 31, 2025, the gross profit margin for audio chips saw further enhancement. This was largely driven by a continued optimization of the product mix, evidenced by the increased revenue contribution from higher-margin portable power amplifier audio chips within the portable audio segment.

The following table sets forth the revenue breakdown by downstream applications and the gross profit and gross profit margin of each for the periods indicated.

	Year ended December 31,									Ten months ended October 31,		
	2022			2023			2024			2025		
Product Category	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin
	(RMB in thousands, except for percentages)											
Mobile phone	110,759	18,204	16.4%	113,143	5,006	4.4%	212,583	33,197	15.6%	162,738	31,796	19.5%
Tablet	14,216	3,031	21.3%	14,759	1,234	8.4%	87,892	7,911	9.0%	82,926	15,913	19.2%
Speaker	336	127	37.8%	—	—	—	12,427	4,116	33.1%	11,896	3,596	30.2%
Television	2,897	(252)	(8.7%)	1,230	175	14.3%	9,992	854	8.5%	7,505	1,183	15.8%
Smart watch	1,485	372	25.1%	3,109	522	16.8%	5,690	1,183	20.8%	6,495	2,522	38.8%
Vehicle	—	—	—	—	—	—	—	—	—	899	426	47.4%
Camera	—	—	—	—	—	—	—	—	—	200	56	28.0%
All-in-one PC	159	(118)	(74.1%)	585	145	24.7%	147	40	27.1%	80	25	31.3%
Others	475	133	27.8%	17,465	631	3.6%	26,464	1,887	7.1%	8,039	2,125	26.4%
Allowance for impairment		(12,018)			(7,837)			(2,632)			(1,585)	
Total	130,327	9,479	7.3%	150,291	(124)	(0.1%)	355,195	46,556	13.1%	280,778	56,057	20.0%

(1): Others primarily includes projectors, dictionary pens, headphones and a small portion of revenue that cannot be accurately classified.

(2): Above are our estimates of our end customers intended applications based on the chip model's specifications. We have no control over, or knowledge of, how end customers ultimately apply these chips.

Our gross profit margin for mobile phone applications decreased from 16.4% in 2022 to 4.4% in 2023, primarily due to our strategic adoption of a more competitive pricing approach to prioritize market share expansion, which lowered the average selling price of our low-power audio chips. The margin subsequently recovered to 15.6% in 2024 and further to 19.5% in the ten months ended October 31, 2025, driven by economies of scale, a favorable shift in product mix towards higher-margin portable power amplifier audio chips, and reduced per-unit costs through product update.

Low-power audio chips

Our low-power audio chips can be classified into two types based on their features, namely adaptive power control audio chips and portable power amplifier audio chips. Our adaptive power control audio chips focus on power control by dynamically adjusting input and output signals in real time using our algorithms to match acoustic environment. Our portable power amplifier audio chips focus on detecting speaker's current and voltage in real time using our algorithms to control power output. Our low-power audio chips deliver a blend of performance, efficiency, and adaptability across a wide range of applications. As of the Latest Practicable Date, we had three major low-power audio chip series, forming a robust portfolio that addresses diverse market segments.

Our gross profit from low-power audio chips (before impairment losses on inventories) increased significantly from RMB3.9 million in 2023 to RMB40.9 million in 2024, and our gross profit margin for low-power audio chips increased from 2.7% in 2023 to 12.7% in 2024, primarily due to the increases in gross profit margin of both our adaptive power control audio chips from 1.5% in 2023 to 11.0% in 2024 and portable power amplifier audio chips from 6.4% in 2023 to 14.5% in 2024. Our gross profit from and gross profit margin for low-power audio chips (before impairment losses on inventories) decreased significantly from RMB21.5 million and 17.0% in 2022 to RMB3.9 million and 2.7% in 2023, respectively, primarily due to our decreased average selling price of adaptive power control audio chips from RMB0.91 per unit to RMB0.56 per unit, and our decreased average selling price of portable power amplifier audio chips from RMB1.70 per unit to RMB1.31 per unit. This downward was mainly attributable to our strategic adoption of a relatively more competitive pricing approach to prioritize market share expansion. Our gross profit from low-power audio chips increased

by 54.5% from RMB32.3 million for the ten months ended October 31, 2024 to RMB50.0 million for the ten months ended October 31, 2025, primarily due to a reduction in the cost structure of our adaptive power control audio chips achieved through product iteration, combined with a higher revenue contribution from the higher-margin power amplifier (PA) product category, collectively driving an increase in the overall gross profit margin for our low-power audio chips. Our gross profit margin of low-power audio chips increased from 12.4% in the ten months ended October 31, 2024 to 19.6% in the ten months ended October 31, 2025. The gross profit margin improvements were mainly attributable to (i) economies of scale and enhanced supply chain stability, which lowered our materials and processing cost; (ii) a higher sales contribution from portable power amplifier audio chips, which had relatively high gross profit margins compared to adaptive power control audio chips.

Mid/high-power audio chips

Mid/high-power audio chips, including automotive-grade power amplifier audio chips, amplify and drive audio signals with output power exceeding 10W. Our product design for mid/high-power audio chips prioritizes heat dissipation and electromagnetic interference mitigation to ensure sustained performance in compact, power-dense environments. We launched China's first mid-power amplifier audio chip, FS2119, in 2021. The FS2119 series has since achieved mass production and has been widely adopted in multiple branded televisions and audio systems. As of the Latest Practicable Date, we had three major mid/high-power audio chip series, establishing a comprehensive suite targeting various industries, such as consumer electronics and intelligent vehicles.

Our gross profit from mid/high-power audio chips increased by 44.8% from RMB3.3 million in 2023 to RMB4.8 million in 2024, primarily due to the rapid increase in sales volume from approximately 3.3 million in 2023 to 11.7 million in 2024, driven by our overall business growth in 2024. Our gross profit margin for mid/high-power audio chips decreased from 38.5% in 2023 to 18.1% in 2024. Our mid/high-power audio chips realized a significant increased from a gross loss of RMB29 thousand in 2022 to a gross profit of RMB3.3 million in 2023. Our gross profit margin for mid/high-power audio chips increased to 38.5% in 2023. Our gross profit from mid/high-power audio chips decreased by 24.4% from RMB6.2 million for the ten months ended October 31, 2024 to RMB4.7 million for the ten months ended October 31, 2025, primarily due to lower sales volume and consequently reduced gross profit from the FS2105 series, as we strategically reallocated resources towards the development and promotion of newer product models, resulting in reduced sales efforts for the FS2105 series.

The gross profit margin for our mid/high-power audio chips experienced notable fluctuations during the Track Record Period. The product line achieved a significant turnaround from a gross loss position in 2022 to a gross profit margin of 38.5% in 2023. This initial surge was largely due to the product moving beyond its initial trial production phase, which involved relatively high costs that were not indicative of its ongoing cost structure, combined with successful market entry supported by our technical advantages. However, the gross profit margin for this product line decreased to 18.1% in 2024. This decrease was primarily a result of a deliberate strategic decision to adopt a more competitive pricing approach for certain models to accelerate market share expansion, which temporarily compressed the average selling price and consequently the margin. The margin for specific high-performance models, such as the FS2105 series developed for speaker applications, remained robust during the Track Record Period. For the ten months ended October 31, 2025, the FS2105 series maintained an average selling price of RMB2.02 and a gross profit margin of 23.8%.

Haptic drivers

Our haptic drivers are chips deployed in smartphones, smart wearables, tablets and portable gaming consoles that operates in reaction to user inputs. When the user operates the device, the haptic driver receives electrical signal inputs including the user's pressing speed and force amplitude and determines the necessary reaction to the user input and converts signal to drive the motor coils which vibrates to return a tactile sensation using our algorithms, enhancing user-device interaction. We integrated technologies including temperature detection, over current protection, short-circuit protection and LRA drive (a drive that uses audio-like waveforms to generate vibration in sync with sound) and

diagnostics to protect the motor coil for the longevity of the device. In 2024, we delivered more than five million units of haptic drivers and ranked fourth in the China's haptic driver market in terms of total shipment volume, according to the F&S report. As of the Latest Practicable Date, our haptic driver product series, FS30, has been widely adopted in smartphones, smart wearables, tablets and gaming accessories.

Our gross profit from haptic drivers increased significantly from RMB0.5 million in 2023 to RMB3.5 million in 2024, primarily driven by our overall business growth in 2024. Our gross profit margin for haptic drivers increased from 52.6% in 2023 to 64.7% in 2024.

The significant increase in the gross profit margin for haptic drivers from 52.6% in 2023 to 64.7% in 2024 was substantially driven by the effective execution of our cross-selling strategy. We cross-sold haptic drivers to our customers specializing in smart watch and smart phone manufacturing. Following their commercial launch in 2023, we leveraged our established customer base and extensive market coverage in the power amplifier audio chip sector to promote our haptic drivers. This strategic cross-selling initiative facilitated rapid sales volume growth, which increased from approximately 1.0 million units in 2023 to 5.8 million units in 2024. The increased production volume associated with this sales growth allowed for better absorption of fixed costs and contributed to the improved margin. Furthermore, the initial margin in 2023 was not fully indicative of the product's potential profitability, as it reflected early-stage launch costs. As sales scaled and operational efficiencies were realized in 2024, the gross profit margin normalized at a higher, more sustainable level, underscoring the success of integrating haptic drivers into our broader product portfolio and sales strategy.

COMMERCIALIZATION

We primarily engaged in the design and development of semiconductor chips. Our Directors are of the view that, and as advised by Frost & Sullivan, all of our products fall within an acceptable sector of a Specialist Technology Industry as defined under Chapter 18C of the Listing Rules, namely paragraph (b) of the "Advanced hardware and software — Semiconductors" sector as set forth under Chapter 2.5 of the Guide, as we are engaged in the research and development, logic and physical design, validation and verification of our power amplifier audio chips, haptic drivers and power management chips, which are all semiconductor chips. We have adopted a transaction-based model for the sales of our products.

COMPETITIVE STRENGTHS

We believe that the following competitive strengths contribute to our success and differentiate us from our competitors: (1) recognized power amplifier audio chip provider, (2) constant technology breakthroughs and product innovations driving growth, (3) integration with global customers' ecosystem and collaborative relationships, (4) multifaceted quality management and reliable supply chain system, and (5) seasoned management and research and development team with profound industry expertise.

GROWTH STRATEGIES

We intend to pursue the following key strategies to grow our business sustainably and maintain our market position: (1) strengthening research and development in power amplifier audio chips, (2) diversifying product portfolio and broaden customer base in key application scenarios, (3) building an ATE testing platform to strengthen supply chain stability, (4) fortifying our sales network to expand global reach, and (5) pursuing strategic alliances, investments and acquisitions to integrate industry resources.

OUR CORE TECHNOLOGIES

The power amplifier audio chip industry is characterized by rapid technological evolution and intense market competition. Leveraging our strong R&D capabilities, we continuously launch new products while necessitating sustained R&D investments to drive innovation, advancing manufacturing processes, and meeting market demands efficiently. Our core technologies include, among others, (1) audio processing and protection algorithms, (2) application-specific integrated circuit digital signal

processor (ASIC DSP) technology, (3) wide frequency response technology, (4) dynamic range enhancement technology, and (5) smart amplifier protection control circuits and algorithms. See "Business—Our Core Technologies" for details.

RESEARCH AND DEVELOPMENT

Through years of R&D efforts, we have built expertise in the field of power amplifier audio chips and haptic drivers. We continuously expand our product portfolio, updating existing products and introducing cost-effective new solutions to enhance competitiveness. During the Track Record Period, our research and development costs were RMB48.7 million, RMB59.3 million, RMB68.1 million, RMB55.1 million and RMB55.7 million in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively, representing 57.7%, 60.2%, 62.7%, 61.9% and 53.0% of our annual total operating expenditure in the respective periods.

We have not in-licensed any material intellectual property rights or outsourced any material research and development processes to third parties. During the Track Record Period and up to the Latest Practicable Date, we performed all material R&D of our products in house. We had assembled a research and development team of 91 members, accounting for 61.1% of our workforce, as of the Latest Practicable Date.

INTELLECTUAL PROPERTY RIGHTS

We believe that our intellectual property rights are critical to our continued success. We have taken the following key measures to protect our intellectual property rights, including (1) establishing a set of internal policies to implement effective management over our intellectual property rights, (2) timely registration, filing and application for the ownership of our intellectual properties, (3) providing trainings to enhance employees' intellectual property right awareness and to ensure our intellectual property protection measures' long-term effectiveness, and (4) stipulating and emphasizing the ownership and protection of intellectual properties in the employment agreements and employee handbook.

As of the Latest Practicable Date, we had 32, two and one registered patents in China, the U.S. and Europe, respectively, including 32 invention patents and three utility model patents, and filed 21 patent applications in China and one patent application in the U.S. which were pending approval. All of our patents are self-owned and not licensed by third-parties. Our Directors confirm that we did not have any material disputes or any other pending material legal proceedings of intellectual property rights with third parties as of the Latest Practicable Date.

OUR SALES NETWORK

During the Track Record Period, we sold our products in mainland China and Hong Kong. One of our customers in Hong Kong is a subsidiary of one of the largest consumer electronics multinational corporations headquartered in South Korea. We sold our products primarily through distributors, and, to a much lesser extent, through direct sales. We have 11, 9, 13 and 11 distributors as of December 31, 2022, 2023, 2024 and October 31, 2025.

The following table sets forth a breakdown of our revenue by distribution channels for the periods indicated.

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in thousands, except for percentages)									
							(unaudited)			
Distributorship	125,249	96.1	129,558	86.2	324,632	91.4	266,526	92.3%	239,251	85.2%
Direct sales	5,078	3.9	20,733	13.8	30,563	8.6	22,306	7.7%	41,527	14.8%
Total	**130,327**	**100.0**	**150,291**	**100.0**	**355,195**	**100.0**	**288,832**	**100.0%**	**280,778**	**100.0%**

The following table sets forth a breakdown of our gross profit and gross profit margin by distribution channels for the periods indicated.

	Year ended December 31,						Ten months ended October 31,	
	2022		2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	(RMB in thousands, except for percentages)							
Distributor	23,139	18.5%	6,139	4.7%	43,146	13.3%	45,623	19.1%
Direct Sale	(1,642)	(32.3%)	1,574	7.6%	6,042	19.8%	12,019	28.9%
Impairment losses	(12,018)		(7,837)		(2,632)		(1,585)	
Total	9,479	7.3%	(124)	(0.1%)	46,556	13.1%	56,057	20.0%

The gross loss from direct sales in 2022 was primarily attributable to the relatively small scale of our direct sales operations in 2022, and such limited scale resulted in high unit costs.

Our product requires our sales force to possess domain-specific competencies. We prioritize this requirement during recruitment, for example, by requiring our sales personnel to have relevant academic backgrounds, such as in electronics. We provide regular training sessions to maintain our sales team's technical proficiency and require them to participate in technical discussions alongside engineers to deepen their understanding of our products. To encourage and incentivize our sales force, we have implemented a compensation structure that combines a fixed salary with performance-based assessments and special incentives.

We sell our products primarily through distributors and, to a lesser extent, through direct sales. In a typical distributor sale, we initially engage with the end customer to conduct technical validation and negotiate commercial terms. Upon confirming the customer's requirements, a distributor may be engaged to fulfill orders upon mutual agreement with the end customers. In other cases, we may supply our products to distributors where the end customer typically requests standard, mature product models that require minimal or no customization and thus do not entail significant customization costs. The distributor purchases products from us, handles logistics and payment settlement, and assumes the credit risk, allowing us to focus on research and development while ensuring efficient delivery and stable cash flow. We sell directly to certain end customers to build strategic relationships, facilitate technical collaboration, and capture opportunities in new application areas. See "Business—Sales and Marketing—Our Sales Network" for details.

SUPPLIERS

Under our fabless model, we outsource wafer fabrication, chip packaging and all testing activities for mass production to third-party business partners. Our primary procurement include (1) wafers from wafer foundry located in China, Japan and South Korea, and (2) chip packaging and testing services located in China. To a much lesser extent, we also procure certain equipment, such as testing equipment, and research materials, as well as other services that facilitate the design of our products, such as tape-out and multi-project wafer services.

Our suppliers primarily consist of (1) foundries and (2) chip packaging and testing service providers. In 2022, 2023, 2024 and the ten months ended October 31, 2025, purchases from our top five suppliers for each period during the Track Record Period accounted for 89.1%, 91.9%, 93.9% and 93.5% of our total purchase amount of such period, respectively, and the purchase from our largest supplier for each period during the Track Record Period accounted for 31.5%, 62.0%, 52.7% and 33.7% of our total purchase amount in the same periods, respectively.

CUSTOMERS

Our customers include distributors and direct sales customers, including manufacturers for mobile phones, tablets, wearables, televisions, automotive electronics and vehicles. In 2022, 2023, 2024 and the ten months ended October 31, 2025, revenue generated from our top five customers for each period

during the Track Record Period accounted for 93.0%, 78.6%, 83.0% and 88.2% of our total revenue of such period, respectively, and revenue generated from our largest customer for each period during the Track Record Period accounted for 32.7%, 23.7%, 30.3% and 30.5% of our total revenue in the same periods, respectively. We typically settle payments with our top five customers by bank transfer. See "Business—Customers" for details.

MARKET OPPORTUNITY AND COMPETITION

The power amplifier audio chip industry is highly competitive and the industry is growing rapidly. Rapid growth in the industry is primarily driven by rising demand for advanced audio interaction in consumer electronics and the accelerating upgrade of in-vehicle audio systems in intelligent vehicles. According to the F&S report, the market size of China's power amplifier audio chip market has grown from RMB28.0 billion in 2020 to RMB41.6 billion in 2024, at a CAGR of 10.4%. In the future, as the level of intelligence in core downstream scenarios increases, the power amplifier audio chip market is projected to reach RMB48.2 billion in 2025 and grow to RMB87.0 billion by 2029, at a CAGR of 15.9%.

In recent years, the market size of the global power amplifier audio chip industry has continued to grow. In terms of total revenue, the global power amplifier audio chip market size has grown from RMB5.3 billion in 2020 to RMB8.9 billion in 2024, with a CAGR of 13.6% during the period, according to the F&S report. Driven by technological advancements and the further expansion of downstream applications, the global power amplifier audio chip industry is expected to reach RMB20.4 billion by 2029, with a CAGR of 18.1%. Among which, driven by the strong demand from the consumer electronics and intelligent vehicle industries, China's power amplifier audio chip market is growing faster than the global market. In terms of total revenue, the power amplifier audio chip market size in China has grown from RMB2.4 billion in 2020 to RMB4.1 billion in 2024, with a CAGR of 14.9% during the period. Driven by technological advancements and the further expansion of downstream applications, the market size of China's power amplifier audio chip industry is expected to grow steadily to RMB9.9 billion by 2029, with a CAGR of 19.4%.

RISKS AND CHALLENGES

We only met the revenue requirement as set out in Rule 18C.03(4) of the Listing Rules in 2024 following our revenue growth during the Track Record Period. In addition, we recorded net losses since our inception and expect to continue to incur net losses in the short term after the Track Record Period. We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into (1) risks relating to our general operations and industry, (2) risks relating to the research and development and intellectual property rights of our products, (3) risks relating to our financial condition and need for additional capital, (4) risks relating to doing business in the jurisdictions where we operate, and (5) risks relating to the Global Offering.

We are also subject to inventory obsolescence risk. As of October 31, 2025, our inventories amounted to RMB129.6 million, and our inventory turnover days were 163.4 days for the ten months ended October 31, 2025. Due to the rapid technological evolution and intense market competition in the semiconductor industry, if we fail to accurately forecast customer demand or if market conditions change, we may be exposed to the risk of excess or obsolete inventory. This could result in material inventory write-downs, which would adversely affect our gross profit margin, liquidity, and financial condition.

International Sanctions

Based on the facts and information provided by us, our Sanction Counsel is of the view that, as of the Latest Practicable Date, we have not engaged in any activities that, to our knowledge and based on our assessment, would constitute a violation of applicable U.S. primary or secondary sanctions laws, or comparable international sanctions regimes. In particular, we do not operate in, nor maintain direct customer relationships with parties located in, or affiliated with, comprehensively sanctioned jurisdictions such as Iran, North Korea, or Russia.

See "Business — Legal Proceedings and Compliance — International Sanction" for details.

U.S. Tariffs

We currently do not engage in direct export activities to the U.S. market, and therefore our products are not subject to U.S. tariffs. Although there are potential knock-on effects from U.S.-China trade frictions and demand fluctuations in sectors like electric vehicles and semiconductors, to date, we have not experienced material order cancellations, significant revenue shortfalls, or operational disruptions due to U.S. tariff policy volatility. Therefore, as of the Latest Practicable Date, the overall impact of U.S. tariff policies on our business operations and financial performance remains limited and controllable.

U.S. Outbound Investment Program

On October 28, 2024, the Department of the Treasury issued the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the "**Final Rule**"). Our products do not meet or exceed the performance parameters specified under Export Control Classification Number 3A090.a in Supplement No. 1 to 15 C.F.R. Part 774, nor are they designed for operation at or below 4.5 Kelvin, as described in 31C.F.R. § 850.224(c). Based on the above information, our Sanction Counsel is of the view that, our chip design business constitutes a "covered activity" under 31C.F.R. § 850.208 and § 850.217(a), which only triggers "Notifiable Transactions Requirement" and this does not constitute a prohibited transaction under the Final Rule.

Neither we nor our Sanction Counsel are advising investors on compliance with the Final Rule, any investor that is uncertain about the Final Rule's application should consult its own counsel.

See "Risk Factors — Risks Relating to our General Operations and Industry — We may be subject to the risks associated with international trade policies, geopolitics and trade protection measures, including imposition of trade restrictions and sanctions, and our reputation, business, results of operations and financial condition could be adversely affected." for details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary of our financial information for the Track Record Period, and should be read together with the consolidated financial statements in the Accountants' Report set out in Appendix I to this prospectus, including the accompanying notes and the information set forth in "Financial Information." Our consolidated financial information was prepared in accordance with IFRS Accounting Standards.

Summary of Consolidated Statements of Profit or Loss

The following tables set forth summary of our consolidated statements of profit or loss for the Track Record Period, and should be read together with the consolidated financial statements in the Accountants' Report set out in Appendix I to this prospectus, including the accompanying notes and the information set forth in "Financial Information." Our consolidated financial information was prepared in accordance with the IFRS.

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
	(RMB in thousands, except for percentages)									
							(unaudited)			
Revenue	**130,327**	**100.0**	**150,291**	**100.0**	**355,195**	**100.0**	**288,832**	**100.0**	**280,778**	**100.0**
Cost of sales	(120,848)	(92.7)	(150,415)	(100.1)	(308,639)	(86.9)	(250,011)	(86.6)	(224,721)	(80.0)
Gross profit/(loss)	**9,479**	**7.3**	**(124)**	**(0.1)**	**46,556**	**13.1**	**38,821**	**13.4**	**56,057**	**20.0**
Loss before tax	**(65,899)**	**(50.6)**	**(94,130)**	**(62.6)**	**(56,844)**	**(16.0)**	**(46,876)**	**(16.2)**	**(51,776)**	**(18.4)**
Income tax expense	(3)	(0.0)	—	—	—	—	—	—	—	—
Loss for the year	**(65,902)**	**(50.6)**	**(94,130)**	**(62.6)**	**(56,844)**	**(16.0)**	**(46,876)**	**(16.2)**	**(51,776)**	**(18.4)**

For details on the accounting treatment of redemption rights of pre-IPO investments, see "— Share Capital and Total Equity" below and note 26 to the Accountants' Report set out in Appendix I to this prospectus. See note 28 to the Accountants' Report in Appendix I to this prospectus for further details of the financial impacts.

NON-IFRS MEASURE

To supplement our consolidated financial statements, which are presented in accordance with IFRSs, we also use adjusted loss (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRSs.

We define adjusted loss (non-IFRS measure) as loss, excluding share-based payments and listing expenses. We have made the following adjustment consistently during the Track Record Period.

- Share-based payments represent the non-cash employee benefit expenses incurred in connection with our award to key employees. Such expenses in any specific period are not expected to result in future cash payments.
- Listing expenses represent the costs incurred in connection with our initial public offering on the Hong Kong Stock Exchange. Such expenses in any specific period are not expected to result in future cash payments after completion of the listing process.

The following table reconciles our loss for the year/period presented in accordance with IFRSs to adjusted loss (non-IFRS measure).

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
			(RMB in thousands)		
				(unaudited)	
Loss for the year/period	(65,902)	(94,130)	(56,844)	(46,876)	(51,776)
Add:					
Share-based payments	7,824	7,843	7,843	6,536	6,079
Listing expenses	—	—	—	—	12,529
Adjusted loss (non-IFRS measure)	**(58,078)**	**(86,287)**	**(49,001)**	**(40,340)**	**(33,168)**

We believe that the adjusted loss (non-IFRS measure) would provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our non-IFRS measure does not have a standardized meaning prescribed by IFRS Accounting Standards, and our presentation of adjusted loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of adjusted loss (non-IFRS measure) has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

Our revenue increased from 2022 to 2024, primarily driven by (1) the increase in revenue from sales of our adaptive power control audio chips in 2023, mainly resulting from our market share expansion strategy through more competitive pricing and a diversified product portfolio, and (2) the overall business growth in 2024, primarily driven by the increases in sales volume across all product lines. Our revenue remained relatively stable at RMB288.8 million in the ten months ended October 31, 2024 and RMB280.8 million in the ten months ended October 31, 2025.

Our cost of sales increased by 24.5% from RMB120.8 million in 2022 to RMB150.4 million in 2023, primarily due to an increase in material and processing costs driven by the rapid growth in sales volume of our audio chip products, partially offset by a decrease in impairment loss of inventories. Our cost of sales increased significantly from RMB150.4 million in 2023 to RMB308.6 million in 2024, primarily due to an increase in cost of goods sold, which is consistent with our overall business growth

in 2024. Our cost of sales decreased by 10.1% from RMB250.0 million for the ten months ended October 31, 2024 to RMB224.7 million for the ten months ended October 31, 2025, which was primarily due to the improved economies of scale, reductions in chip size achieved through sustained research and development and the lowered market procurement cost, driven by intense price competition in the mature-process node segment.

During the Track Record Period, we primarily generated revenue from the sales of low-power audio chips and mid/high-power audio chips, and to a much lesser extent, from the sales of haptic drivers. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, our revenue was RMB130.3 million, RMB150.3 million, RMB355.2 million, RMB288.8 million and RMB280.8 million, respectively. Our revenue increased from 2022 to 2024, primarily driven by (i) the increase in sales of our adaptive power control audio chip in 2023, mainly resulting from our market share expansion strategy through more competitive pricing and a diversified product portfolio, and (ii) the overall business growth in 2024, primarily driven by the increases in sales volume across all product lines.

In 2022, 2024 and the ten months ended October 31, 2024 and 2025, our gross profit was RMB9.5 million, RMB46.6 million, RMB38.8 million and RMB56.1 million, representing gross profit margin of 7.3%, 13.1%, 13.4% and 20.0%, respectively. In 2023, we recorded a gross loss of RMB0.1 million. This temporary decline was primarily attributable to a strategic initiative to accelerate market share growth through a more competitive pricing strategy in response to intensifying competition in the power amplifier audio chip sector, successfully driving a notable increase in sales volume, particularly for our low-power audio chips.

The fluctuations in gross profit margin across our product lines during the Track Record Period were primarily driven by a combination of factors including economies of scale, product mix optimization, and strategic pricing initiatives. The overall upward trend in gross profit margin was consistent across our key product lines, supported by our expanding market presence and operational efficiencies.

In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, we incurred net loss of RMB65.9 million, RMB94.1 million, RMB56.8 million, RMB46.9 million and RMB51.8 million, respectively. The net loss increased significantly in 2023 primarily due to a strategic initiative that employed competitive pricing to accelerate market share growth, which temporarily compressed gross profit. The loss narrowed in 2024 as revenue scaled considerably, allowing the Group to benefit from economies of scale, a more favorable product mix, and improved operational leverage. This trend of improving gross profit continued into the ten months ended October 31, 2025. However, net loss for the ten months ended October 31, 2025 increased, as the result of the increased administrative expenses, which included one-off listing costs, and higher finance costs associated with business expansion. Our ongoing investment in research and development also continued to impact profitability during the Track Record Period.

See “Financial Information—Key Components of Our Consolidated Statements of Profit or Loss” for detailed discussion of our consolidated statements of profit or loss items during the Track Record Period.

Summary of Consolidated Statements of Financial Position

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

	As of December 31,			As of October 31,
	2022	2023	2024	2025
	(RMB in thousands)			
Total current assets	280,871	243,012	280,549	289,850
Total current liabilities	57,494	106,800	138,887	163,892
Net current assets	**223,377**	**136,212**	**141,662**	**125,958**
Total assets less current liabilities	300,315	214,886	182,540	138,892
Total non-current assets	76,938	78,674	40,878	12,934
Total non-current liabilities	1,976	3,432	20,667	22,531
Net assets	**298,339**	**211,454**	**161,873**	**116,361**

For details on the accounting treatment of redemption rights of pre-IPO investments, see "— Share Capital and Total Equity" below and note 26 to the Accountants' Report set out in Appendix I to this prospectus. See note 28 to the Accountants' Report in Appendix I to this prospectus for further details of the financial impacts.

During the Track Record Period, the decline in net assets was primarily attributable to accumulated net losses incurred over the years. The decrease in net current assets during the Track Record Period, except for from as of December 31, 2023 to as of December 31, 2024, was driven by our Company's expanding revenue scale, which necessitated increased operating expense outlays. The increase in current liabilities exceeded the growth in current assets during the Track Record Period, except for from as of December 31, 2023 to as of December 31, 2024, resulting in the reduction of net current assets. Our net current assets increased from RMB136.2 million as of December 31, 2023 to RMB141.7 million as of December 31, 2024, primarily due to a rise in inventory, trade receivables, and prepayments, which outweighed the increase in trade payables. This growth consequently led to a rise in current liabilities, notably trade payables and short-term bank borrowings, to fund working capital requirements.

See "Financial Information — Discussion of Certain Balance Sheet Items" for detailed discussion of our consolidated statements of financial position items during the Track Record Period.

Net current assets decreased from RMB141.7 million as of December 31, 2024 to RMB126.0 million as of October 31, 2025. This decrease was primarily driven by an increase in interest-bearing bank borrowings to fund working capital requirements for business expansion. A decrease in non-pledged time deposits, resulting from the reclassification of certain deposits to support operations, also contributed to the reduction. These factors were partially offset by an increase in pledged time deposits. The overall change reflects the Group's strategic use of financing to support its growing operational scale, leveraging favorable credit terms extended by suppliers, and optimizing its accounts payable position.

Net assets decreased from RMB298.3 million as of December 31, 2022 to RMB211.5 million as of December 31, 2023, primarily due to the net loss incurred during the year. The decline in net assets continued to RMB161.9 million as of December 31, 2024, again driven by the net loss for that year, partially offset by share-based payments. The net loss for the ten months ended October 31, 2025 further reduced equity, although this was substantially offset by a reorganization of reserves resulting from our conversion into a joint stock company. The cumulative effect of net losses during the Track Record Period was the primary driver behind the overall decrease in net assets.

Summary of Consolidated Statements of Cash Flow

The following table sets forth a summary of our cash flows for the periods indicated.

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
			(RMB in thousands)		
				(unaudited)	
Operating loss before changes in working capital	**(48,832)**	**(73,914)**	**(42,594)**	**(33,944)**	**(32,157)**
Cash used in operations	**(106,847)**	**(91,382)**	**(84,634)**	**(54,159)**	**(58,238)**
Net cash used in operating activities	**(105,810)**	**(88,557)**	**(82,738)**	**(52,467)**	**(57,267)**
Net cash (used in)/from investing activities	(10,416)	(23,415)	19,894	19,975	32,322
Net cash from financing activities	204,395	32,556	18,676	4,444	34,435
Cash and cash equivalent at beginning of the year	92,233	182,899	105,325	105,325	66,075
Effects of exchange rate changes on cash and cash equivalents	2,497	1,842	4,918	2,553	(2,102)
Cash and cash equivalent at end of year	**182,899**	**105,325**	**66,075**	**79,830**	**73,463**

Net operating cash outflow persisted during the Track Record Period primarily due to operating losses incurred as we invested heavily in research and development and market expansion. The outflow was further amplified by continuous increases in working capital, specifically in trade receivables and inventories, to support our rapid revenue growth. As of October 31, 2025, the net operating cash outflow reflected these ongoing investments and the strategic maintenance of higher inventory levels to meet anticipated demand. We can improve our operating cash flow position by implementing more stringent credit control procedures to accelerate the collection of trade receivables. Furthermore, optimizing inventory management through enhanced demand forecasting will help reduce the cash conversion cycle and release working capital.

As of December 31, 2022, 2023, 2024 and October 31, 2025, we had cash and cash equivalents of RMB182.9 million, RMB105.3 million, RMB66.1 million and RMB73.5 million, respectively. As of December 31, 2022, 2023 and 2024 and October 31, 2025, our bank facilities available for use were nil, RMB65.0 million, RMB90.0 million and RMB170.0 million, respectively. As of the same dates, we had utilized nil, RMB36.6 million, RMB59.7 million and RMB99.9 million, respectively. We do not anticipate any changes to the availability of financing to fund our operations in the future.

Taking into account the financial resources available to us, including bank facilities, our Directors are of the view that, and the Joint Sponsors concur, we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this prospectus. We do not expect there would be any material increase in our costs or expenses of unusual nature which would materially and adversely affect our sufficiency of working capital in the same period.

Our cash burn rate refers to the average monthly (1) net cash used in operating activities, (2) purchases of items of property, plant and equipment, and (3) purchases of other intangible assets and (4) lease payments. Our historical cash burn rate was RMB10.3 million, RMB8.0 million, RMB7.3 million, RMB5.7 million and RMB6.0 million in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively, mainly representing our investment in R&D activities. We had cash and cash equivalents, unutilized bank facilities and current non-pledged time deposits of RMB73.5 million, RMB70.1 million, nil as of October 31, 2025, respectively. Assuming that no proceeds from the global offering are taken into account, that the average cash burn rate going forward will be RMB6.0 million, similar to the rate level in the ten months ended October 31, 2025, we estimate that our cash and cash equivalents, unutilized bank facilities and current non-pledged time deposits as of October 31, 2025 will be able to maintain our financial viability for 23.7 months, which means we are expected to maintain sufficient working capital until October, 2027. We estimate that we will receive net proceeds

of approximately HK$480.3 million after deducting the underwriting fees and expenses payable by us in the Global Offering, assuming no Over-allotment Option is exercised and assuming an Offer Price of HK$40.00 per Offer Share, being the low-point of the indicative Offer Price range in this prospectus, if we also take into account our intended use of proceeds for future expansion plans, including the establishment of a new R&D center, potential acquisitions, and additional headcount increase, the estimated net proceeds from the Listing, 29.97 months, which means we are expected to maintain sufficient working capital until April, 2028. We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing, if needed, with a minimum buffer of 12 months. As at the Latest Practicable Date, we have no plan for the next round of financing. See "Financial Information—Liquidity and Capital Resources—Cash Flows" for detailed discussion of our cash flows and fluctuations during the Track Record Period.

KEY FINANCIAL RATIOS

The following table set forth our key financial ratios as of the dates or for the periods indicated.

	As of December 31,			As of October 31,
	2022	2023	2024	2025
Current ratio[(1)]	4.9	2.3	2.0	1.8
Quick ratio[(2)]	3.8	1.7	1.2	1.0
Gearing ratio[(3)]	11.8%	36.1%	61.3%	120.1%

(1) The calculation of current ratio is based on current assets divided by current liabilities as of period end.

(2) The calculation of quick ratio is based on current assets less inventories divided by current liabilities as of period end.

(3) The calculation of gearing ratio is based on our debt (being our interest-bearing bank borrowings, lease liabilities and redemption liabilities) divided by our total equity as of the respective dates and multiplied by 100%.

See "Financial Information—Key Financial Ratios" for details.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, (1) Mr. Xu controlled 32.76% of the voting power at the general meetings of our Company, comprising (i) 8.86% beneficially owned by him directly, (ii) 12.62% beneficially owned by Shanghai FourSemi Management, where Mr. Xu acted as its general partner, (iii) 7.07% beneficially owned by Xiamen FourSemi Management, where Mr. Xu acted as its general partner, and (iv) 4.21% beneficially owned by Xiamen FourSemi Chuangke, where Mr. Xu acted as its general partner; and (2) Mr. Liu controlled 2.52% of the voting power at the general meetings of our Company through the interests beneficially owned by him directly. Pursuant to the Concert Party Agreement, Mr. Liu irrevocably agreed to, among others, act in concert with Mr. Xu and follow his instructions in exercising his vote at the general meetings of our Company. Upon the Listing, Mr. Xu and Mr. Liu will control 31.50% of the voting power at the general meetings of our Company (assuming the Over-allotment Option is not exercised). Accordingly, Mr. Xu and Mr. Liu, together with Shanghai FourSemi Management, Xiamen FourSemi Management and Xiamen FourSemi Chuangke will be our controlling shareholders upon the Listing. See "History and Corporate Structure" and "Relationship with Our Controlling Shareholders" for details.

PRE-IPO INVESTMENTS

To fund our strategic growth and broaden our shareholder base, we have conducted several rounds of Pre-IPO Investments since the incorporation of our Company. See "History and Corporate Structure — Pre-IPO Investments" for details of the principal terms of our Pre-IPO Investments and the identity and background of our Pre-IPO Investors.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE UNDER CHAPTER 18C

We primarily engaged in the design and development of semiconductor chips. Our Directors are of the view that, and as advised by Frost & Sullivan, all of our products fall within an acceptable sector of a Specialist Technology Industry as defined under Chapter 18C of the Listing Rules, namely paragraph (b) of the "Advanced hardware and software—Semiconductors" sector as set forth under Chapter 2.5 of the Guide, as we are engaged in the research and development, logic and physical design, validation and verification of semiconductor chips. We have adopted a transaction-based model for the sales of our products. We have applied to the Listing Committee for the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the Conversion of Domestic Shares into H Shares, on the basis that, among other things, we satisfy the requirement under Rule 18C.03 of the Listing Rules as a Commercial Company (as defined in the Listing Rules) with reference to our expected market capitalization at the time of Listing, which, based on the Offer Price, exceeds HK$4 billion.

WAIVER AND EXEMPTIONS

See "Waivers from Strict Compliance with the Listing Rules and Exemption from Strict Compliance with the Companies (Winding Up And Miscellaneous Provisions) Ordinance" for details.

LISTING EXPENSES

We expect to incur a total of approximately RMB52.7 million (HK$59.7 million) of listing expenses in connection with the Global Offering, representing approximately 11.1% of the gross proceeds from the Global Offering (assuming an Offer Price of HK$45.0, being the mid-point of the indicative Offer Price range between HK$40.0 and HK$50.0, and assuming that the Over-allotment Option is not exercised), including (1) underwriting commissions, SFC transaction levy, Stock Exchange trading fees and AFRC transaction levy for all Offer Shares of approximately RMB19.1 million (HK$21.6 million), and (2) non-underwriting related expenses of approximately RMB33.6 million (HK$38.1 million), which consist of (i) fees and expenses of legal advisors and accountants of approximately RMB18.4 million (HK$20.8 million), and (ii) sponsor fee and other fees and expenses of approximately RMB15.2 million (HK$17.3 million). Approximately RMB30.8 million (HK$34.9 million) is expected to be charged to our consolidated statements of profit or loss, and approximately RMB21.9 million (HK$24.8 million) is expected to be deducted from equity. The listing expenses above are the best estimate as of the Latest Practicable Date and for reference only. The actual amount may differ from this estimate.

OFFERING STATISTICS

All statistics in the following table are based on the fact that (1) the Global Offering has been completed and 112,000,000 Offer Shares are issued pursuant to the Global Offering and (2) the Over-allotment Option is not exercised.

	Based on an Offer Price of HK$40.00 per H Share	**Based on an Offer Price of HK$50.00 per H Share**
Market Capitalization of our Shares[(1)]	HK$4,480.0 million	HK$5,600.0 million
Unaudited pro forma adjusted net tangible asset per Share[(2)]	HK$5.46	HK$6.49

(1) The calculation of market capitalization is based on 112,000,000 Shares expected to be in issue immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised).

(2) For the purpose of the unaudited pro forma financial information, considering the estimated impact related to the reclassification of redemption liabilities upon Listing, the unaudited pro forma adjusted net tangible assets attributable to the owners of the Company will be increased by RMB38,281,000, being the carrying amount of the redemption liabilities

as at October 31, 2025. The redemption rights will automatically terminate upon the Listing and the completion of the Global Offering. The carrying amount of the redemption liabilities is reclassified to equity upon the termination of the counterparty's redemption right. The amount that is reclassified to equity will be the carrying amount of the redemption liabilities on that date of the Global Offering.

(3) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company are arrived on the basis that 112,000,000 shares were in issue assuming that the Global Offering had been completed on October 31, 2025.

FUTURE PLANS AND USE OF PROCEEDS

We estimate that the net proceeds of the Global Offering, after deducting the estimated underwriting commissions and other fees and expenses payable by us in connection with the Global Offering, will be approximately HK$480.3 million, assuming an Offer Price of HK$45.00 per Offer Share (being the mid-point of the indicative range of the Offer Price of HK$40.00 to HK$50.00 per Offer Share), without the exercise of the Over-allotment Option.

We currently intend to use the net proceeds from the Global Offering for the purposes and in the amounts as set out below:

- approximately 46.8% of the net proceeds, or HK$224.6 million, will be used for establishing a new research and development center to enhance our R&D capabilities and technological competitiveness for power amplifier audio chips over the next five years;
- approximately 17.8% of the net proceeds, or HK$85.5 million, for procurement of automatic testing equipment and for construction of an in-house automatic testing verification line, as well as recruiting supply chain managing engineers;
- approximately 17.3% of the net proceeds, or HK$83.3 million, to pursue strategic acquisitions and partnerships to enhance our industry integration and strengthen our position in the power amplifier audio chip industry;
- approximately 8.1% of the net proceeds, or HK$38.9 million, for the marketing and sales of products; and
- approximately 10.0% of the net proceeds, or HK$48.0 million, for working capital and other general corporate purposes.

See "Future Plans and Use of Proceeds" for further information relating to our future plans and use of proceeds from the Global Offering, including the adjustment on the allocation of the proceeds in the event that the Offer Price is fixed at a higher or lower level compared to the midpoint of the estimated Offer Price range.

DIVIDENDS

We are a company incorporated under the laws of the PRC. During the Track Record Period, we did not declare or pay any dividends. Any dividends we pay will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restriction and other factors which our Directors consider relevant. Our shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. As advised by our PRC Legal Advisor, no dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We have not adopted any dividend policy and do not have predetermined dividend payout ratio. As of October 31, 2025, our Company did not have any distributable reserves.

BUSINESS SUSTAINABILITY AND PATH TO PROFITABILITY

Since our inception, we have developed a comprehensive portfolio of low-power audio chips, mid/high-power audio chips, and haptic drivers, enhanced by proprietary algorithms and customized application solutions to ensure optimal chip performance, which have been widely adopted across downstream sectors with strong demand. During the Track Record Period, we achieved continuous revenue growth through successful product development and launch, with our proactive efforts in product commercialization and market expansion significantly contributing to increased sales volume and revenue. Our revenue increased from RMB130.3 million in 2022 to RMB150.3 million in 2023, and further to RMB355.2 million in 2024. Our revenue remained relatively stable at RMB288.8 million for the ten months ended October 31, 2024 and RMB280.8 million for the ten months ended October 31, 2025.

Recognizing the increasing prevalence of power amplifier audio chips, we have strategically focused on expanding our sales network and enhancing R&D rather than pursuing immediate profitability, laying a solid foundation to capture future market opportunities. We have established sales and service teams in Shanghai, Shenzhen, Beijing, Xi'an, and South Korea to accelerate revenue growth. This multi-center operational structure enhanced operational efficiency, market penetration and client service efficiency, driving higher revenue. In addition, we have been continuously expanding our customer base into new sectors. With respect to low-power audio chips, we evolve from our initial focus on the mobile phone market to penetrate emerging segments such as tablets, smart watches, smart glasses, portable gaming devices, action cameras, and beyond. We secured collaborations in emerging consumer electronics segments. We have completed the supplier onboarding process and begun engagements with an enterprise in the global consumer drone market and a major global provider of walkie-talkies for business and industry, and a company in the global panoramic camera market, respectively. Further, through the launch of mid/high power amplifier audio chips, we have further expanded into the smart display market and automotive markets. We have commenced supplying to automotive electronics manufacturers and have secured a significant indicative order totaling RMB37.2 million from the world's leading producer of NEVs in 2024, with revenue recognition anticipated in 2026. On the other hand, we also established multi-product bundling services for our portable power amplifier audio chips, adaptive power control audio chips, mid/high-power audio chips and haptic drivers to our customers to integrate our products in their ecosystems. According to the F&S report, China's power amplifier audio chip market reached RMB41.6 billion in 2024 and is expected to reach RMB48.2 billion in 2025, and further to RMB87.0 billion by 2029, at a CAGR of 15.9%. See "Business — Business Sustainability and Path to Profitability" for further details of our measures to improve management of costs and expenses.

IMPACT OF COVID-19

Our Directors are of the view that our business operations and financial performance were unaffected by the COVID-19 outbreak during the Track Record Period. Our fabless operating model insulated us from pandemic impacts as we do not manage manufacturing facilities or production processes. In addition, during the Track Record Period, COVID-19 outbreak has not caused any material delayed delivery of foundries or provision of services. Taking our primary foundry as an example, in 2022, 2023 and 2024, we recorded 99.2 days, 99.3 days and 98.1 days, respectively, for the cycle time from order placement to wafer completion, which was relatively stable.

ONGOING LITIGATION

We are currently defending a patent infringement lawsuit initiated by a competitor in the semiconductor industry (the "**Litigation**"). The lawsuit concerns the competitor's invention patent titled "Open-Loop Charge Pump". On August 22, 2023, the plaintiff filed a lawsuit with the Shanghai Intellectual Property Court against our Company, alleging that three of our chip models—FS1512N-M, FS1512N and FS1512GN—infringe its patent rights. The plaintiff sought a declaration of infringement, an injunction to cease manufacturing, selling and offering for sale the allegedly infringing products, monetary damages of RMB10 million, and reimbursement of legal fees and expenses of RMB0.5

million. The plaintiff voluntarily withdrew this lawsuit. Because the plaintiff withdrew the case before any court judgment, it is permitted under PRC law to file a new lawsuit on the same matter. On July 28, 2025, the plaintiff recommenced legal proceedings against our Company. The grounds for the plaintiff's claim in the new case remain substantially the same, alleging that the same chip models infringe its patent ZL201810038898.X and seeking similar relief, including an injunction, monetary damages of RMB10 million, and reimbursement of legal fees and expenses of RMB0.5 million. The court has scheduled the first hearing of the new case on April 27, 2026.

As part of our litigation strategy, we filed an invalidation request against the plaintiff's patent with the China National Intellectual Property Administration ("**CNIPA**"). CNIPA issued a decision maintaining the patent's validity. On March 5, 2025, we initiated an administrative litigation before the Beijing Intellectual Property Court seeking to overturn CNIPA's decision. On December 24, 2025, the court served us its administrative judgment, which upheld CNIPA's decision. On January 7, 2026, we appealed this first-instance judgment to the Supreme People's Court.

The three implicated chip models are charge pump chips launched during our early stage and are not our core products. We do not expect to generate significant future revenue or gross profit from these products, as they are not core products and their gross margins during the Track Record Period were relatively low. For 2022, 2023, 2024 and the ten months ended October 31, 2025, revenue generated from these products amounted to RMB11.4 million, RMB14.6 million, RMB32.0 million and RMB10.4 million, respectively, representing 8.7%, 9.6%, 9.0% and 3.7% of our total revenue for the respective periods. Gross profit contribution from these products for the same periods was RMB1.6 million, RMB0.1 million, RMB3.2 million and RMB0.5 million, respectively, representing 7.2%, 1.7%, 6.4% and 1.0% of our total gross profit for the respective periods.

We have obtained an appraisal report issued by a qualified judicial appraisal center, which concludes that the technical features of our implicated products are neither identical nor equivalent to those covered by the plaintiff's patent. Our litigation advisor, Fangda Partners, is of the view that, based on the evidence currently submitted by the parties and information confirmed by us, they have reasonable grounds to believe the accused products do not fall within the scope of protection of the plaintiff's patent, as material technical differences exist between our products' technical solutions and the patented claims, so that the likelihood of our non-infringement defense against the claim is high. Based on the technical information, our own technical analysis, the conclusions of the appraisal report, and the advice of our litigation advisor, we believe that the technical solutions of our implicated products are neither identical nor equivalent to the patented claims, and that we have not infringed the plaintiff's intellectual property rights. However, we cannot provide assurance regarding the final judgment of the court. Based on the claims in the plaintiff's complaint, the maximum amount we may be liable for is RMB10.5 million, comprising RMB10.0 million for monetary damage and RMB0.5 million for reasonable expenses. In a worst-case scenario where our defense is unsuccessful, we would be subject to a permanent injunction preventing the manufacture, sale and offer for sale of the three specific chip models implicated in the litigation. Given the minimal contribution of these early-stage products to our total revenue and gross profit, we believe this outcome would not materially affect our overall business or financial condition.

SHARE CAPITAL AND TOTAL EQUITY

Prior to the Relevant Periods and until August 18, 2022, the Company entered into respective investment agreements for the subscription of Shares with various pre-IPO Investors for total net cash proceeds of approximately RMB526,500,000. Of these, as of August 18, 2022, 16,907,470 Shares issued for total net cash proceeds of approximately RMB526,400,000 (collectively the "**Pre-IPO Investments**"), carried special rights ("**Special Rights**") granted by the Company.

Pursuant to the aforementioned agreements, including the investment agreement entered among the Company, Mr. Xu and the Pre-IPO Investors (including Huzhou Zhuosheng) (the "**Pre-IPO Investors**") on August 18, 2022 (the "**Investment Agreement**") and the supplemental agreement to the

Investment Agreement entered among the Company, Mr. Xu and the Pre-IPO Investors (including Huzhou Zhuosheng) on August 18, 2022 (the "**First Supplemental Agreement**"), the Pre-IPO Investors were granted Special Rights which included redemption rights, anti-dilution rights, information rights, co-sale rights, right of first refusal and liquidation preferences granted by the Company, as well as redemption rights granted by Mr. Xu.

Prior to their termination, only certain information rights and director nomination rights among the Special Rights granted by the Company had been exercised in the ordinary course for governance and information purposes. There was no exercise of any redemption or other financial Special Rights granted by the Company throughout the Relevant Periods.

On April 30, 2025, the Company and the Pre-IPO Investors except for Huzhou Zhuosheng Equity Investment Partnership (Limited Partnership) ("**Huzhou Zhuosheng**") subsequently entered into a supplemental agreement (the "**Second Supplemental Agreement**"), pursuant to which the redemption rights granted by the Company to such Pre-IPO Investors (excluding Huzhou Zhuosheng) were irrevocably terminated and became void ab initio. Prior to the execution of the Second Supplemental Agreement, only certain information rights and director nomination rights under the Investment Agreement and the First Supplemental Agreement had been exercised by the Pre-IPO Investors. Subsequently, on June 27, 2025, the Company, Mr. Xu and the Pre-IPO Investors (excluding Huzhou Zhuosheng) entered into a further supplemental agreement (the "**Third Supplemental Agreement**"), pursuant to which (i) all other remaining Special Rights granted by the Company to such Pre-IPO Investors (including pre-emptive rights, anti-dilution rights, liquidation preferences and other rights as listed above) were terminated, effective on the date immediately preceding the Listing, and (ii) the redemption rights granted by Mr. Xu to such Pre-IPO Investors were terminated, effective on the date preceding the first submission of the listing application. Taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplemental agreements, the directors considered that it is appropriate to present the Pre-IPO Investments except for Huzhou Zhuosheng as equity.

For the details of redemption liabilities recognized related to Huzhou Zhuosheng, please refer to Note 26 to the Historical Financial Information.

Had the Special Rights granted by the Company to the Pre-IPO Investors been accounted for as financial liabilities measured at present value of the redemption amount prior to entering into the supplemental agreements, (i) the redemption financial liabilities, total current liabilities, net current liabilities and net liabilities would have been:

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Redemption financial liabilities	697,684	811,676	876,794
Total current liabilities	724,403	885,232	979,770
Net current liabilities	(443,532)	(642,220)	(699,221)
Net liabilities	(368,570)	(566,978)	(679,010)

(ii) the changes in the carrying amounts of redemption liabilities, the net loss for the year, basic and dilutive loss per share would have been:

	For the year ended December 31,			For the ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Changes in the carrying amounts of redemption liabilities	(44,575)	(59,220)	(65,118)	(53,914)	(34,537)
Total net loss	(109,702)	(150,881)	(119,295)	(98,582)	(83,943)
Loss per share					
Basic and diluted *(RMB)*	(1.27)	(1.51)	(1.19)	(0.99)	(0.84)

See note 28 to the Accountants' Report in Appendix I to this prospectus for further details of the financial impacts.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position since October 31, 2025 (being the date on which the latest audited consolidated financial information of our Group was prepared) and there is no event since October 31, 2025 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report in Appendix I to this prospectus.

Based on the unaudited preliminary financial information as of and for the year ended December 31, 2025 (the "**2025 Preliminary Financial Information**"), (1) our revenue remained relatively stable, increasing slightly from RMB355.2 million in 2024 to RMB365.7 million in 2025. This stability primarily reflects a 60.8% increase in revenue from haptic drivers to RMB8.6 million, offset by a marginal decline in our mid/high-power audio chip revenue; (2) our gross profit increased significantly by 63.2% from RMB46.6 million in 2024 to RMB76.0 million in 2025, and our gross profit margin expanded from 13.1% to 20.8%. These improvements primarily resulted from enhanced economies of scale, ongoing product iterations that reduced chip size and cost, effective cost control measures that lowered raw material prices and processing fees, and a favorable shift in product mix toward higher-margin products; (3) our other income and gains decreased by 51.3% from RMB9.6 million in 2024 to RMB4.7 million in 2025, primarily due to a net foreign exchange gain of RMB4.8 million recorded in 2024 compared to no such gain in 2025 as a result of exchange rate fluctuations; (4) our administrative expenses increased significantly from RMB19.7 million in 2024 to RMB42.3 million in 2025, primarily driven by higher listing-related expenses, an increase in employee benefit expenses, and additional professional service fees relating to our shareholding restructuring. As a result of the foregoing, our loss for the year increased by 4.1% from RMB56.8 million in 2024 to RMB59.2 million in 2025. See "Appendix IIB — Unaudited Preliminary Financial Information for the Year Ended December 31, 2025" for details.

Subsequent to the Track Record Period, we have continued to make progress across our product lines. In our low-power audio chip portfolio, we successfully launched and commercialized the FS1977U series, which is currently being shipped primarily to a major player in the global action camera market. In addition, we launched our 15V high-voltage audio amplifier chip, the FS1986U series, which is now shipping to a well-known brand in China's smartphone and tablet market. We also introduced the 12V FS1985U-S series, which has completed supplier onboarding process with a consumer electronics company and is currently in order negotiations. Furthermore, we are currently exploring new applications for our audio chips in the AI toy segment with a global provider of wireless communication modules and AI solutions.

For our mid/high-power audio chips, we launched the FS2106E series in early 2026 and have initiated technical validation with a major TV brand and an audio equipment manufacturer. We have also completed the tape-out of additional models, including the FS2125N and FS2128E, enriching our mid-power product portfolio and expanding our potential application scenarios. In our haptic driver product line, the FS3002N series was successfully launched and commercialized at the end of 2025, generating over RMB4.5 million in revenue as of January 31, 2026. In the automotive-grade segment, our FS5024E audio chip successfully entered mass production and was commercialized with NEV manufacturers from late 2025 into early 2026. This product generated RMB0.5 million in revenue for 2025, and we hold purchase orders of RMB5.0 million for this series as of February 28, 2026. Finally, in January 2026, we achieved a key milestone with the successful tape-out of our FS70 series SAR sensor chip, which is expected to be formally launched in the second quarter of 2026.

In this prospectus, unless the context otherwise requires, the following terms and expressions have the meanings set forth below.

"Accountants' Report"	the accountants' report for Track Record Period prepared by Ernst & Young, the text of which is set out in Appendix I to this prospectus
"affiliate"	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	Accounting and Financial Reporting Council
"Articles of Association" or "Articles"	the articles of association of our Company, as amended, which shall become effective on the Listing Date, a summary of which is set out in Appendix III to this prospectus
"associate"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	audit committee of the Board
"Board" or "Board of Directors"	the Board of Directors of our Company
"Business Day" or "business day"	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business to the public
"Capital Market Intermediary(ies)" or "capital market intermediary(ies)" or "CMI(s)"	the capital market intermediaries identified in "Directors and Parties Involved in the Global Offering"
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"China" or "PRC"	the People's Republic of China, excluding, for the purpose of this prospectus only, Hong Kong, Macau and Taiwan province, China
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Shanghai FourSemi Semiconductor Co., Ltd. (上海傅里葉半導體股份有限公司) (formerly known as Xiamen FourSemi Electronics Company Limited (廈門傅里葉電子有限公司) and Shanghai FourSemi Semiconductor Company Limited (上海傅里葉半導體有限公司)), incorporated under the PRC laws on May 17, 2016 as a limited liability company and converted into a joint stock company under the PRC laws on June 12, 2025

"Company Law" or "PRC Company Law"	Company Law of the People's Republic of China (中華人民共和國公司法) as amended, supplemented or otherwise modified from time to time
"Concert Party Agreement"	the acting-in-concert agreement dated June 25, 2019 entered into by, among others, Mr. Xu and Mr. Liu, pursuant to which Mr. Liu has irrevocably agreed to act in concert with Mr. Xu and follow his decisions in exercising his vote at the general meetings of our Company for a term ending upon the expiry of one year after the Listing
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"controlling shareholder(s)" or "Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules, and in the context of our Company, refers to Mr. Xu, Mr. Liu, Shanghai FourSemi Management, Xiamen FourSemi Management and Xiamen FourSemi Chuangke
"core connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Conversion of Domestic Shares into H Shares"	the conversion of 98,889,800 Domestic Shares into H Shares on a one-for-one basis upon the completion of the Global Offering. Such conversion of Domestic Shares into H Shares had been approved by the CSRC on February 6, 2026 and an application for H Shares to be listed on the Stock Exchange has been made to the Listing Committee
"CSDC"	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company
"Domestic Shares"	ordinary Shares in the share capital of our Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and are unlisted Shares not currently listed or traded on any stock exchange
"Exchange Participant(s)"	a person: (a) who, in accordance with the Listing Rules, may trade on or through the Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Stock Exchange as a person who may trade on or through the Stock Exchange
"Extreme Conditions"	Extreme conditions caused by a super typhoon as announced by the government of Hong Kong
"F&S report"	an independent market research report, commissioned by us and prepared by Frost & Sullivan
"FINI"	"Fast Interface for New Issuance", an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listings

"Fourier Technology"	Fourier Technology Limited (傅裡葉科技有限公司), a limited company incorporated under the laws of Hong Kong on November 18, 2016 and a wholly-owned subsidiary of our Company
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent industry consultant commissioned by us to prepare the F&S report
"General Rules of HKSCC"	the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group," "our Group," "we" or "us"	our Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require)
"Guide"	Guide for New Listing Applicants issued by the Stock Exchange in December 2023, as amended from time to time
"H Share(s)"	overseas-listed foreign shares in the share capital of our Company with nominal value of RMB1.00 each, which are to be subscribed for and traded in HK dollars and are to be listed on the Stock Exchange
"H Share Registrar"	Computershare Hong Kong Investor Services Limited
"HK$" or "HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"HKSCC EIPO"	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant's stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via HKSCC's FINI System to apply for the Hong Kong Offer Shares on your behalf
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"HKSCC Operational Procedures"	the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC's services and the operation and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force
"HKSCC Participant"	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC

"Hong Kong Offer Shares"	the 600,000 H Shares initially offered by our Company for subscription at the Offer Price pursuant to the Hong Kong Public Offering (subject to reallocation as described in "Structure of the Global Offering")
"Hong Kong Public Offering"	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong (subject to reallocation as described in the section headed "Structure of the Global Offering") at the Offer Price (plus brokerage, SFC transaction levies, Stock Exchange trading fees and AFRC transaction levy), on and subject to the terms and conditions described in this prospectus and as further described in "Structure of the Global Offering—The Hong Kong Public Offering"
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering listed in "Underwriting—Hong Kong Underwriters" in this prospectus
"Hong Kong Underwriting Agreement"	the underwriting agreement dated March 20, 2026 relating to the Hong Kong Public Offering and entered into by and among our Company, our Controlling Shareholders, the Joint Sponsors, the Joint Sponsor-OCs and the Hong Kong Underwriters, as further described in "Underwriting—Underwriting Arrangements and Expenses"
"IFRS Accounting Standards"	International Financial Reporting Standards, amendments, and interpretations, as issued from time to time by the International Accounting Standard Board
"independent third party(ies)" or "Independent Third Party(ies)"	person(s) or company(ies), who/which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is/are not connected person(s) of our Company within the meaning ascribed thereto under the Listing Rules
"International Offer Shares"	the 11,400,000 H Shares initially offered by our Company for subscription pursuant to the International Offering together with, where relevant, any additional H Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option (subject to reallocation as described in "Structure of the Global Offering")
"International Offering"	the offer of the International Offer Shares by the International Underwriters at the Offer Price to persons outside the United States in offshore transactions in accordance with Regulation S, as further described in "Structure of the Global Offering"
"International Sanction Law"	all applicable laws and regulations, as amended and supplemented from time to time, related to economic sanctions, export controls, trade embargoes and wider prohibitions and restrictions on international trade and investment related activities, including those adopted, administered and enforced by the U.S. Government, the European Union and its member states, the United Nations or the government of Australia
"International Underwriters"	the group of international underwriters that is expected to enter into the International Underwriting Agreement to underwrite the International Offering

"International Underwriting Agreement"	the underwriting agreement expected to be entered into on or around the Price Determination Date by, among others, our Company, the Overall Coordinators and the International Underwriters in respect of the International Offering, as further described in "Underwriting—Underwriting Arrangements and Expenses—The International Offering"
"Joint Bookrunners"	the joint bookrunners as named in "Directors and Parties Involved in the Global Offering"
"Joint Global Coordinators"	the joint global coordinators as named in "Directors and Parties Involved in the Global Offering"
"Joint Lead Managers"	the joint lead managers as named in "Directors and Parties Involved in the Global Offering"
"Joint Sponsors"	Guotai Junan Capital Limited and Orient Capital (Hong Kong) Limited
"Joint Sponsor-OCs" or "Joint Sponsor-Overall Coordinators"	Guotai Junan Securities (Hong Kong) Limited and Orient Securities (Hong Kong) Limited
"Latest Practicable Date"	March 13, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
"Listing"	listing of the H Shares on the Main Board of the Stock Exchange
"Listing Committee"	the Listing Committee of the Stock Exchange
"Listing Date"	the date, expected to be on or around Tuesday, March 31, 2026, on which H Shares of our Company are listed and from which dealings therein are permitted to take place on 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 market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"Mr. Liu"	Mr. Liu Baoliang (劉保良), our co-founder, executive Director, vice president, director of algorithm applications and a member of our Controlling Shareholders
"Mr. Xu"	Mr. Xu Xiaolin (徐小林), our founder, chairman of the Board, executive Director, president and a member of our Controlling Shareholders
"Nomination Committee"	the nomination committee of our Board

"Offer Price"	the final price per H Share in Hong Kong dollars (exclusive of brokerage fee of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) of not less than HK$40.00 and expected to be not more than HK$50.00, at which Hong Kong Offer Shares are to be subscribed, to be determined in the manner further described in "Structure of the Global Offering—Pricing and Allocation"
"Offer Share(s)"	the Hong Kong Offer Shares and the International Offer Shares, together with, where relevant, any additional H Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option
"Over-allotment Option"	the option expected to be granted by our Company to the International Underwriters, exercisable by the Overall Coordinators (on behalf of the International Underwriters) pursuant to the International Underwriting Agreement, pursuant to which our Company may be required to allot and issue up to an aggregate of 1,800,000 additional H Shares at the Offer Price to, cover over-allocations in the International Offering, if any, further details of which are described in "Structure of the Global Offering"
"Overall Coordinators"	the overall coordinators as named in "Directors and Parties Involved in the Global Offering"
"Pathfinder SII(s)"	has the meaning ascribed to it in Chapter 2.5 of the Guide
"PRC Legal Advisor"	Commerce & Finance Law Offices, being the legal advisor of our Company as to the PRC laws
"Pre-IPO Investor(s)"	the investor(s) from whom our Company obtained several rounds of investments, details of which are set out in the section headed "History and Corporate Structure—Pre-IPO Investments" in this prospectus
"Price Determination Agreement"	the agreement to be entered into by the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date to record and fix the Offer Price
"Price Determination Date"	the date, expected to be on or before Friday, March 27, 2026 (Hong Kong time) on which the Offer Price is determined, or such later time as the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company may agree, but in any event no later than 12:00 noon on Friday, March 27, 2026
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of our Board
"Reporting Accountants"	Ernst & Young
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Sanction Counsel"	Commerce & Finance Law Offices LLP

"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shanghai FourSemi"	Shanghai FourSemi Electronics Technology Company Limited (上海傅硅電子科技有限公司), a limited liability company incorporated under the laws of the PRC on June 17, 2016 and a wholly-owned subsidiary of our Company
"Shanghai FourSemi Management"	Shanghai FourSemi Management Consulting Partnership (Limited Partnership) (上海傅里葉管理諮詢合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on October 22, 2021 and a member of our Controlling Shareholders
"Share(s)"	ordinary shares in the capital of our Company with a nominal value of RMB1.00 each, comprising Domestic Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Shenzhen FourSemi"	Shenzhen FourSemi Electronics Company Limited (深圳市傅里葉電子有限公司), a limited liability company incorporated under the laws of the PRC on November 1, 2023 and a wholly-owned subsidiary of our Company
"Sophisticated Independent Investor(s)"	has the meaning ascribed thereto under the Listing Rules
"Specialist Technology"	has the meaning ascribed thereto under the Listing Rules
"Stabilizing Manager"	Guotai Junan Securities (Hong Kong) Limited
"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
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Takeovers Code"	the Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the three years ended December 31, 2024 and ten months ended October 31, 2025
"Transfer Pricing Advisor"	SHINEWING Tax and Business Advisory Limited
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. Securities Act"	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"Underwriters"	the Hong Kong Underwriters and the International Underwriters

"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"US$", "USD" or "U.S. dollars"	United States dollars, the lawful currency of the United States
"White Form eIPO"	the application for Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website of the White Form eIPO Service Provider at **www.eipo.com.hk**
"White Form eIPO Service Provider"	Computershare Hong Kong Investor Services Limited
"Xiamen FourSemi Chuangke"	Xiamen FourSemi Chuangke Enterprise Management Consulting Partnership (Limited Partnership) (廈門傅里葉創科企業管理諮詢合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on December 9, 2020 and a member of our Controlling Shareholders
"Xiamen FourSemi Management"	Xiamen FourSemi Enterprise Management Consulting Partnership (Limited Partnership) (廈門傅里葉企業管理諮詢合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on December 29, 2017 and a member of our Controlling Shareholders
"%"	percent

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

For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this prospectus in both the Chinese and English languages; in the event of any inconsistency, the Chinese versions shall prevail.

This glossary contains certain technical terms used in this prospectus in connection with our Company and our business. Such terms and their meanings may not correspond to standard industry definitions or usage.

"90° audio channel flipping"	a signal processing technique that swaps the left and right audio channels while applying a 90-degree phase shift to one channel. This method is used to enhance stereo imaging, correct phase misalignment, or create spatial audio effects by manipulating the perception of sound direction and width
"Acoustic cavity modeling"	the computational simulation of sound wave behavior within an enclosed space, used to optimize speaker placement, audio clarity, and resonance in audio devices
"Acoustic Vehicle Alerting System" or "AVAS"	a safety feature in electric and hybrid vehicles that generates artificial sounds at low speeds to alert pedestrians and cyclists of the vehicle's presence, ensuring compliance with regulatory standards
"Adaptive low-voltage algorithm"	An intelligent power management system that dynamically optimizes audio amplifier performance under low-voltage conditions (e.g., battery drain) by adjusting gain, bias, and efficiency parameters in real time
"ADC"	analog-to-digital converter, a device used to convert continuous analog signals into discrete digital signals
"AEC-Q100"	a critical reliability testing standard for integrated circuits used in automotive applications, ensuring performance under extreme temperatures, vibrations, and other harsh conditions
"AGC"	automatic gain control, a feedback-based circuit or algorithm that dynamically adjusts an audio amplifier's gain to maintain a consistent output level despite varying input signal strengths
"AIoT"	artificial intelligence internet of things, the integration of artificial intelligence (AI) with Internet of Things (IoT) devices, enabling audio systems to process data locally, learn user preferences, and adapt functionality in real time
"AI PC audio codec"	a specialized audio encoder/decoder chip with integrated artificial intelligence capabilities, designed to enhance real-time voice processing, noise suppression, and adaptive sound optimization in AI-powered personal computers
"Amplifier protection control circuits and algorithms"	systems that monitor and adjust amplifier parameters in real time to prevent damage and optimize performance
"Analog amplifier"	an electronic component used to increase the amplitude of analog signals without altering their waveform characteristics
"Analog circuit"	a circuit used to process continuously variable signals through components such as resistors, capacitors, and transistors

"ASIC"	application-specific integrated circuit, a custom-designed microchip optimized for a particular function, such as audio processing in smart devices, offering superior performance, power efficiency, and miniaturization compared to general-purpose processors
"ASP"	average selling price
"ATE"	automatic test equipment, a specialized system used to validate and calibrate audio amplifier chips during manufacturing, ensuring performance meets specifications for parameters
"Audible artifacts"	unintended, unnatural sounds introduced during audio signal processing or amplification, degrading perceived quality
"Audiophile-grade"	a designation for audio equipment or components engineered to achieve the highest measurable and perceptible sound quality, prioritizing fidelity, dynamic range, and minimal distortion for discerning listeners
"Automated Test Management System" or "TMS"	a software platform designed to streamline and standardize the testing of audio hardware and firmware, enabling efficient test case execution, defect tracking, and reporting throughout the product development lifecycle
"Automotive-compliant ATE engineering platforms"	specialized automated test equipment (ATE) systems designed to validate and qualify audio components under automotive reliability and performance standards, such as AEC-Q100 and ISO 16750
"BCD"	Bipolar-CMOS-DMOS process, a semiconductor manufacturing technology that integrates bipolar, CMOS, and DMOS transistor types on a single chip. This process enables the design of power management, analog, and digital circuits on the same die, supporting high-voltage and high-power applications
"Boost"	the action of an inductive circuit raising the input voltage to a higher level by storing energy in an inductor and then releasing it to add to the input voltage
"BPF algorithm"	band-pass filter algorithm, a digital or analog processing technique that isolates a specific frequency range in an audio signal by attenuating frequencies outside the target band
"Chip packaging"	the process of enclosing a semiconductor chip in a protective housing that facilitates electrical connections and heat dissipation
"Class AB"	a type of analog audio amplifier that combines the low distortion of Class-A and the efficiency of Class-B designs, widely used in consumer and professional audio systems

"Class D"	a high-efficiency audio amplifier that uses Pulse Width Modulation to convert analog signals into digital-like pulses, minimizing power loss and heat generation
"DAC"	digital-to-analog, a device used to convert digital signals into analog signals
"dB"	decibel, a logarithmic unit measuring sound intensity or signal power levels
"DC-DC converter"	an electronic circuit or device that converts a direct current (DC) input voltage to a different DC output voltage level, either stepping it up (boost), stepping it down (buck), or inverting it, while regulating power delivery for efficient energy transfer
"DFM/DFT"	design for manufacturability/testability, a set of methodologies integrated into semiconductor design to optimize audio chips for high-yield production (DFM) and efficient post-silicon validation (DFT), reducing costs and time-to-market
"Die size"	the physical dimensions (typically in mm^2) of a single semiconductor chip before packaging, directly impacting cost, performance, and power efficiency in audio ICs and other electronics
"Digital circuit"	an electronic circuit that processes discrete binary signals (representing logical 1 or 0) to perform arithmetic, logic, or control operations, typically implemented using transistors, gates, and other semiconductor components
"Digital input interface"	a hardware or protocol standard that enables digital audio data transmission between components (e.g., microcontrollers, DSPs, or DACs), ensuring signal integrity and synchronization in modern audio systems
"Driver"	an electromechanical transducer that converts electrical signals into sound waves
"DSP"	digital signal processor, a specialized microprocessor optimized for real-time mathematical manipulation of audio signals, enabling advanced features like immersive sound effects in consumer, automotive, and professional audio systems
"Dual-input flexibility"	a feature in audio amplifiers that supports two independent input sources (e.g., analog and digital, or two analog signals), allowing seamless switching or mixing between them without external components
"Dynamic power rail switching"	an advanced power management technique in audio amplifiers that automatically switches between multiple voltage rails to optimize efficiency and performance based on real-time signal demands

"Dynamic range"	the operational range between the maximum undistorted output signal and the noise floor of an audio system
"Dynamic range enhancement"	a signal processing technology that actively monitors and adjusts the output characteristics of an audio system in real-time to enhance the operational range between the noise floor and the maximum undistorted output signal
"EDA"	electronic design automation, a suite of software tools used to design, simulate, and validate audio amplifier circuits and integrated circuits (ICs) before manufacturing
"Electromagnetic interference mitigation"	techniques or design practices used to reduce or eliminate disruptions on electronic systems caused by unwanted electromagnetic signals
"EMC"	electromagnetic compatibility, the ability of an electronic device to function properly in its electromagnetic environment without causing or suffering from interference
"EMI"	electromagnetic interference, undesired electrical noise generated by or affecting audio amplifier circuits, disrupting signal integrity or causing audible/regulatory issues
"Envelope Tracking Boost"	a technique used to improve the power efficiency of Audio Power Amplifiers by dynamically adjusting the supply voltage of the audio amplifier according to the signal's envelope
"Equalizer"	an audio processing tool that adjusts the balance of frequency components in a sound signal, enabling precise tonal shaping for music playback, recording, and real-time communication systems
"f0 testing and tracking"	a testing process based on I/V sensing and ohm's law, calculate the speaker's resonance frequency (f0), and adaptive attenuate the signal level at this f0
"Fabless"	a business model where the entity focuses on R&D and design of ICs and outsources manufacturing to external parties
"Feedforward modeling"	a control system technique that anticipates disturbances or changes in input to improve output accuracy
"Frequency response curve"	a graphical representation showing how a device responds to different sound frequencies within a specified range
"Haptic feedback" or "tactile feedback"	physical responses generated by devices to simulate touch or enhance user interaction
"Hardware-accelerated neural processing engines"	specialized silicon blocks designed to execute AI/ML audio algorithms with ultra-low latency and high energy efficiency, enabling real-time voice, music, and acoustic processing in edge devices
"High-efficiency PWM modulation"	pulse-width modulation techniques designed to maximize power efficiency in audio amplifiers

"High-fidelity audio reproduction and capture"	technologies that ensure accurate and detailed sound reproduction or recording
"Highly Accelerated Stress Test equipment" or "HAST equipment"	specialized environmental chambers that rapidly age electronic components by simulating extreme humidity, temperature, and pressure conditions, ensuring reliability for automotive, aerospace, and consumer audio applications
"High-Temperature Operating Life" or "HTOL"	a reliability test that subjects semiconductor devices to elevated temperatures and continuous electrical operation to simulate years of use in a compressed timeframe, ensuring robustness for automotive, industrial, and consumer applications
"Hz"	hertz, a measurement of frequency
"I^2C"	Inter-Integrated Circuit, a synchronous, multi-master/ multi-slave, single-ended, serial communication bus, widely used for attaching lower-speed peripheral integrated circuits
"I/V"	current-to-voltage conversion, a process used in analog circuits to translate current signals into voltage signals for further processing
"IC" or "integrated circuit" or "chip"	a set of electronic circuits on one small plate of semiconductor material
"Impedance variations"	fluctuations in the opposition to alternating current (AC) within an audio circuit, caused by factors like frequency shifts, component tolerances, or temperature changes, directly impacting signal integrity and power transfer efficiency
"Integration density"	a measure of how many functional components are packed into a given area of a semiconductor die or audio system, directly impacting performance, power efficiency, and miniaturization
"Intelligent haptic algorithm"	a software algorithm that simulates tactile feedback in response to user interactions
"Intelligent multi-level boost control"	an advanced power management system in audio amplifiers that dynamically selects between multiple voltage rails to optimize efficiency and performance based on real-time signal demands
"I/V sense"	speaker current sensing and speaker voltage sensing
"ISO 9001"	an international standard for quality management systems
"JEDEC JESD22"	a Joint Electron Device Engineering Council (JEDEC) standard for electrostatic discharge (ESD) testing of semiconductor devices

"Kaiser window"	a mathematical function used in digital signal processing to design finite impulse response filters with controllable trade-offs between stopband attenuation and transition bandwidth
"LDO"	low dropout regulator, a type of linear voltage regulator that can operate with a very small voltage difference between its input and output
"Load impedance"	the opposition that a circuit presents to the flow of alternating current
"LRA drive"	linear resonant actuator, a control system for haptic feedback motors that uses audio-like waveforms to generate precise vibrations in sync with sound, commonly integrated into amplifiers for multimedia devices
"mA"	a unit of electrical current equal to 1/1000 of an ampere, used to measure small power flows in audio amplifier circuits
"Membrane excursion"	the measurable movement of a membrane (typically in microphones or speakers) in response to sound waves or electrical signals, directly affecting acoustic performance, sensitivity, and distortion in audio devices
"Mixed-signal chip"	a semiconductor device that processes both analog and digital signals within a single integrated circuit
"Mixing consoles"	electronic devices used to combine, route, and adjust audio signals in recording or live sound environments
"NEV"	new energy vehicle
"Node"	a point in an electrical or electronic circuit where two or more components are connected, serving as a junction for signal distribution, power delivery, or measurement
"Noise Gate"	an audio processor that reduces or eliminates sounds below a set threshold, acting as a dynamic range controller
"Non-destructive speaker diagnostics"	a feature in audio amplifiers that monitors speaker health in real time without interrupting playback or risking damage, using low-level test signals and impedance analysis
"OCP"	over-current protection, a crucial safety mechanism designed to limit or interrupt excessive current flow, preventing damage to the semiconductor devices
"OSAT"	outsourced assembly and test, the practice of hiring a third-party provider to handle the assembly and testing of its semiconductors after fabrication
"OTP"	one-time programmable, a semiconductor memory device that can be programmed only once and it cannot be changed or reused after its initial programming

"Output voltage ripple"	unwanted small alternating current fluctuations superimposed on the DC power supply of an audio amplifier, caused by switching noise, rectification artifacts, or load changes
"OVP"	over-voltage protection, a sub-system designed to protect electronic circuits from damage caused by excessive voltage
"PA"	power amplifier
"Portable power amplifier audio chip"	a chip designed to detect the speaker's current and voltage in real time to monitor and control the power output and the speaker itself more accurately
"Peripheral circuit design"	the engineering of auxiliary electronic components and interfaces that support core audio ICs, ensuring optimal signal integrity, power delivery, and system-level functionality
"PLL"	phase-locked loops, a feedback control system that synchronizes an output signal with an input signal's frequency and phase
"PPM"	parts per million, a unit that measures precision or tolerance
"Pulse-width modulation signal" or "PWM"	a digital signal used to encode analog information by varying the width of pulses in a carrier wave
"R&D"	research and development
"RoHS"	Restriction of Hazardous Substances, a European Union directive restricting the use of certain hazardous substances in electrical and electronic equipment
"Scanning Electron Microscopes" or "SEM"	high-resolution imaging and analytical tools that use a focused electron beam to visualize and characterize the microstructure of audio components at nanometer scales, essential for failure analysis, process validation, and material science in audio hardware development
"Scene-adaptive algorithms"	real-time signal processing techniques that dynamically adjust audio parameters based on environmental inputs, user behavior, or device context, enabling optimized sound quality across diverse listening scenarios
"Software driver"	a specialized program that enables communication between an operating system (OS) and audio hardware components, translating high-level commands into low-level control signals to ensure proper functionality and performance optimization
"SoundWire audio codec"	a digital audio interface and codec standard developed by Intel and MIPI Alliance, designed to streamline audio data transmission between host processors and peripheral devices in mobile, automotive, and IoT systems

"Adaptive power control"	the process where the audio chip analyzes the customer's acoustic cavity structure through modeling and uses algorithms to dynamically adjust input and output signals in real time to match the acoustic environment
"Speaker Driver Genius" or "SDG"	a protective mechanism or circuit designed to prevent damage to speaker drivers from electrical, thermal, or mechanical overload, ensuring longevity and consistent audio performance
"Speaker resonance frequency"	the natural vibrational frequency of a speaker's cone/assembly, where it moves most freely with minimal electrical input. A critical parameter for amplifier design and speaker protection
"Specific Absorption Rate" or "SAR"	a measure of the rate at which the human body absorbs radiofrequency energy from wireless devices, expressed in watts per kilogram (W/kg)
"SoC"	system on chips, an integrated circuit that consolidates all core components of an electronic system onto a single silicon die, enabling compact, power-efficient designs for audio devices
"Spread-spectrum technology"	a technique used in Class-D audio amplifiers to reduce EMI by dynamically modulating the switching frequency, preventing concentrated noise at any single frequency
"Studio interfaces"	hardware devices facilitating audio signal routing, conversion, and processing in professional recording environments
"Tape-out"	the final stage of IC design where the completed layout is sent to a semiconductor foundry for fabrication
"Telematics Boxes " or "T-BOX"	vehicle-mounted embedded systems that integrate telecommunications (4G/5G, GNSS) and informatics (data processing), serving as the hub for connected car services, including audio streaming, emergency calls, and over-the-air (OTA) updates for infotainment systems
"Transmission Electron Microscopes" or "TEM"	advanced imaging and analytical instruments that use a high-energy electron beam transmitted through ultra-thin samples to achieve atomic-scale resolution, critical for analyzing the microstructure, defects, and material properties of audio components
"Ultra-low-power circuits"	electronic circuits specifically engineered to minimize energy consumption while maintaining required functionality
"Unidirectional open-loop principles"	a control system approach where an audio signal or process flows in one direction without feedback correction, prioritizing simplicity, low latency, and deterministic behavior
"UVLO conditions"	under voltage lock out, the state where an electronic system, such as an audio amplifier chip, detects an undervoltage situation and may shut down or limit its operation to prevent damage

"UVP"	under-voltage protection, a sub-system designed to protect electrical circuits from damage caused by low voltage levels
"Voice coil"	a critical component in dynamic loudspeakers and microphones, consisting of a wire coil suspended in a magnetic field that converts electrical audio signals into mechanical motion (in speakers) or vice versa (in microphones)
"VR/AR"	virtual reality and augmented reality, immersive technologies used to create immersive digital experiences by overlaying or replacing real-world environments with virtual elements
"W"	watt, the standard unit of power, quantifying the rate of energy transfer or conversion in audio systems
"Wafer fabrication"	the semiconductor manufacturing process producing silicon wafers for integrated circuits
"Wafer foundry"	a facility that manufactures semiconductor wafers for fabless IC design companies
"Wide frequency response"	the ability of an audio system to accurately reproduce a broad range of frequencies
"μV "	a unit of electrical potential equal to one-millionth of a volt (10^{-6} V), critical for quantifying low-noise performance in high-fidelity audio systems, sensor interfaces, and precision analog circuits

We have included in this prospectus forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This prospectus contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties, including the risk factors described in this prospectus. Forward-looking statements can be identified by words such as "may", "will", "should", "would", "could", "believe", "expect", "anticipate", "intend", "plan", "continue", "seek", "estimate", or the negative of these terms or other comparable terminology. Examples of forward-looking statements include, but are not limited to, statements we make regarding our projections, business strategy and development activities as well as other capital spending, financing sources, the effects of regulation, expectations concerning future operations, margins, profitability and competition. The foregoing is not an exclusive list of all forward-looking statements we make.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. We give no assurance that these expectations and assumptions will prove to have been correct. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our results may differ materially from those contemplated by the forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. We caution you therefore against placing undue reliance on any of these forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include regional, national or global political, economic, business, competitive, market and regulatory conditions and the following:

- our business prospects;
- our business strategies and plans to achieve these strategies;
- future developments, trends and conditions in and competitive environment for the industries and markets in which we operate;
- general economic, political and business conditions in locations where we operate;
- our financial condition and performance;
- our capital expenditure plans;
- our dividend policy;
- changes to the regulatory environment, policies, operating conditions of and general outlook in the industries and markets in which we operate;
- our expectations with respect to our ability to acquire and maintain regulatory licenses or permits;
- the extent and nature of, and potential for, future development of our business;
- the actions of and developments affecting our competitors;
- the actions of and developments affecting our major customers and suppliers; and
- certain statements in the sections headed "Risk Factors", "Industry Overview", "Regulatory Overview", "Business", "Financial Information" and "Future Plans and Use of Proceeds" with respect to trends in interest rates, foreign exchange rates, prices, volumes, operations, margins, risk management and overall market trends.

Any forward-looking statement made by us in this prospectus speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. Subject to the requirements of applicable laws, rules and regulations, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise. All forward-looking statements contained in this prospectus are qualified by reference to this cautionary statement.

An investment in our H Shares may involve significant risks. Potential investors should read and consider carefully all the information set out in this prospectus, and, in particular, should evaluate the following risks and uncertainties before deciding to make any investment in our H Shares. You should pay particular attention to the fact that we primarily conduct our operations in China, the legal and regulatory environment of which in some respects may differ from that in Hong Kong. Any of the risks and uncertainties listed below could have a material adverse effect on our business, results of operations, financial condition or on the trading price of our H Shares, and could cause you to lose all or part of your investment. The risks and uncertainties identified below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business and results of operations.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in "Forward-looking Statements."

We only met the revenue requirement as set out in Rule 18C.03(4) of the Listing Rules in 2024 following our revenue growth during the Track Record Period. In addition, we recorded net losses since our inception and expect to continue to incur net losses in the short term after the Track Record Period. We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into (1) risks relating to our general operations and industry, (2) risks relating to the research and development and intellectual property rights of our products, (3) risks relating to our financial condition and need for additional capital, (4) risks relating to doing business in the jurisdictions where we operate, and (5) risks relating to the Global Offering.

Additional risks and uncertainties that are presently not known to us or not expressed or implied below or that we currently deem immaterial could also harm our business, results of operations and financial condition. You should consider our business and prospects in light of the challenges we face, including those discussed in this section.

RISKS RELATING TO OUR GENERAL OPERATIONS AND INDUSTRY

The industries that we operate in are characterized by constant changes. If we fail to stay abreast of technology innovation and continuously advance our products to meet the expectations and needs of our customers and end users, our business, results of operations and financial condition may be materially and adversely affected.

The industries that we operate in are characterized by constant changes, including rapid technological evolution, frequent introductions of new products, shifts in customer demands, and the constant emergence of new industry standards and practices. Specifically, our products are used in a variety of application sectors and downstream industries. Technological advancement and new industry standards in these downstream industries may affect the application requirements of our end customers and their products, and we must develop new products or refine our technologies to match the different or additional requirements of our end customers. As such, our success will depend, in part, on our ability to respond to these changes in a cost-effective and timely manner. To remain competitive, we must continue to stay abreast of the evolving industry trends and rapid technological development. Our business growth also relies on our ability to identify and anticipate the evolving expectations and needs of customers and end users in a timely manner, and develop and provide satisfying products accordingly.

We have invested, and will continue to invest, significant resources to enhance our products and technologies. Nevertheless, given the fast pace with which our industry has been and will continue to be developed, we may not be able to timely upgrade our products and technologies in an efficient and

cost-effective manner, or at all. We also may not be able to leverage new technologies effectively or adapt our offerings to meet customer needs or emerging industry standards, and our technology approach might not align with our future development plans or even become obsolete if we are unable to adapt in a cost-effective and timely manner to changing market conditions, whether for technical, legal, financial or other reasons. In addition, leading industry players continually upgrade their product portfolios, and we may not be able to match their achievements effectively. Any of the circumstances would render our existing technologies or products obsolete or unattractive and result in customer dissatisfaction. As a result, our business, results of operations, financial condition and prospects may be materially and adversely affected.

Our historical growth may not be indicative of our future performance, and we have a limited operating history and commercialization record, which makes it difficult to evaluate our business and prospects.

We have achieved rapid growth during the Track Record Period. Our revenue increased from RMB130.3 million for 2022 to RMB150.3 million for 2023 and further to RMB355.2 million for 2024. However, despite our commercialization efforts in recent years, our operations since inception have primarily focused on research and development activities. We commenced operations in 2016, and we have a limited operating history compared to some of our competitors. As a result of our limited operating history, and particularly in light of the rapidly evolving nature of the power amplifier audio chip industry, it may be difficult to evaluate our current business and reliably predict our future performance. Our historical results may not provide a meaningful basis for evaluating our business, results of operations, financial condition and prospects, and we may encounter unforeseen expenses, difficulties, complications, delays and other known or unknown factors, and may not be able to achieve promising results in future periods.

In particular, we have a limited track record in the commercialization and sales and marketing of our products. Our ability to successfully commercialize our future products may involve more inherent risks, take longer and cost more than it would have if we were a company with a longer track record in commercialization. In particular, the commercialization of new products requires additional resources, which may require us to attract, motivate and retain qualified and professional employees who have, among other things, adequate technological knowledge to communicate effectively with industry stakeholders, as well as experience in sales and marketing. Due to our limited track record in the commercialization of our products, there can be no assurance that the sales results of our products will meet our expectation and forecast, that third parties will purchase and deploy our products, or that we will be able to fully maintain quality control over our products, which, individually or collectively, would materially and adversely affect the commercialization of our products.

We are subject to customer concentration risks.

We generated a considerable portion of our revenue from a relatively small number of major customers during the Track Record Period. Revenue generated from our top five customers of each period during the Track Record Period accounted for 93.0%, 78.6%, 83.0% and 88.2% of our total revenue for the same periods, respectively, and revenue generated from our largest customer accounted for 32.7%, 23.7%, 30.3% and 30.5% of our total revenue for the same periods, respectively. Our concentration on a few major customers may expose us to the risks of substantial losses if such major customers significantly reduce orders to us, or stop engaging in business with us at all. Furthermore, we cannot assure you that there will not be any fluctuation in the transaction amount or dispute between our major customers and us, or that we will be able to maintain business relationships with our existing customers. We also cannot assure you that our major customers will continue to generate significant revenue for us in the future. In the event that the existing major customers cease to engage us for our products and solutions, and we are unable to expand our customer base and find new customers with similar attributable revenue within a reasonable period of time or at all, our business and prospects may

be adversely affected. In addition, if any of such customers default or delay on their payment or settlement of our trade and bills receivables, our liquidity, financial condition and results of operations may be adversely affected.

We are exposed to supplier concentration risk due to our reliance on certain major suppliers.

Under our fabless business model, our business operations depend on the continuous service of certain suppliers, mainly including the suppliers of wafer production, chip packaging and chip testing services. Purchases from our five largest suppliers in each period during the Track Record Period accounted for 89.1%, 91.9%, 93.9% and 93.5 of our total purchase amount in the same periods, respectively. Purchases from our largest supplier in each period during the Track Record Period accounted for 31.5%, 62.0%, 52.7% and 33.7% of our total purchase amount in the same periods, respectively. See "Business—Suppliers—Major Suppliers" for more details.

Our reliance on these major suppliers subjects us to the concentration and counterparty risk from these suppliers. We set up our supply chain in China, South Korea and Japan, but we cannot assure you that we will be able to maintain our relationships with our major suppliers in the future. If the supply of wafers or packaging and testing services is disrupted or delayed, we may fail to find replacements with similar supply capacity on comparable commercial terms within a reasonable period of time, or at all. To the extent we are unable to manage these risks, our ability to timely supply competitive products will be harmed, our costs will increase, and our business, results of operations and financial condition will be adversely affected. Moreover, we cannot guarantee that our major suppliers will not have a change of business scope or business model or will continue to maintain their market position and reputation. Any material adverse change to the operation, financial performance, or financial condition of our major suppliers may result in material adverse impact on their business with us.

Because of the complex proprietary nature of our products, if there was a disaster or other business disruption at any of our foundry and packaging and testing services partners' facilities, procurement of and transition to new partners would take a significant period of time to complete and would likely adversely affect our inventory, business, results of operations and financial condition. Further, we are vulnerable to the risk that our current wafer foundry and packaging and testing services partners may be unable to meet the demand for our products or cease operations altogether. Moreover, any shortage in the raw materials used by our wafer foundry and packaging and testing services partners may result in shortage in their supply of our products and delay in their packaging and testing process. Therefore, we are vulnerable to the risk that our current wafer foundry and packaging and testing services partners may be unable to meet our demand.

In addition, our ability to receive sufficient supplies of our products could be adversely affected by events such as natural disasters, including earthquakes, drought and typhoons, and geopolitical challenges in locations where our suppliers operate. Our ability to receive sufficient supplies of our products could also be adversely affected by international trade policies, geopolitics and trade protection measures, including imposition of trade restrictions and sanctions. Moreover, increased regulation or heightened societal and industrial expectations regarding responsible sourcing practices could increase our compliance costs. Any failure to comply with such regulations or meet such expectations as a result of misconduct by our suppliers could result in negative publicity that adversely affects our reputation. Given that we do not directly control the procurement or employment practices of our wafer foundry and packaging and testing services partners, we could be subject to financial or reputational risks as a result of their conducts.

The industry in which we operate is highly competitive. If we fail to compete against other market players, our business, results of operations and financial condition may be materially and adversely affected.

The power amplifier audio chip industry in which we operate is highly competitive. Some of our existing players have a longer operating history, more financial and other corporate resources, more sophisticated technological capabilities, more robust customer base and greater bargaining power than

us. Such competitors may develop and launch more attractive products, adapt to downstream demands or incorporate advanced technologies at a faster pace than us. We may not be able to iterate and advance our products rapidly enough, and we may fall behind competitors who could offer more advanced technologies or possess superior product capabilities. As such, we may not be able to respond as quickly and effectively to new opportunities, technologies, industry standards, customer demand or regulatory requirements as such competitors. In addition, in the event that these competitors further lower the prices of their products similar to ours, due to their ability to achieve further cost savings, changes in market conditions or other reasons, we cannot assure you that we can match their pricing strategies in a timely manner, if at all, which could render our products less competitive in the market.

We also face competition from new entrants who may offer more competitive products than ours. Such new entrants may increase industry competition and adversely impact the sales, price, and profit margins of our products and our market share. Further, we may be required to make substantial additional investments in research, development, marketing and sales, recruiting and retaining talents, and acquiring technologies complementary to, or necessary for, our current and future products in order to respond to such potential competitions, and we cannot assure you that such measures will be effective.

If we are unable to compete successfully, or if competing successfully requires us to take costly actions in response to the actions of our competitors, our business, results of operations and financial condition may be materially and adversely affected.

The size of our addressable markets and the demand for our products may not increase as rapidly as we anticipate due to a variety of factors, which may materially and adversely affect our business, results of operations and financial condition.

The power amplifier audio chip industry has been developing rapidly. The future market size of the power amplifier audio chip industry and the demand for relevant products may, however, be difficult to anticipate since it depends on a number of variables, most of which are beyond our control. We cannot assure you that the size of our addressable markets and the demand for our products will continue to grow as anticipated, if at all. For instance, the future market size may depend on the growth in the application of such products in various use cases, the changes in the demands of downstream sectors and technology evolvements. If our products fail to achieve widespread acceptance in any of the downstream sectors, or if customer demand for our products declines or alters due to weakening economic conditions, shifts in consumer preferences, technical challenges, enhanced regulations, or the emergence of alternative technologies or products, our business, results of operations and financial condition will be materially and adversely affected. We may also not be able to adjust our inventory level in response to the decline in the demand of our downstream markets and the price of our products may be adversely affected.

Factors that adversely affect the industries and sectors that our customers operate in may adversely affect our business, financial condition and results of operations.

Our products are offered to customers across several key industries and sectors, such as consumer electronics and electronic vehicles, which are incorporated as part of their offerings to their own customers. Therefore, factors that adversely affect these industries and sectors or the end customer base could also materially and adversely affect our business, financial condition, results of operations and prospects. These factors include, among others:

- a decline in demand for, or negative perception of, or publicity about, products of these industries;
- any operational challenges, decreasing growth, financial difficulties, market share loss, or reputational harm to the customers that use our products;

- regulatory restrictions, trade disputes, industry-specific quotas, tariffs, non-tariff barriers and taxes that may affect the value chain of such customers;
- the reduction or elimination of preferential tax treatments, economic incentives or other favorable policies for these companies; and
- a downturn in economic conditions in major countries and regions that our customers operate their business in.

Our business is primarily based in China and is susceptible to any policy changes in China affecting the power amplifier audio chip industry which may materially and adversely affect our business.

During the Track Record Period, most of our business operations were based in China and a majority of our revenue was derived from our sales in China. As such, we are dependent on policies affecting the power amplifier audio chip industry in China. In recent years, the PRC government has implemented policies or policy changes to stimulate growth in the power amplifier audio chip industry. Many power amplifier audio chip companies, including us, have leveraged such favorable policies. Our success, continuous growth and prospects depend and will continue to depend on policies favorable to the power amplifier audio chip industry in the foreseeable future. However, we cannot assure you that the PRC government will implement additional favorable policies to, or maintain the policies currently in effect with regards to the power amplifier audio chip industry that benefit us. As a result, if such policies change or terminate in the future, our business, financial condition, results of operations and future business growth could be materially and adversely affected.

If we fail to attract new customers and/or retain existing customers, our business, financial conditions and results of operation may be adversely affected.

Our customers usually purchase our products on a case-by-case or project-by-project basis. Given such practice, there is no assurance that our customers will make repurchases for our products frequently or at all. There is also no assurance that the industry will be able to continuously attract new customers to support revenue growth as it depends on a number of factors, including but not limited to the level of acceptance by customers, the rate of expansion of use cases, and the changing customer preferences and demands. As such, if we fail to attract new customers or retain existing customers, our business, results of operations and financial conditions may be adversely affected.

Increases in material and processing costs of our products would adversely affect our business, results of operations and financial condition.

Significant changes in the markets in which our suppliers purchase materials, components and supplies for the production of our products may adversely affect our profitability. We may in the future experience increases in the material and processing costs of our products due to potential fluctuations in the global semiconductor industry and inflationary pressures. Given the competitive nature and pressure of the market in which we operate, we may not be able to pass on the cost increase to our customers by increasing the price of our products. Therefore, any significant increase in the cost of our products may have an adverse impact on our gross margin, business, results of operations and financial condition. In addition, our products may have different margin profiles depending on the amount, number, type of components as well as customized solutions that we deliver according to diverse customer demands. If we fail to maintain our products mix or maintain our gross margin and operating margin, our business, results of operations and financial condition would be adversely affected.

If we cannot price our products and solutions effectively, our business, results of operations and financial condition may be adversely affected.

We may not be able to price our products and solutions effectively. We consider a number of factors in determining the pricing of our products, including costs such as the price of raw materials, gross margin, market conditions, competitive landscape, the market positioning of our brand,

procurement amount and relationship with specific customers. Our pricing is, as a result, affected by the degree of market competition, our relatively bargaining power with relevant customers and our commercialization strategies. We may not always be able to offer our existing and new products at the optimal prices, which may result in them not being profitable or not gaining market share. As our competitors introduce new products and solutions that compete with ours, we may be unable to attract new customers at the same price or based on the same pricing models as we have used historically, or even cause us to lower our price to gain or maintain our market share. We may also price certain products and solutions in a manner that reduces our profitability, in order to attract certain customers. For example, we have recorded a gross loss of RMB0.1 million in 2023, primarily attributable to our strategic initiative to accelerate market share growth through a more competitive pricing strategy. Moreover, as we launch new products from time to time, our ability to effectively price new products is subject to uncertainties. If we cannot price our products effectively in the long term, our business, results of operations and financial condition may be materially and adversely affected.

We are subject to inventory obsolescence risk.

Our inventories were RMB65.1 million, RMB65.5 million, RMB111.9 million and RMB129.6 million as of December 31, 2022, 2023, 2024 and October 31, 2025, respectively. For the same years, our inventory turnover days were 119.3 days, 158.5 days, 104.9 days and 163.4 days, respectively. We may not be able to maintain proper inventory levels, especially as we further expanded our business. We from time to time may adjust our inventory levels based on our internal forecasts of customer demand. If our forecast demand is higher than actual demand, we may be exposed to increased inventory risks due to the accumulation of excess inventory. Excess inventory may increase our inventory holding costs, risk of inventory obsolescence or write-offs. Conversely, if our forecast demand is lower than actual demand, we may not be able to maintain an adequate inventory level and may lose sales and market share to our competitors. Therefore, our business, financial condition and results of operations may be materially and adversely affected.

If we are unable to ensure the manufacturing or delivery of high quality products on schedule and on an adequate scale to address our customer demand, our business and results of operations may be materially and adversely affected.

As we operate under the fabless model, our business operations are concentrated on the R&D and design of chips while outsourcing wafer fabrication to trusted third-party partners. Similar to other players that operate under the fabless model, our ability to continually and timely arrange for the manufacturing and delivery of high quality products meeting the market demand is critical to our viability, performance and prospects.

We may face difficulties meeting our delivery requirements to customers due to a variety of factors, many of which are related to the supply chain or market demand that are generally beyond our control. Failure to fulfill customers' requirements and quality control problems that occur in the manufacturing process of our suppliers could prevent us from meeting the stipulated delivery deadline. For example, a decline in yield rates would adversely affect our third-party partners' production efficiency and product quality. If any of our third-party partners' production facilities experiences interruptions, delays or disruptions in supplying products, our ability to deliver products to customers would be impeded. Further, if our third-party partners' production facilities or suppliers experience any difficulties or shortages of raw materials, or if our suppliers are otherwise unable or unwilling to continue to supply in required volumes or at all, our supply may be disrupted, and we may be required to seek alternate sources of supply. The process of seeking replacements would be highly time-consuming and costly and we cannot assure you that we can locate new suppliers on reasonable or acceptable commercial terms, or at all. In addition, we may also experience delays in shipments caused by our third party logistics service providers. Moreover, surges in market demand could arise from time to time, and we may not be able to arrange for manufacturing and delivery capacity to efficiently

address such demand. Any such issues could have an immediate and material adverse effect on our ability to fulfill orders and consummate sales, damage our reputation and brand, and affect our business, results of operations and financial condition.

We may not be able to fully maintain quality control over our products.

The quality of our products depends on the effectiveness of our quality control and quality assurance protocol. However, our quality control and quality assurance protocol may not be effective in preventing and resolving deviations from our quality standards. Any failure to execute our quality control and quality assurance protocol could render our products unsuitable for use or adversely impact our market reputation and relationship with business partners.

We have little control over the quality of our products or services provided by our suppliers. We cannot assure you that the products manufactured by our wafer foundry partners or services provided by our packaging and testing service providers are safe and free of defects or can meet the relevant quality standards. We depend on the quality control procedures of our suppliers. In the event of any quality issues, we could be subject to complaints and product liability claims and we may not be able to seek indemnification from our suppliers. If we are involved in legal proceedings against our suppliers, such proceedings may be time-consuming and costly regardless of the outcome. Any such issues may materially and adversely affect our business, results of operations and financial condition.

If we experience any deterioration in the quality of our products, we will incur higher costs associated with returns, exchanges and warranties. We may also be required by law to adopt new or amend existing return, exchange and warranty policies from time to time, subject us to additional costs and expenses which we may not recoup through increased revenue. We also cannot assure you that our return, exchange and warranty policy will not be misused by our customers or other third parties. If we revise these policies to reduce our costs and expenses, our customers maybe dissatisfied, which may result in loss of existing customers or failure to acquire new users at a desirable pace, which may materially and adversely affect our results of operations.

Our products may contain defects and we may be subject to product liability claims, which may incur costs and negatively affect our reputation and business operations.

Products within our industry, such as the ones we develop, are complex and may contain errors, defects, vulnerabilities or other issues that are difficult to detect and correct, particularly when first introduced or when new versions or enhancements are released. Despite the verification and testing procedures in place, our products may contain serious errors, defects, vulnerabilities or other issues which we are unable to successfully correct in a timely manner or at all. Some errors or defects in our products may only be discovered after they have been tested, commercialized and deployed by our end customers. Under these circumstances, we may incur additional remedial costs to recall, repair or replace and additional development costs to redesign our products. Furthermore, because we are subject to warranty and indemnification provisions based on certain of our agreements with our customers, we may be subject to claims or threats of claims by our customers for their financial loss related to defects in our products. Any such claims would be time-consuming and costly for us to defend and divert our management attention, thereby adversely affecting our business, financial condition and results of operations. These customers may terminate the business relationship with us altogether and as a result, our results of operations may be adversely affected. These disputes, proceedings and deterioration of customer relationship may generate negative publicity concerning us and adversely impact our business.

If we cannot offer high quality customer support, our reputation and business may be negatively affected.

Our warranty term is typically 24 months, generally in line with the industry norm, according to the F&S report. We maintain proactive communication with our customers after sales and diligently collaborate with them to resolve any quality concerns. As we continue to grow our operations and support our customer base, we need to provide efficient customer support that meets our customers'

needs at scale. We may not be able to recruit or retain sufficient qualified support personnel with experiences in supporting customers of our products and solutions. As a result, we may be unable to respond quickly enough to accommodate short-term increases in customer demand for technical support or maintenance assistance. We also may be unable to modify the future scope and delivery of our technical support to compete with changes in the technical services provided by our competitors. If we experience increased customer demand for support and maintenance, we may face increased costs that may harm our results of operations. If we are unable to provide efficient customer maintenance and support, our business may be harmed.

We depend on the continued services and contributions of our founders, senior management and other key employees, including senior R&D personnel and skilled engineers.

Our future performance depends on the continued services and contributions of our founders, senior management and other key employees, to oversee and execute our business plans, identify and pursue new opportunities and perform effective product design and R&D. We rely on our experienced senior management team to oversee and conduct our business operations, including maintenance of our relationships with key business partners, compliance with relevant laws and regulations and facilitation of the commercialization and production of our products. Any loss of the services of or changes in the positions of our key personnel could significantly delay or prevent us from achieving our strategic business objectives, and adversely affect our business, financial condition and operating results. Hiring and integrating suitable replacements into our team also requires significant amount of time, training and resources, and may impact our existing corporate culture. Our future success depends, to a significant extent, on our ability to attract, train and retain qualified personnel, particularly skilled engineers. However, we cannot assure you that we will be able to develop or retain qualified personnel that we will need in order to achieve our strategic objectives. If we fail to respond in a timely manner to the loss of service of or changes in the positions of our key personnel, our business, financial condition and results of operations may be adversely affected.

If our distributors are not able to operate successfully or we fail to maintain good relationships with such distributors, our business, financial condition and results of operations could be adversely affected.

Our revenue from sales to distributors accounted for 96.1%, 86.2%, 91.4%, 92.3% and 85.2% of our total revenue for 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively. We expect that distributorship will remain an important component of our sales network. The loss of our distributors, or reduced orders from them, could adversely affect our access to end customers and our sales volume and revenue. Moreover, our distributors may not be able to market and sell our products successfully or operate their own business effectively. For example, our distributors may not be able to maintain good relationship with the end customers or carry out marketing and sales activities in a satisfactory manner. In addition, if the sales volumes of our products to end customers are not desirable, our distributors may not place new orders with us, or they may reduce orders or request discounts on the purchase price, and eventually, they may not renew the distribution agreement with us. If our distributors fail to operate successfully, either as a result of their own reasons or with respect to our products, our ability to effectively sell our products could be negatively affected.

As we believe that distributorship is an important component of our sales network, any of the following events could cause fluctuations or declines in our revenue and could have an adverse effect on our business, results of operations and financial condition:

- reduction, delay or cancelation of orders from one or more of our distributors;
- failure to renew agreements and maintain relationships with our existing distributors;
- failure to establish relationships with new distributors on favorable or even standard terms;

- inability to timely identify and appoint additional or replacement distributors upon the loss of one or more of our distributors.

In addition, we cannot assure you that the expansion of our distributor network will continue to be successful or will generate revenue as expected. The cost of any consolidation or further expansion of our distributor network may exceed the revenue generated from these efforts.

We have limited control over our distributors and our distributor management may not be as effective as we anticipate, which may adversely affect our business and reputation.

While we have implemented a series of internal control procedures and other measures to regulate our distributors, including through our distributorship agreements with them, our control over distributors is limited, and we cannot assure you that we can successfully manage our distributors or they can fully discharge their responsibilities. We may fail to detect incidents of misconduct or non-compliance on the part of our distributors that violate the terms of our distributorship agreements or applicable laws and regulations in a timely manner, or at all. Misconducts and violations may occur in the form of unauthorized misrepresentation to our end customers, misappropriation of third-party intellectual property and other proprietary rights and bribery or other unlawful payments during the course of their distribution. Such incidents by any of our distributors could tarnish our brand, disrupt our sales and damage our relationship with such distributors and end customers. These and similar actions could also negatively affect our corporate and product image, result in further loss of customers and decline in sales, or even incur liabilities and claims against us. Moreover, if any of our distributors sell the same products in overlapping markets, this may result in cannibalization or even competition among these distributors, which reduces the efficiency of such distribution channels.

Our distributors generally do not need our specific authorization to engage sub-distributors. We cannot assure you that if our distributors engage any sub-distributors, the sub-distributors will at all times comply with our overall sales and distribution policies or that they will not compete with each other for market share in respect of our products. If any sub-distributor fails to distribute our products to its customers in a timely manner, overstocks or carries out actions inconsistent with our business strategies, it may affect our future sales, which may in turn materially and adversely affect our business, results of operations and financial condition.

Our information technology and software systems may encounter malfunction, unexpected system failure, interruption, insufficiency or security breaches, including cyber-attacks or other privacy or data security incidents that result in security breaches of these systems.

We rely on our information technology and software systems to effectively manage various customers' and suppliers' data, production and operation data, and financial and human resources data. Any significant failure in our information technology and software systems could result in transaction errors, processing inefficiencies and loss of sales and customers, or lead to loss or leakage of confidential information. We collect and store certain customer contact information necessary to our business operations. The security of such information is of paramount importance. Any security and privacy breaches on customer information may damage our customer relations and our reputation and may expose us to legal liability.

Our information technology and software systems may be subject to damage or interruption, primarily due to unexpected emergency circumstances beyond our control, including power outages, computer and telecommunication failures, malware, ransomware or other destructive software, manual or usage errors, catastrophic events, fire, natural disasters and extreme weather conditions, systems failures, security breaches, unauthorized access to our data information systems, hackings intended to cause malfunctions, loss or corruption of data, software, hardware or other computer equipment, intentional or inadvertent transmission of computer viruses and other similar events. Attacks, including those targeting IT systems, could severely disrupt business operations and result in significant expense to repair or remediate system damage. We could not guarantee attacks and security incidents would not happen in the future. We may also encounter problems when upgrading our systems, which could

disrupt our operations and adversely affect our results of operations. In addition, our costs to adequately counter the risk of cyber-attacks and to comply with contractual and regulatory compliance requirements may increase significantly in the future.

Furthermore, cybersecurity breaches may expose us to a risk of loss or misuse of confidential and proprietary information. Such theft, loss or fraudulent use of information, or other unauthorized disclosure of personal or sensitive data, may lead to high costs to notify and protect the impacted persons. It could also subject us to litigation, losses, liability, fines, or penalties, any of which could materially and adversely affect our results of operations and reputation.

We have implemented various security measures and procedures to protect our IT systems, increase security for information, and monitor and mitigate cybersecurity threats. See "Business—Data Security and Privacy". As cybersecurity threats are dynamic, evolving, and increasing in sophistication, magnitude, and frequency, there can be no assurance that such procedures and measures will be successful or sufficient to prevent security breaches from occurring. If any of these potential cybersecurity incidents and corresponding regulatory action were to occur, they could adversely impact our results of operations due to high additional costs, such as penalties, third-party claims, repairs, increased insurance expense, litigation, remediation, security, and compliance costs.

We may be subject to the risks associated with international trade policies, geopolitics and trade protection measures, including imposition of trade restrictions and sanctions, and our reputation, business, results of operations and financial condition could be adversely affected.

Our operations are subject to deterioration in the political and economic relations among countries and sanctions and export controls administered by government authorities and other geopolitical challenges, including, but not limited to, economic and labor conditions, increased custom duties, tariffs, taxes and other costs and political instability. Margins on the sales of products that include components obtained from certain suppliers from other countries and regions could be materially and adversely affected by international trade regulations, including custom duties, tariffs, sanctions and antidumping penalties. In particular, the U.S. government imposed economic and trade sanctions directly or indirectly affecting China-based technology companies. It is possible that the extent and scope of such sanctions may escalate. There is no assurance as to how the U.S.-China trade tensions might develop or whether there will be any changes to the scope and extent of goods that are or will be subject to such export controls, sanctions, tariffs, or new trade policies introduced by the two countries. We cannot predict the implications of the ongoing U.S.-China trade tensions and the resulting impact on our industry and the global economy.

In particular, the U.S. government has imposed, and may continue to impose, economic and trade sanctions targeting certain entities including Chinese state-owned enterprises and technology companies, which could be our customers or suppliers. Restrictions which are similar or more expansive restrictions that may be imposed by the U.S. or other jurisdictions in the future, may be difficult or costly to comply with and may materially and adversely affect our and our technology partners' abilities to acquire technologies, systems, devices or components that may be critical to our technology infrastructure, service offerings and business operations. If any of us, or our Shareholders, Directors, management personnel, employees and business partners, as well as our suppliers and customers, violate such laws, we could become subject to sanctions or other penalties, which could adversely affect our reputation, business, results of operations and financial condition. If certain of our customers and suppliers are listed on any sanction list and subject to restrictions from sourcing or selling technologies, software, or components subject to the EAR from or to us, we may not be able to obtain, extend or maintain the requisite regulatory permits in relation to our transactions with these customers and suppliers.

The Final Rule became effective on January 2, 2025. The Final Rule targets investments by U.S. persons involving persons and entities associated with "countries of concern," currently including China, that engaged in activities in certain sectors such as semiconductors and microelectronics,

quantum information technologies or artificial intelligence (which the Final Rule defines as "covered activities"). The persons and entities from countries of concern engaged in covered activities defined as "covered foreign persons". The Final Rule imposes prohibition or notification requirements on a wide range of investments by U.S. persons subject to the Final Rule, which are defined as "covered transactions", include acquisitions of equity interests, certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. As advised by our Sanction Counsel, although we engage in activities involving semiconductors, a covered activity of the Final Rule, our products do not meet or exceed the performance parameters specified under Export Control Classification Number 3A090.a in Supplement No. 1 to 15 C.F.R. Part 774, nor are they designed for operation at or below 4.5 Kelvin, as described in 31C.F.R. § 850.224(c). Based on the above information, our Sanction Counsel is of the view that, our chip design business constitutes a "covered activity" under 31C.F.R. § 850.208 and § 850.217(a), which only triggers "Notifiable Transactions Requirement. A U.S. person's investment into us, including the purchase of H Shares through the Global Offering, should not constitute a prohibited transaction.

On December 23, 2025, the Treasury published additional frequently asked questions ("**FAQs**") on the Outbound Investment Rule. One of these FAQs (X. 4) provides that absent additional facts, when a U.S. person acquires an equity interest in a "covered foreign person", and at the time of such acquisition the equity interest is publicly traded, such security falls under the description of a "publicly traded security" in 31 C.F.R. §850.501(a)(1)(i), regardless of when an agreement to make its investments is entered into. In light of the FAQs' guidance, we are of the view, as advised by our Sanction Counsel and taking into account its view, a U.S. person's acquisition of our H shares that are publicly listed and traded in this Global Offering may constitute an "excepted transaction" assuming the U.S. person would not also be afforded rights beyond "standard minority shareholder protections." While neither the Final Rule nor the FAQs define the time of acquisition, as advised by our Sanction Counsel, it is reasonable to conclude that the acquisition of the H shares by investors occurs upon settlement with them since the investors will receive our H shares at settlement. As long as the settlement of the H shares purchased by U.S. persons occurs after 9:00 am on the Listing Date, the H shares they acquire would be publicly listed and traded securities. However, if settlement occurs before 9:00am on the Listing date when the H shares are not yet publicly listed and traded (for example, this is the case for settlement for Hong Kong Offer Shares), it remains uncertain whether the publicly traded securities exception under the Final Rule can be applicable.

Although U.S. persons' passive investments in publicly traded securities may qualify as "excepted transactions" under the Final Rule, there remains ambiguity regarding the scope and conditions of this exception. To the extent that this exception is not available, U.S. persons that purchase our H Shares in this Global Offering may be required to file notifications with the U.S. Department of Treasury.

Any investors that are U.S. persons should consult their own legal counsel regarding the applicable compliance requirements. Future changes in the Final Rule and any related policies, laws and regulations or their interpretations, or any similar or more expansive restrictions imposed by the U.S. or other jurisdictions, may result in additional costs on our business and/or limit our ability to raise capital or contingent equity capital from U.S. market and other sources that may otherwise be beneficial to us, which could adversely affect our performance, financial condition and prospects. Moreover, the Final Rule may increase the compliance burden of U.S. investors and may cause certain U.S. investors to adopt a more cautious approach in their investments, affecting the investor sentiment towards us, and therefore negatively impacting our ability to raise capital.

Throughout 2025, the U.S. government announced several rounds of tariffs on imports from China under the International Emergency Economic Powers Act ("**IEEPA**"). These tariffs were ruled unlawful by the U.S. Supreme Court on February 20, 2026. In response, the U.S. President suspended collection of such IEEPA-based duties and imposed a temporary 10 percent ad valorem import surcharge for a 150-day period on goods imported into the United States, effective February 24, 2026, with certain exceptions. The U.S. tariff policies are subject to continuous and unpredictable evolution, driven by geopolitical dynamics, economic priorities, and regulatory agendas. In the event that our customers

reduce their orders, be such due to a decrease in overall demand of our products, replacing us with other suppliers, downturn of the macro-economy or other reasons, or in the event that we are required to adjust our pricing strategies due to the changes of competition dynamics, our business, financial conditions and results of operation will be adversely affected.

During the Track Record Period, our products were offered to our customers in mainland China and Hong Kong. We cannot assure you that our end customers will not engage in the export of their goods incorporating our products or solutions into the U.S. or other countries and regions, and that such export will not be subject to the restrictions introduced by the U.S. or other jurisdictions. If the export sales of the end customers' end products are restricted, prohibited or made subject to any trade conditions under any international policies or international export controls or economic sanctions imposed by any jurisdictions, the end customers' demand in our products may drop significantly and, as a result, our business, financial condition and results of operations may be materially and adversely affected.

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

We may be involved in litigation, legal or contractual disputes, governmental investigations or administrative proceedings, which may divert our management's attention and adversely affect our business, results of operations and financial condition.

We may be involved in litigation, legal or contractual disputes, governmental investigations or administrative proceedings in the ordinary course of our business. These may concern issues relating to, among others, intellectual property rights, tax filings, labor and contract disputes relating to our daily business operations. See also "—Risks Relating to the Research and Development and Intellectual Property Rights of Our Products—If third parties claim that we infringe upon their intellectual property rights, we may incur liabilities and penalties and may have to redesign or suspend the sales of products involved." Any such claim or proceeding involving us, with or without merit, may be expensive, time-consuming and disruptive to our operations and distracting to management. In addition, even if we ultimately succeed in such disputes or proceedings, negative publicity may arise therefrom and materially and adversely affect our reputation and business. If one or more legal or administrative matters were resolved against us, or certain injunctions are granted to prevent us from using certain technologies in our products, our business, results of operations and financial condition could be materially and adversely affected. Furthermore, unfavorable outcomes could result in significant compensatory or punitive monetary damages, disgorgement of revenue or profits, corporate remedial measures, injunctive relief or specific performance against us that could materially and adversely affect our results of operations and financial condition.

We are subject to a patent infringement claim which could prevent us from selling certain products and may require us to pay monetary damages.

We are currently involved in a patent infringement lawsuit initiated by a competitor in the semiconductor industry. The plaintiff alleges that several of our audio amplifier product models infringe its invention patent for an "open-loop charge pump" and is seeking, among other remedies, a permanent injunction against the manufacture, sale, and offer for sale of the implicated products, alongside monetary damages. An unfavorable outcome, should it occur, could prevent us from selling the specific product models cited in the litigation. The final resolution of this matter remains subject to judicial determination. Any adverse ruling could have a negative impact on our business, financial condition, and results of operations. For further details, see "Business—Legal Proceedings and Compliance—Legal Proceedings."

We may be required to make additional contributions of social insurance fund and/or housing provident fund and late payments and fines under PRC laws and regulations.

Companies operating in the PRC are required to participate in various employee benefit plans, including social insurance fund and housing provident fund and contribute to the amounts equal to certain percentage of salaries, including bonuses and allowances, of their employees up to a maximum amount specified by the local government from time to time at locations where they operate their business. During the Track Record Period, we did not make adequate contributions to the social insurance and housing provident fund for our employees as required by the relevant PRC laws and regulations. The total shortfall during the Track Record Period was approximately RMB14.1 million, which we believe would not have a material adverse effect on our business. As a result, we may be required to make additional contributions of social insurance fund and/or housing provident fund and late payments and fines under PRC laws and regulations. We estimate that the shortfall of social insurance and housing provident fund contributions as of December 31, 2022, 2023, 2024 and October 31, 2025 was approximately RMB3.7 million, RMB3.8 million, RMB3.6 million and RMB3.0 million, respectively. Failure to pay the outstanding social insurance contributions and late payment surcharges as required by the relevant government authorities within the prescribed time limit may subject us to a maximum fine of three times the amount in arrears.

As advised by our PRC Legal Advisor, if the competent PRC government authority determines that the social insurance contributions we made for our employees violate the requirements under the relevant PRC laws and regulations, we may be required to pay all outstanding social insurance contributions within a stipulated period, with late fees at a daily rate of 0.05% of the outstanding amount, accruing from the date when the social insurance contributions were due. In the unlikely event that we are required to settle the shortfall of social insurance contribution, if this payment is not made within the stipulated period, the competent authority may further impose a fine of one to three times of the overdue amount on us. In addition, pursuant to relevant PRC laws and regulations, in case of a failure to pay the full amount of housing provident fund, the competent PRC government authority may require us to pay the outstanding amount within a stipulated period. If the payment is not made within such stipulated period, an application may be made to the PRC courts for compulsory enforcement. As advised by our PRC Legal Advisor, the risk is remote that relevant local social insurance and housing provident funds authorities will impose administrative penalty on us, and such that the incident described above would not have a material adverse effect on our business and results of operations.

We cannot assure that the relevant local government authorities will not require us to pay the outstanding amount within a specific time limit or impose late or additional fees or fines on us in the future, nor can we assure you that there are no, or will not be any, employee complaints regarding payment of the outstanding amount of the social insurance and housing provident fund contributions against us, or that we will not receive any claims in respect of the outstanding amount of the social insurance and housing provident fund contributions under national laws and regulations. In addition, we may incur additional expenses to comply with such laws and regulations promulgated by the PRC government or relevant local authorities.

Furthermore, during the Track Record Period, we engaged third-party agencies to make such contributions on our behalf for certain employees, which was not in strict compliance with applicable PRC laws and regulations. We implemented such arrangements primarily because these employees were located in cities where we did not have any registered operating entities. As of December 31, 2022, 2023, 2024 and October 31, 2025, we engaged third-party agencies for paying social insurance or housing provident funds to 18, six, five and seven employees, respectively. During the Track Record Period, such third-party agencies made a total of RMB2.9 million of social insurance and housing provident fund contributions on behalf of us. We are in the process of rectifying the non-compliance with respect to payment of social insurance and housing provident fund contributions through third-party agencies, including transferring the social insurance and housing provident funds contributions from such agencies to our subsidiaries and branches. As advised by our PRC Legal Advisor, if the validity of such arrangements is challenged by competent PRC authorities, we might be

subject to additional contributions, late payment fees and/or penalties required by relevant PRC laws and regulations for failing to discharge our obligations in relation to payment of social insurance and housing provident funds as an employer or be ordered to rectify such practice. We cannot assure you that relevant competent government authorities will not take the view that such third-party agency arrangements do not satisfy the requirements under the relevant PRC laws and regulations. We might also be subject to labor disputes arising from such arrangements with the relevant employees.

Failure to protect our leasehold interests could adversely affect our business operations.

As of the Latest Practicable Date, we were unable to file the lease agreements for registration with respect to seven of our leased properties in China due to the difficulty of procuring our lessors' cooperation to register such leases. If these lessors are not the legal owners or have not obtained the proper authorization from the legal owners of such premises, the legal owners of such premises or third-party tenants that have leased from the legal owners will have ground to challenge the validity of our leasehold interest in the affected premises. Under the relevant PRC laws and regulations, the parties to a lease agreement have the obligation to register and file the executed lease agreement. As advised by our PRC Legal Advisor, the validity and enforceability of the lease agreements are not affected by the failure to register or file the lease agreements with the relevant government authorities. According to the relevant PRC regulations, we may be ordered by the relevant government authorities to register the relevant lease agreements within a prescribed period, and we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease if we fail to comply. If any of our leases are terminated or voided as a result of challenges from third parties or government agencies, we would need to seek alternative premises and incur relocation costs.

Acquisitions, investments or strategic alliances may fail and materially and adversely affect our reputation, business and results of operations.

We may in the future enter into strategic alliances with various third parties. Strategic alliances with third parties could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance by the counterparty, and an increase in expenses incurred in establishing new strategic alliances, any of which may materially and adversely affect our business. We may have little ability to control or monitor their actions. To the extent strategic third parties suffer negative publicity or harm to their reputation from events relating to their business, we may also suffer negative publicity or harm to our reputation by virtue of our association with such third parties.

In addition, we may acquire additional assets, technologies or businesses that are complementary to our existing businesses. Future acquisitions and the subsequent integration of new assets, technologies and businesses into our own would require significant attention from our management and could result in a diversion of resources from our existing businesses, which in turn could adversely affect our business. Acquired assets, technologies or businesses may not generate the financial or operating results we expect. In addition, acquisitions could result in the use of substantial amounts of cash, dilutive issuances of equity securities, incurrence of debt, incurrence of significant goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business.

Prolonged cash conversion cycle and elevated inventory levels may materially and adversely affect our business, results of operations and financial position.

We are subject to risks associated with a prolonged cash conversion cycle, predominantly driven by extended inventory turnover days, which may adversely affect our liquidity position, increase our working capital requirements, and potentially strain our operational efficiency. A key component of this risk is our inventory management. The relatively long inventory holding period, as evidenced by the historical inventory turnover days, necessitates significant capital to be tied up in unsold stock and work-in-progress. This inherently elevates the risk of inventory obsolescence, particularly given the rapid technological evolution and competitive pressures within the industry. Should market demand for

our products decline unexpectedly or should we inaccurately forecast customer needs, we may be required to write down the value of our inventory, which would directly and adversely impact our profitability and financial condition.

Shifts in workforce diversity expectations and demographic trends may impact recruitment, retention, and brand perception, which would affect our business, results of operations and financial condition.

Increasing social awareness and stakeholder scrutiny, particularly within the ESG framework, place greater emphasis on workforce composition, including gender diversity and age demographics. Failure to adapt human resources strategies effectively to evolving social norms regarding diversity, equity, and inclusion could potentially hinder the Group's ability to attract and retain qualified talent across all demographics. This may affect operational efficiency and innovation capacity. Furthermore, perceptions regarding the our commitment to these evolving social values could influence our reputation among customers, investors, and potential employees. While we monitor these trends and seek to enhance our practices, significant changes in social expectations or related regulations could necessitate material adjustments to our human capital management approach, potentially increasing operational costs or impacting employer branding, which could materially and adversely affect our business, results of operations and financial condition.

Any future occurrence of natural disasters, outbreaks of contagious diseases or other force majeure events may materially and adversely affect our business, results of operations and financial condition.

Our business is subject to general economic and social conditions in China and other countries and regions where we operate. Uncertainties about global economic conditions and regulatory changes and other factors including fluctuation of interest rates, inflation level, unemployment, labor and healthcare costs, access to credit, consumer confidence and other macroeconomic factors may pose risks and materially and adversely affect demand for our products. In addition, natural and man-made disasters and other force majeure events which are beyond our control may adversely affect the economy, infrastructure and livelihood of the people there. For instance, typhoons, sandstorms, snowstorms, fires and droughts, as well as the outbreak of a widespread health epidemic such as COVID-19, SARS, Ebola or Zika could pose significant risks to the regions where we or our business partners conduct business operations, including the research and development, manufacturing and commercialization activities. The potential occurrence or recurrence of any of these events could result in a slowdown of global economy or cause substantial disruptions to our operations, which could materially and adversely affect our business, financial condition, results of operations and prospects. Additionally, acts of war and terrorism may also damage the facilities of our business partners, disrupt our distribution channels and destroy our markets. The potential for war or terrorist attacks may also harm or cause uncertainty to our business in ways that we cannot predict.

RISKS RELATING TO THE RESEARCH AND DEVELOPMENT AND INTELLECTUAL PROPERTY RIGHTS OF OUR PRODUCTS

If we are unable to develop and introduce new products, our future business, results of operations, financial condition and competitive position would be materially and adversely affected.

Our future business, results of operations, financial condition and competitive position depend on our ability to develop and introduce new and enhanced products that incorporate the latest technological advancements. We may encounter unexpected technical and production challenges or delays in completing the development of new and enhanced products in a cost-efficient manner. Successful product development and upgrade not only requires us to invest significant resources in research and development and also require that we:

- design products with better functionality or other benefits that differentiate from those of our competitors;

- quickly and cost-effectively adjust to evolving customer demands, market conditions and industry trends; and
- continuously enhance our current technology stack.

If we are unable to complete the development of new and enhanced products and/or technologies without delay or at all, we may not be able to satisfy our customers' demand or achieve broader market acceptance of our products, and our business, results of operations, financial condition and competitive position would be materially and adversely affected.

We have been investing, and intend to continue to invest, heavily in research and development, which may adversely affect our profitability and operating cash flow and may not generate the results we expect to achieve.

We have been investing, and expect to continue to invest, heavily in our research and development efforts. Our research and development expenses increased from RMB48.7 million in 2022 to RMB59.3 million in 2023, and further to RMB68.1 million in 2024. Our industry is subject to rapid technological changes and is quickly evolving in terms of technological innovation. We need to invest significant resources, including financial resources, in research and development to make technological advances in order to maintain the competitiveness of our products or expand our product offerings. As a result, we expect to continue to incur significant research and development expenses in the future.

However, we cannot guarantee that our efforts will achieve the outcomes as we anticipate. The outcomes of research and development activities are inherently uncertain. Even if we succeed in our research and development efforts and generate the results as we expect, we may still encounter practical difficulties in commercializing our products incorporating our research and development outcomes. New technologies could render our existing technologies and/or products or technologies and/or products we are developing obsolete or unattractive, thereby rendering us unable to recover research and development costs, which could materially and adversely affect our business, results of operations and financial condition.

Our research and development efforts may not translate into contribution to our results of operations for several years, if at all, and even when they do, such contributions may not meet our expectations, and we may never recover the costs of such efforts, which would materially and adversely affect our business, results of operations, financial condition and competitive position.

We may not be able to obtain or maintain adequate intellectual property rights protection for our products, or the scope of such intellectual property rights protection may not be sufficiently broad.

Our ability to protect our proprietary technology as well as our product from competition by obtaining, maintaining and enforcing our intellectual property rights, including patent rights is critical to our long-term competitiveness. We have been protecting the proprietary technologies that we consider commercially important by, among others, filing patent applications in China and other jurisdictions. As of the Latest Practicable Date, we had 32, two and one registered patents in China, the U.S. and Europe, respectively, including 32 invention patents and three utility model patents, and filed 21 patent applications in China and one patent applications in the U.S. which were pending approval. All of our patents are self-owned and not licensed by third-parties. See "Business—Intellectual Property Rights" for more details. The intellectual property application process may be expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable intellectual property applications at a reasonable cost or in a timely manner, if at all. In addition, we may however fail to identify patentable aspects of our R&D outputs before it is too late to obtain patent protection. As a result, we may not be able to prevent competitors from developing and commercializing competitive products in all such fields.

Even if we have identified, filed and prosecuted our intellectual property applications, our applications may not be granted or our intellectual property may be invalidated for multiple reasons, including known or unknown prior deficiencies in the intellectual property application or the lack of novelty of the underlying technology. Moreover, the patent position of power amplifier audio chip providers like us may be uncertain because it involves complex legal and factual considerations. As such, we cannot assure you that we will be able to discern the scope of the intellectual property protection or obtain adequate intellectual property protection with respect to our products. Governmental patent agencies also require compliance with a number of procedural, documentary, fee payment, and other similar provisions during the patent application process and over the lifetime of the patent. Non-compliance events can result in abandonment or lapse of the relevant patent or patent application, leading to partial or complete loss of patent rights in the relevant jurisdiction.

Even if our intellectual property applications are approved, they may not be approved in a form that will provide us with meaningful protection from competition or with any competitive advantage. For instance, our competitors may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner. The issuance of a patent is not conclusive as to its inventor, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in China and other jurisdictions. Further, although various extensions may be available, the life of a patent and the protection it affords is limited. If we fail to extend the life of our patents, we may face competition for any approved products or solutions even if we successfully obtain patent protection once the patent life has expired for the product or solution.

Any of the foregoing could materially and adversely affect our business, results of operations, financial condition, competitive position and prospects.

We may be involved in lawsuits to protect or enforce our intellectual property rights from time to time and our rights could be found invalid or unenforceable if being challenged in court or before any related intellectual property agency in any jurisdiction.

Competitors may infringe, misappropriate or otherwise violate our patent rights or other intellectual property rights. To counter infringement or unauthorized use, litigation may be necessary to enforce or defend our intellectual property rights, to protect our trade secrets or to determine the validity and scope of our own intellectual property rights or the proprietary rights of others. This can be expensive and time-consuming. Any claims that we assert against perceived infringers could also provoke these parties to assert counterclaims against us alleging that we infringe their intellectual property rights. Certain of our current and potential competitors have, and could continue to, dedicate significant resources to enforce and/or defend their intellectual property rights. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. An adverse result in any litigation proceeding could put our patents, as well as any patents that may be issued in the future from our pending patent applications, at risk of being invalidated, held unenforceable or interpreted narrowly.

Furthermore, depending on the scope of discovery required in connection with intellectual property litigation, some of our confidential information could be compromised by disclosure. Defendant counterclaims alleging invalidity or unenforceability are common, and can be asserted on numerous grounds. Third parties may also raise similar claims before the administrative bodies in China or other jurisdictions. Such proceedings could result in revocation or amendment to our patents in such a way that they no longer cover and protect our products or product and solution candidates. The outcome following legal assertions of invalidity and unenforceability is unpredictable.

If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and potentially all, of the patent protection on our products or product and solution candidates. Such a loss of patent protection could materially and adversely affect our business.

If third parties claim that we infringe upon their intellectual property rights, we may incur liabilities and penalties and may have to redesign or suspend the sales of products involved.

The industry in which we operate is patent-intensive. Companies, including us, in this industry routinely seek patent protection for their product and solution designs. Some of our competitors have large patent portfolios with broad rights and may claim that our expected commercial use of our products or solutions has infringed their patents. Specifically, these competitors could allege that certain features of our products or solutions fall within the coverage of their patents. Our competitors have initiated, and may continue to initiate legal proceedings alleging that we are infringing, misappropriating or otherwise violating their intellectual property rights in connection with the commercialization of our products.

Whether a product infringes a patent involves an analysis of complex legal and factual issues and the conclusion of such analysis is often uncertain. Although we intend to identify and avoid intellectual property infringement activities, (1) we may hire employees who have previously worked for our competitors and cannot assure that such employees will not use their previous employers' proprietary know-how, technology and other proprietary information in their work for us, which could result in litigation against us; (2) in the case where our employees are obligated to assign any inventions created during their work to us under assignment agreement, we may not obtain these agreements in all circumstances and the assignment of intellectual property under such agreements may not be self-executing; and (3) our competitors may also have filed for patent protection which is not as yet a matter of public knowledge or claimed rights that have not been revealed through our searches of relevant public records. Therefore, our efforts to identify and avoid infringing on third parties' intellectual property rights may not always be successful.

Any claims of patent or other intellectual property infringement, regardless of their merit, could be expensive and time-consuming. These claims and the relevant proceedings could diverge management attention and result in substantial financial costs. If our competitors or employees succeed in raising their claims, we may be required to suspend our sales efforts of the relevant products in controversy, redesign, reengineer or rebrand such products, pay substantial damages to third parties, or enter into royalty or licensing agreements which may not be available on terms favorable to us.

We may be unable to protect the confidentiality of our trade secrets, and we may be subject to claims that we, or our employees or our business partners have wrongfully used or disclosed trade secrets allegedly owned by others.

In addition to our registered patents and patent applications, we rely on trade secrets, including unpatented know-how, technology and other proprietary information, to protect our products and thus maintain our competitive position. We protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements, non-compete covenants or include such undertakings in the agreements with parties that have access to them. We also enter into employment agreements with our employees that include undertakings regarding assignment of inventions and discoveries. Nevertheless, there can be no guarantee that an employee or a third party will not make an unauthorized use or disclosure of our proprietary confidential information. This might happen intentionally or inadvertently. It is possible that a competitor will gain access to such information and make use of such information, and that our competitive position will be compromised, despite any legal action we might take against such persons. In addition, to the extent that our employees or business partners use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

Trade secrets are difficult to protect. Our employees or business partners might intentionally or inadvertently disclose our trade secret information to competitors, or our trade secrets may otherwise be misappropriated. Enforcing a claim that a third party illegally obtained and/or is using any of our trade secrets is expensive and time-consuming, and the outcome is unpredictable. While we seek to enter into agreements with our employees that obligate them to assign any inventions created during their work to

us, we may not obtain these agreements in all circumstances and the assignment of intellectual property under such agreements may not be self-executing. It is possible that technology relevant to our business will be independently developed by a person that is not a party to such agreement. Furthermore, if the employees who are parties to these agreements breach the terms of these agreements, we may not have adequate remedies for any such breach, and we could lose our trade secrets and inventions through such breaches. Any legal proceedings asserting our trade secrets could be time-consuming and costly, and may not yield successful results.

RISKS RELATING TO OUR FINANCIAL CONDITION AND NEED FOR ADDITIONAL CAPITAL

We have incurred significant net losses and had incurred gross loss during the Track Record Period, and may not be able to achieve or subsequently maintain profitability in the near future.

We have incurred net losses in the past. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, we incurred net loss of RMB65.9 million, RMB94.1 million, RMB56.8 million, RMB46.9 million and RMB51.8 million, respectively. In 2023, we recorded gross loss of RMB0.1 million. We may continue to incur net losses in the short term, as we are in the stage of expanding our business and operations in the rapidly growing power amplifier audio chip industry and are continuously investing in research and development. We may not be able to achieve or subsequently maintain profitability in the near future. Our net losses during the Track Record Period were primarily due to our significant investments into our R&D initiatives and the relatively short commercialization record of our products. Our cost of sales and operating expenses may further increase as we continue to (1) expand our business in more downstream sectors such as the automotive-grade power amplifier audio chip industry, (2) invest in our research and development initiatives to maintain our competitiveness in the market and (3) engage in sales and marketing activities to increase our market shares in the power amplifier audio chip industry, while we have not yet achieved economies of scale. Our gross loss in 2023 was primarily attributable to a strategic initiative to accelerate market share growth through a more competitive pricing strategy in response to the intensifying competition.

Our future profitability will depend on a variety of factors, including (1) sustained R&D investment and technological breakthroughs that maintain our competitive edge, (2) increased demand from downstream sectors and such emerging downstream applications where our audio chips are becoming critical enablers, and (3) continued market expansion of our automotive-grade power amplifier audio chips. In particular, our ability to improve our gross profit margin by effectively pricing our products is crucial to our success. Our revenue also may not grow at the rate we expect, if at all, and it may not increase sufficiently to offset the increase in our costs and expenses. As a result, we may continue to incur losses in the future and we cannot assure you that we will eventually achieve our intended profitability. In addition, we expect to incur additional costs and expenses as a result of being a public company. If we are unable to generate adequate revenues and manage our expenses, we may continue to incur significant losses and may not be able to achieve or subsequently maintain profitability.

We recorded net operating cash outflows historically and there can be no assurance that we will not have net cash outflow from operating activities in the future.

We recorded net cash outflow used in operating activities of RMB105.8 million, RMB88.6 million, RMB82.7 million, RMB52.5 million and RMB57.3 million in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively. See "Financial Information—Liquidity and Capital Resources—Cash Flows." We cannot assure you that we will be able to generate positive cash flows from operating activities in the future. If we continue to record net operating cash outflows in the future, our working capital may be constrained, which may adversely affect our financial condition. Our future liquidity primarily depends on our ability to maintain adequate cash inflows from our operating activities and adequate external financing such as offering and issuing securities, and/or other sources such as external debt, which may not be available on terms favorable or commercially reasonable to us

or at all. If we fail to obtain sufficient funding in a timely manner and on reasonable terms, or at all, we will be in default of our payment obligations and may not be able to expand our business. As a result, our business, results of operations and financial condition may be adversely affected.

If we fail to perform our contractual obligations, our liquidity and financial positions may be materially and adversely affected in the future.

Our contract liabilities primarily represent the advance consideration received from our customers while the underlying goods are yet to be provided by us. Our contract liabilities were RMB2.4 million, RMB4.7 million, RMB7.8 million and RMB2.3 million as of December 31, 2022, 2023, 2024 and October 31, 2025, respectively. If we fail to fulfill our obligations with respect to our contract liabilities, we may not be able to convert such contract liabilities into revenue as expected. Furthermore, if we fail to fulfill our obligations with respect to our contract liabilities, our customers may request not to prepay us in the future. Any of these circumstances could materially and adversely affect our business, results of operations, cash flow and liquidity condition.

We have granted and may continue to grant share incentives in the future, which may result in increased share-based payment expenses or shareholder dilution.

We recorded share-based payment expenses of RMB7.8 million, RMB7.8 million, RMB7.8 million, RMB6.5 million and RMB6.1 million in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively. We believe the granting of share-based payment is of significant importance to our ability to attract and retain key personnel and employees, and we will continue to grant share-based payment to employees in the future. Issuance of additional Shares with respect to share-based payment may dilute the shareholding percentage of our existing Shareholders. Our expenses associated with share-based payment may increase, which may have an adverse effect on our results of operations.

We are subject to credit risk relating to certain trade receivables, and any significant default on our trade receivables could materially and adversely affect our liquidity, financial condition and results of operations.

We are exposed to credit risk relating to delay in payment and defaults of our customers. As of December 31, 2022, 2023, 2024 and October 31, 2025, our trade receivables before impairment loss amounted to RMB14.3 million, RMB30.8 million, RMB42.3 million and RMB48.3 million on a gross basis, respectively, with an allowance for credit losses of trade receivables amounting to RMB0.1 million, RMB0.3 million, RMB0.4 million and RMB0.5 million as of the same dates, respectively. Our trade receivables turnover days were 22.2 days, 54.2 days, 37.2 days and 48.6 days in 2022, 2023, 2024 and the ten months ended October 31, 2025, respectively. We may not be able to collect all such trade receivables due to a variety of factors that are beyond our control, such as long payment cycles of certain customers. If the relationship between us and any of our customers is terminated or deteriorated, or if any of our customers experience financial difficulties in settling the trade receivables, our corresponding trade receivables recoverability will be adversely affected. The increase in the amount of provisions made on our trade receivables will be recorded as expenses on our results of operations. As such, if we are unable to manage the credit risk associated with our trade receivables effectively, our results of operations may be materially and adversely affected. Furthermore, substantial defaults or delays by our customers could materially and adversely affect our cash flow and working capital conditions, and we may have to terminate our relationships with such customers and third parties.

RISKS RELATING TO CONDUCTING BUSINESS IN JURISDICTIONS THAT WE OPERATE IN

Changes in the economic, political or social conditions, laws, regulations or government policies in the jurisdictions where we operate could have a material adverse effect on our business and operations.

Changes in the economic, political and social conditions as well as government policies in the jurisdictions where we operate could adversely affect our business and prospects. Most of our operations and assets are located in China. Accordingly, our business, financial condition and results of operations could also be influenced by changes political, economic and social conditions in this market. Any economic downturn, whether actual or perceived, decrease in economic growth rates or an otherwise uncertain economic outlook in our geographic markets or any other market in which we may operate, as well as changes in the economic or political environment in such markets, could affect our business, financial condition and results of operations.

In recent years, the Chinese government implemented a series of laws, regulations and policies which imposed stricter standards with respect to, among other things, quality and safety control, and supervision and inspection of enterprises operating in our industries. See "Regulatory Overview." If the Chinese government continues to impose stricter regulations on our industries, we could face higher costs in order to comply with those regulations, which may affect our profitability.

Governmental supervision of currency conversion, and restrictions on the remittance of Renminbi into and out of China, may limit our ability to pay dividends and other obligations, and adversely affect the value of your investment.

The PRC government imposes supervision on the convertibility of Renminbi into foreign currencies. Most of our transactions are denominated in Renminbi. We may convert a portion of our revenue into other currencies to meet our foreign currency obligations, such as payments to certain suppliers, if any. Shortages in the availability of foreign currency may restrict our ability to remit sufficient foreign currency, or otherwise satisfy our foreign currency denominated obligations.

Under the existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration with competent government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses, such as direct investments, repayment of loans denominated in foreign currencies, repatriation of investments and investments in securities outside of China. Failure to obtain approval from or complete registration with competent government authorities related to overseas direct investments may result in cessation of the implementation of relevant projects, restrictions on the remittance of Renminbi into or out of China, or even legal of administrative liabilities. If the foreign exchange regulatory policies prevent us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. Further, we cannot assure you that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of Renminbi into or out of China.

Fluctuations in exchange rates of Renminbi against Hong Kong dollar, U.S. dollar or other foreign currencies may result in foreign currency exchange losses and may have a material adverse effect on your investment.

During the Track Record Period, a majority portion of our revenue, expenditures and financial assets were denominated in Renminbi. Fluctuations in the exchange rate of Renminbi against Hong Kong dollar, U.S. dollar and other foreign currencies are affected by, among other things, the changes in China's and international political and economic conditions. We recorded net foreign exchange gains of RMB4.7 million, RMB1.4 million, RMB4.8 million and RMB3.1 million in 2022, 2023, 2024 and the ten months ended October 31, 2024, respectively, and recorded net foreign exchange loss of

RMB1.9 million in the ten months ended October 31, 2025. The exchange rate of the Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by, among other things, the policies of the Chinese government and changes in China and in international political and economic conditions. It is difficult to predict how market forces or government policies may impact the exchange rate between the Renminbi and the Hong Kong dollar, the U.S. dollar or other currencies in the future. Any significant change in the exchange rates of the Hong Kong dollar against Renminbi, U.S. dollar or other foreign currencies may materially and adversely affect our cash flows, earnings and financial position, and the value of, and any dividends payable on, our H Shares in Hong Kong dollars. For example, a further appreciation of Renminbi against the Hong Kong dollar would make any new Renminbi-denominated investments or expenditures more costly to us, to the extent that we need to convert Hong Kong dollars into Renminbi for such purposes. An appreciation of Renminbi against the Hong Kong dollar would also result in foreign currency translation losses for financial reporting purposes when we translate our Hong Kong dollar denominated financial assets into Renminbi, including proceeds from the Global Offering, as Renminbi is the functional currency of our subsidiaries inside China. Conversely, if we decide to convert our Renminbi into Hong Kong dollars for the purpose of making payments for dividends on our H Shares or for other business purposes, appreciation of the Hong Kong dollar against Renminbi would have a negative effect on the Hong Kong dollar amount available to us.

Failure to comply with rapidly evolving governmental regulations and other legal obligations concerning data protection and cybersecurity may materially and adversely affect our business, as we routinely collect, store and use data during the conduct of our business.

We are subject to various regulatory requirements relating to cybersecurity and data privacy in the PRC, including the PRC Data Security Law (中華人民共和國數據安全法) and the Cybersecurity Law of PRC (中華人民共和國網絡安全法). We are required to ensure that our data processing activities are carried out in a lawful, legitimate, specific and clear manner. In the course of conducting our business, the data we collect mainly pertains to employee information, customer and supplier contact information, and other data necessary for operation and management. Due to our business nature, we generally do not engage in collecting personal information through public channels such as operational websites, apps, or mini-programs on internet platforms. However, we may still incur expenses to comply with laws and regulations relating to data privacy, data security and consumer protection, as well as relevant industry standards and contractual obligations.

Regulatory requirements on cybersecurity and data privacy are constantly evolving and can be subject to varying interpretations or significant changes, resulting in uncertainties about the scope of our responsibilities in that regard. We may also be subject to additional or new laws and regulations regarding the protection of personal information and important data or privacy related matters in connection with our methods for data collection, analysis, storage and use. If we are unable to comply with the applicable laws and regulations or effectively address data privacy and protection concerns, such actual or alleged failure could damage our reputation, discourage customers from purchasing our products and subject us to significant legal liabilities.

As of the Latest Practicable Date, we are not applicable to the declaration of cybersecurity review, on the basis that: (1) we had not been notified of being classified as a critical information infrastructure operator, (2) we have not received any material queries or notifications from any PRC governmental authorities, have not received any notification with regard to cybersecurity review, and have not been subject to any material administrative penalties or other sanctions by any competent regulatory authorities in relation to cybersecurity, data and personal information protection, (3) our business does not involve the cross-border transfer of personal information and important data, (4) during the Track Record Period and up to the Latest Practicable Date, there had not been a significant cybersecurity or data protection incident regarding theft, leakage, damage or loss of data or personal information, and (5) Hong Kong is not included in the definition of "abroad" hereof and listing in Hong Kong is not in the scope of "listing abroad" (國外上市), which is not explicitly required to apply for a cybersecurity review.

Holders of our H Shares may be subject to PRC income tax obligations.

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares.

Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the income derived in China under the Individual Income Tax Law of the PRC (中華人民共和國個人所得税法) (the "**IIT Law**") and its implementation guidelines. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax issued by the MOF and SAT (財政部、國家税務總局關於個人所得税若干 政策問題的通知) (Cai Shui Zi [1994] No. 020) on May 13, 1994, the income gained by individual foreigners from dividends and bonuses of enterprise with foreign investment are exempted from individual income tax for the time being. In addition, under the IIT Law and its implementation regulations, non-PRC resident individual holders of H shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition of H shares. However, pursuant to Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (關於個人轉讓股票所得繼續暫免徵收個人所得 税的通知) (Cai Shui Zi [1998] No. 61) issued by the MOF and SAT on March 30, 1998, from January 1, 1997, the income of individuals from the transfer of the shares of listed enterprises continues to be exempted from individual income tax.

As of the Latest Practicable Date, no aforesaid provisions had expressly provided that individual income tax shall be levied non-PRC resident individual holders on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges, and to our knowledge, no such individual income tax was levied by PRC tax authorities in practice. However, the PRC tax authorities may change these practices, which could result in levying income tax on non-PRC resident individual holders on gains from the sale of H shares.

For non-PRC resident enterprises that do not have establishments or premises in China, and for those have establishments or premises in China but whose income is not related to such establishments or premises, under the EIT Law and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are subject to PRC enterprise income tax at a rate of 10%. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知) (Guo Shui Han [2008] No. 897) issued by SAT on November 6, 2008, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval. See "Regulatory Overview—Laws and Regulations relating to Tax."

Despite the arrangements mentioned above, there remain significant uncertainties as to the interpretation and application of applicable PRC tax laws and regulations by the competent tax authorities and the PRC tax laws and regulations may also change, which may adversely affect the value of your investment in our H Shares.

We may be subject to administrative penalties for our past non-compliance with PRC related party transactions reporting obligations.

We failed to submit our annual related party transactions reports to the relevant PRC tax authorities on time for the years 2022, 2023, and 2024. This non-compliance was a result of our administrative staff's misunderstanding of the relevant legal requirements. Under the EIT Laws and the Law of the PRC on the Administration of Tax Collection, the relevant tax authority may impose a maximum administrative penalty of RMB10,000 for each late report. Consequently, we may be subject to a maximum aggregate financial penalty of RMB30,000 for these late submissions during the Track Record Period. While we have retrospectively submitted all outstanding reports and no penalty has been imposed as of the Latest Practicable Date, the relevant authorities retain the right to take action, which could result in financial penalties against us.

RISKS RELATING TO THE GLOBAL OFFERING

An active trading market for our H Shares may not develop or be sustained.

Prior to the completion of the Global Offering, there has been no public market for our H Shares. We cannot assure you that an active trading market for our H Shares with adequate liquidity will develop or be sustained following the completion of the Global Offering. The initial Offer Price is the result of negotiations between our Company and the Overall Coordinators (for themselves and on behalf of the Underwriters), which may not be indicative of the price at which our H Shares will be traded following the completion of the Global Offering. The market price of our H Shares may drop below the initial Offering Price at any time following the Global Offering.

We have applied to the Stock Exchange for the listing of, and permission to deal in, the H Shares (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option). A listing on the Stock Exchange, however, does not guarantee that an active and liquid trading market for the H Shares will develop, or if it does develop, that it will be sustained following the Global Offering, or that the market price of the H Shares will not decline following the Global Offering. If an active public market for our H Shares does not develop following the completion of the Global Offering, the market price and liquidity of our H Shares could be materially and adversely affected.

The price and trading volume of our H Shares may be volatile, which could lead to substantial losses to investors.

The price and trading volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. In particular, the business and performance and the market price of the shares of other companies engaging in similar business may affect the price and trading volume of our H Shares. In addition to market and industry factors, the price and trading volume of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our customers and suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Stock Exchange with significant operations and assets in China have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance.

Future sales or perceived sales of substantial amounts of our H Shares in the public market could have a material adverse effect on the price of our H Shares and our ability to raise additional capital in the future.

The market price of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also

materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

While investors subscribing shares in the Global Offering are not subject to any restrictions on the disposal of the H Shares they subscribed (except as disclosed in "Information about this Prospectus and the Global Offering—Restrictions on Offers and Sales of the H Shares"), they may have existing arrangements or agreements to dispose part or all of the H Shares they hold immediately or within certain period upon completion of the Global Offering for legal and regulatory, business and market, or other reasons. Such disposal may occur within a short period or any time or period after the Listing Date.

Any sale of the H Shares subscribed by such investors pursuant to such arrangement or agreement could adversely affect the market price of our H Shares and any sizeable sale could have a material and adverse effect on the market price of our H Shares and could cause substantial volatility in the trading volume of our H Shares.

You will incur immediate and significant dilution and may experience further dilution if we issue additional Shares in the future.

The Offer Price of the Offer Shares is higher than the net tangible asset value per Share immediately prior to the Global Offering. Therefore, purchasers of the Offer Shares in the Global Offering will experience an immediate dilution in pro forma consolidated net tangible asset value. We cannot assure you that if we were to immediately liquidate after the Global Offering, any assets will be distributed to Shareholders after the creditors' claims. To expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the Offer Shares may experience dilution in the net tangible asset value per Share of their Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time.

Certain facts, forecasts and statistics contained in this prospectus are derived from government sources and may not be accurate, reliable, complete or up to date.

We have derived certain information and statistics in this prospectus, particularly the section headed "Industry Overview," from the F&S report, which was commissioned by us, and from publicly available publications provided by government institutions and other sources. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics from these government sources may be inaccurate or may not be comparable with statistics produced for other economies, and you should not place undue reliance on them. Furthermore, we cannot assure you that they are stated or compiled on the same basis, or with the same degree of accuracy, as similar statistics presented elsewhere. In all cases, you should consider carefully how much weight or importance you should attach to or place on such information or statistics.

We may not be able to pay any dividends on our H Shares.

We have never paid or declared any dividends since our inception. We cannot guarantee when and in what form dividends will be paid on our H Shares following the Global Offering. The declaration of dividends is proposed by the Board and is based on, and limited by, various factors, including without limitation, our business and financial performance, capital and regulatory requirements, and general business conditions. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable. Therefore, you should not rely on an investment in our H Shares as a source for any future dividend income. See "Financial Information—Dividends" for details.

If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding our H Shares, the market price for H Shares and trading volume could decline.

The trading market for our H Shares will be influenced by research or reports that industry or securities analysts publish about our business. If one or more analysts who cover us downgrade our H Shares, the market price for our H Shares would likely decline.

If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the market price of or trading volume for our H Shares to decline.

You should read the entire prospectus carefully and only rely on the information included in this prospectus to make your investment decision, and we strongly caution you not to rely on any information contained in press articles or other media coverage relating to us, our H Shares or the Global Offering.

There had been, prior to the publication of this prospectus, and there may be, subsequent to the date of this prospectus but prior to the completion of the Global Offering, press and media coverage regarding us and the Global Offering. We have not authorized the disclosure of any information concerning the Global Offering in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this prospectus, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their decisions on the basis of the information contained in this prospectus only and should not rely on any other information.

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

This prospectus contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, growth opportunities for existing operations, plans and objectives of management, certain pro forma information and other matters.

The words "anticipate," "believe," "could," "potential," "continue," "expect," "intend," "may," "plan," "seek," "will," "would," "should" and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward-looking statements, including, among others, those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are necessary estimates reflecting the best judgment of our Directors and senior management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a result, these forward-looking statements should be considered in light of various important factors, including those set out in "Risk Factors" in this prospectus. Accordingly, such statements are not a guarantee of future performance, and you should not place undue reliance on any forward-looking information. All forward-looking statements in this prospectus are qualified by reference to this cautionary statement.

In preparation for the Global Offering, we have applied to the Stock Exchange for the following waivers from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE IN HONG KONG

According to Rule 8.12 of the Listing Rules, all applicants applying for a primary listing on the Stock Exchange must have sufficient management presence in Hong Kong. This would normally mean that at least two of the applicant's executive directors must be ordinarily resident in Hong Kong.

Our Company's business operations and assets are primarily located outside Hong Kong. Our Company's executive Directors are based in the PRC as our Board believes it is more effective and efficient for our executive Directors to be based in a location where our substantial operations are located. Our Company therefore does not, and in the near future will not, maintain management presence in Hong Kong.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules, provided that our Company implements the following arrangements:

(1) We have appointed Mr. Xu, our chairman of the Board, executive Director and president, and Mr. Gao Wenchao ("**Mr. Gao**"), our joint company secretary as our authorized representatives for the purpose of Rule 3.05 of the Listing Rules. They will serve as the principal channel of communication with the Stock Exchange and make themselves readily available to communicate with the Stock Exchange. Each of Mr. Xu and Mr. Gao can be readily contactable by phone and email to deal promptly with enquiries from the Stock Exchange, and will also be available to meet with the Stock Exchange to discuss any matters within a reasonable period of time upon the request of the Stock Exchange. The contact details of our authorized representatives have been provided to the Stock Exchange.

(2) All Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period. In addition, each Director has provided his/her contact details, including phone numbers and email addresses, to our authorized representatives and to the Stock Exchange. In the event that a Director expects to be traveling or otherwise be out of office, he/she will provide the phone number of the place of his/her accommodation or other contact information to our authorized representatives to ensure that each of our authorized representatives will be able to contact all our Directors promptly at all times if and when the Stock Exchange wishes to contact our Directors.

(3) We have appointed Orient Capital (Hong Kong) Limited as our compliance advisor in accordance with Rule 3A.19 of the Listing Rules, which will serve as an additional and alternative channel of communication with the Stock Exchange in addition to our authorized representatives. The compliance advisor will have reasonable access, at all times during the term of their appointment, to our authorized representatives, Directors and other officers of our Company, participate in the communication between the Stock Exchange and our Company and answer inquiries from the Stock Exchange.

(4) Any meeting between the Stock Exchange and our Directors will be arranged through our authorized representatives or our compliance advisor or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any changes in our authorized representatives and our compliance advisor.

(5) We intend to retain our Hong Kong legal advisors on on-going compliance requirements, any amendment or supplement to and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the Listing.

JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who possesses the necessary academic or professional qualifications or relevant experience, and is therefore capable to discharge the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

(1) a member of The Hong Kong Chartered Governance Institute;

(2) a solicitor or a barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

(3) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further sets out the factors that the Stock Exchange will consider in assessing an individual's "relevant experience":

(1) length of employment with the issuer and other issuers and the roles he/she has undertaken;

(2) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(3) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(4) professional qualifications in other jurisdictions.

Our Company has appointed Mr. Gao as one of our joint company secretaries. Mr. Gao joined our Group in May 2025 and possesses relevant understanding and knowledge relating to the business operations and corporate culture of our Group. In his capacity as the director of investment and financing of our Company, Mr. Gao has actively participated in the preparation of the application for the Listing and possesses experience in matters relating to our Board and corporate governance of our Company. Having considered Mr. Gao's expertise and backgrounds, our Directors consider that Mr. Gao is capable of discharging the functions of a company secretary and is suitable to perform such role.

As Mr. Gao currently does not possess the qualifications under Rule 3.28 of the Listing Rules, and may not be able to fulfill the requirements of the Listing Rules on his own, we have appointed Mr. Chow Shing Lung ("**Mr. Chow**"), an associate member of both The Hong Kong Chartered Governance Institute (formerly known as the Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute in the United Kingdom, who is qualified under Rule 3.28 of the Listing Rules to act as the other company secretary and to work closely with and provide assistance to Mr. Gao for an initial period of three years commencing from the Listing Date.

The following arrangements have been, or will be, put in place to assist Mr. Gao in acquiring the qualifications and experience as the joint company secretaries of our Company required under Rules 3.28 and 8.17 of the Listing Rules:

(1) In the course of the preparation of the application for the Listing, Mr. Gao has been provided with a memorandum and has attended a training seminar on the respective obligations of our Directors and senior management and our Company under the relevant Hong Kong laws and the Listing Rules provided by our Hong Kong legal advisors.

(2) In addition to the minimum training requirements under Rule 3.29 of the Listing Rules, our Company will ensure that Mr. Gao continues to have access to relevant training and support to familiarize himself with the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange, and to receive updates on the latest changes to the applicable Hong Kong laws, regulations and the Listing Rules. Furthermore, our Company will ensure that Mr. Gao and Mr. Chow will seek and have access to the advice from our Hong Kong legal advisors and other professional advisors as and when required.

(3) Mr. Chow will assist Mr. Gao to acquire the "relevant experience" as required under Note 2 to Rule 3.28 of the Listing Rules and to discharge their duties as company secretaries. Mr. Gao will be assisted by Mr. Chow for an initial period of three years commencing from the Listing Date. As part of the arrangement, Mr. Chow will act as one of the joint company secretaries and communicate regularly with Mr. Gao on matters relating to corporate governance, the Listing Rules as well as other laws and regulations which are relevant to our Company. He will also assist Mr. Gao in organizing Board meetings and Shareholders' meetings as well as other matters of our Company which are incidental to the duties of a company secretary.

(4) Our Company has appointed the compliance advisor pursuant to Rule 3A.19 of the Listing Rules, which will act as our additional channel of communication with the Stock Exchange and provide professional guidance and advice to us and our joint company secretaries as to compliance with the Listing Rules and all other applicable laws and regulations.

We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements of Rules 3.28 and 8.17 of the Listing Rules. Such waiver will be revoked immediately if and when Mr. Chow ceases to provide such assistance or ceases to meet the requirements under Rule 3.28 of the Listing Rules, or if there are material breaches of the Listing Rules by our Company during the three-year period from the Listing Date. We will liaise with the Stock Exchange before the end of the three-year period to enable it to assess whether Mr. Gao, having had the benefit of Mr. Chow's assistance for three years, will have acquired the relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

See "Directors and Senior Management" for the biographical details of Mr. Gao and Mr. Chow.

WAIVER IN RELATION TO RULE 4.04(1) OF THE LISTING RULES AND EXEMPTION FROM COMPLIANCE WITH PARAGRAPH 27 OF PART I AND PARAGRAPH 31 OF PART II OF THE THIRD SCHEDULE TO THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Applicable Listing Rules and legal requirements

Requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Pursuant to section 342(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, a prospectus shall include the matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and set out the reports specified in

Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. Pursuant to paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, our Company is required to include in this prospectus a statement as to the gross trading income or sales turnover (as the case may be) of our Company during each of the three financial years immediately preceding the issue of this prospectus as well as an explanation of the method used for the computation of such income or turnover and a reasonable breakdown of the more important trading activities. Pursuant to Paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, our Company is required to include in this prospectus a report by the auditor of our Company with respect to profits and losses in respect of each of the three financial years immediately preceding the issue of this prospectus and assets and liabilities of our Company at the last date to which the financial statements of our Company were prepared.

Pursuant to section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from compliance with the relevant requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interests of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

Listing Rules

Pursuant to Rule 4.04(1) of the Listing Rules, the accountant's report contained in this prospectus must include, inter alia, the results of our Company in respect of each of the three financial years immediately preceding the issue of this prospectus or such shorter period as may be acceptable to the Stock Exchange.

Rule 13.49(1) of the Listing Rules requires issuers to publish preliminary financial results not later than three months after the end of each financial year.

Requirements under the Guide for New Listing Applicants

Pursuant to paragraph 19 of Chapter 1.1A of the Guide for New Listing Applicants published by the Stock Exchange, where an applicant issues its listing document within three months after the latest year end, the Stock Exchange has provided the conditions for granting waiver from strict compliance with Rules 4.04(1) of the Listing Rules as follows:

(1) the listing document must include the financial information for the latest financial year and a commentary on the results for the year. The financial information to be included in the listing document must (a) follow the same content requirements as for a preliminary results announcements under Rule 13.49 of the Listing Rules; and (b) be agreed with the reporting accountants following their review under Practice Note 730 "Guidance for Auditors Regarding Preliminary Announcements of Annual Results" issued by the Hong Kong Institute of Certified Public Accountants;

(2) the applicant must list on the Stock Exchange within three months after the latest year end; and

(3) the applicant must obtain a certificate of exemption from the SFC on compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance requirements.

Grounds for waiver and exemption application

The financial year of the Company ends on December 31. This prospectus contains the consolidated results of the Group for the three years ended December 31, 2024 and the ten months ended October 31, 2025, but does not include the consolidated results of the Group in respect of the full year immediately preceding the proposed date of issue of the Prospectus, being the full year ended December 31, 2025, as required under Rule 4.04(1) of the Listing Rules, paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

We consider that a strict compliance with the requirements under Rule 4.04(1) of the Listing Rules and the requirements under Paragraph 27 of Part I and Paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance would be unduly burdensome and the waiver and exemption from strict compliance of these requirements would not prejudice the interests of the investing public for the following reasons:

(1) there would not be sufficient time for our Company and the reporting accountants of our Company to finalize the audited financial statements for the year ended December 31, 2025 for inclusion in this prospectus. If the financial information for the year ended December 31, 2025 is required to be audited, our Company and the reporting accountants would have to carry out substantial volume of work to prepare, update and finalize the Accountants' Report and this prospectus, and the relevant sections of this prospectus will need to be updated to cover such additional period. This would involve additional time and costs since substantial work is required to be carried out for audit purposes. It would be unduly burdensome for the audited results for the year ended December 31, 2025 to be finalised in a short period of time. Our Directors consider that the benefits of such work to the existing and prospective Shareholders of our Company may not justify the additional work and expenses involved and the delay of the timetable for the Listing;

(2) our Directors and the Joint Sponsors herein confirm that after performing all reasonable due diligence work which they consider appropriate, up to the date of this prospectus, there has been no material adverse change to the financial and trading positions or prospects of our Group since November 1, 2025 (immediately following the date of the latest audited statement of financial position in the Accountants' Report set out in Appendix I to this prospectus) up to date of this prospectus and there has been no event which would materially adversely affect the information shown in the Accountants' Report as set out in Appendix I to this prospectus, the "Financial Information" section, and information regarding our Company's recent development subsequent to the Track Record Period and up to the date of this prospectus, since November 1, 2025;

(3) the Company has included in this prospectus (i) the Accountant's Report covering the three years ended December 31, 2024 and the ten months ended October 31, 2025, (ii) the unaudited preliminary financial information of the Group for the year ended December 31, 2025 and a commentary on the results for the year, which has been agreed with the Group's Reporting Accountant, following their review under Practice Note 730 "Guidance for Auditors Regarding Preliminary Announcements of Annual Results" issued by the Hong Kong Institute of Certified Public Accountants, and such disclosure is no less than the content requirements for a preliminary results announcement under Rule 13.49 of the Listing Rules, and (iii) the information regarding the recent development of our Group subsequent to the Track Record Period and up to the Latest Practicable Date;

(4) the Company is of the view that the Accountant's Report covering the three years ended December 31, 2022, 2023 and 2024 and the ten months ended October 31, 2025, as set out in Appendix I to this prospectus, the unaudited pro forma financial information as set out in

Appendix II to this prospectus, unaudited preliminary financial information for the year ended December 31, 2025 as set out in Appendix IIB to this prospectus, together with other disclosure in this prospectus, has already provided the potential investors with adequate and reasonably up-to-date information in the circumstances to form a view on the track record of our Company; our Directors confirm, and the Joint Sponsors concur, that all information which is necessary for the investing public to make an informed assessment of the business, assets and liabilities, financial position, management and prospects has been included in this prospectus. Therefore, the waiver and the exemption would not prejudice the interests of the investing public;

(5) the Company will not be in breach of its Articles of Association or laws and regulations of the PRC or other regulatory requirements as a result of not publishing its preliminary results announcement for the year ended December 31, 2025 in accordance with Rule 13.49(1) of the Listing Rules. Pursuant to the Note to Rule 13.49(1) of the Listing Rules, our Company will publish an announcement after Listing and no later than March 31, 2026 stating that the relevant financial information has been included in this prospectus; and

(6) the Company will comply with the requirements under Rule 13.46 of the Listing Rules in respect of the publication of its annual report. The Company currently expects to issue its annual report for the financial year ended December 31, 2025 on or before April 30, 2026. In this regard, the Directors consider that the Shareholders, the investing public, as well as potential investors of the Company, will be kept informed of the financial results of the Group for the financial year ended December 31, 2025.

The waiver and exemption application

In light of the above, we have applied for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rule 4.04(1) of the Listing Rules relating to inclusion in the Accountant's Report of the consolidated results of our Group in respect of the full financial year ended December 31, 2025, on the conditions that: (i) this Prospectus will be issued on or before Monday, March 23, 2026 and the Listing Date shall not be later than three months after the latest financial year end of our Company (i.e. on or before March 31, 2026); (ii) we have obtained from the SFC a certificate of exemption from strict compliance with the requirements under section 342(1) in relation to paragraphs 27 and 31 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance; (iii) the preliminary unaudited financial information for the year ended December 31, 2025 and a commentary on the results for the year shall be included in the Prospectus; and (iv) the Company is not in breach of its constitutional documents or laws and regulations of PRC or other regulatory requirements regarding its obligation to publish preliminary results announcements.

We have also applied for, and the SFC has granted us, a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with the requirements under paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that: (i) the particulars of this exemption are set out in the Prospectus; (ii) the Prospectus will be issued on or before Monday, March 23, 2026 and the Company's H Shares will be listed on or before March 31, 2026, i.e. three months after the latest financial year-end.

DIRECTORS' RESPONSIBILITY STATEMENT

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information with regard to us. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

FILING PROCEDURES WITH THE CSRC

We filed with the CSRC for the application to list our H Shares on the Stock Exchange and the Global Offering on July 1, 2025. The CSRC subsequently confirmed our completion of filing application procedures on February 6, 2026. In completing such filing, the CSRC accepts no responsibility for our financial soundness, nor for the accuracy of any of the statements made or opinions expressed in this prospectus. No other filings are required to be completed before the listing of the H Shares on the Stock Exchange.

UNDERWRITING AND INFORMATION ON THE GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering. For applications under the Hong Kong Public Offering, this prospectus contains the terms and conditions of the Hong Kong Public Offering.

The listing of our H Shares on the Stock Exchange is sponsored by the Joint Sponsors and the Global Offering is managed by the Overall Coordinators. Pursuant to the Hong Kong Underwriting Agreement, the Hong Kong Public Offering is underwritten by the Hong Kong Underwriters on a conditional basis, with one of the conditions being that the Offer Price is agreed between the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and us. The International Offering is managed by the Overall Coordinators. The International Underwriting Agreement is expected to be entered into on or about the Price Determination Date, subject to determination of the pricing of the H Shares and agreement on the Offer Price between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us. For details of the Underwriters and the underwriting arrangements, please refer to the section headed "Underwriting" in this prospectus.

The H Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of their respective directors, agents, employees or advisors or any other party involved in the Global Offering.

Neither the delivery of this prospectus nor any subscription or acquisition made under it shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this prospectus or that the information in this prospectus is correct as at any subsequent time.

For details of the structure of the Global Offering, including its conditions, please refer to the section headed "Structure of the Global Offering" in this prospectus. For the procedures for applying for our H Shares, please refer to the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus. For details of the arrangements relating to the Over-allotment Option and stabilization, please refer to the section headed "Structure of the Global Offering" in this prospectus.

DETERMINATION OF THE OFFER PRICE

The H Shares are being offered at the Offer Price which will be determined by the Overall Coordinators (for themselves and on behalf of the Underwriters) and us on or before Friday, March 27, 2026 or such later date as may be agreed upon between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us, and in any event no later than 12:00 noon on Friday, March 27, 2026. If the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company are unable to reach an agreement on the Offer Price on such date, the Global Offering will not proceed.

INFORMATION ABOUT THIS PROSPECTUS

You should rely only on the information contained in this prospectus to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorized by us, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Sponsors, the Joint Lead Managers, any of the Underwriters, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering. Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the H Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this prospectus set out the terms and conditions of the Hong Kong Public Offering.

RESTRICTIONS ON OFFERS AND SALES OF THE H SHARES

Each person acquiring the H Shares under the Hong Kong Public Offering will be required to, or be deemed by his acquisition of the H Shares to, confirm that he is aware of the restrictions on offers of the H Shares described in this prospectus.

No action has been taken to permit a public offering of the H Shares or the general distribution of this prospectus in any jurisdiction other than in Hong Kong. Accordingly, this prospectus may not be used for the purposes of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions and pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

APPLICATION FOR LISTING OF THE H SHARES ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the Conversion of Domestic Shares into H Shares, on the basis that, among other things, we satisfy the requirement under Rule 18C.03 of the Listing Rules as a Commercial Company (as defined in the Listing Rules) with reference to our expected market capitalization at the time of Listing, which, based on the Offer Price, exceeds HK$4 billion.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, if the permission for the H Shares to be listed on the Stock Exchange pursuant to this prospectus has been refused before the expiration of three weeks from the date of the closing of the application list or such

longer period not exceeding six weeks as may, within the said three weeks, be notified to us by or on behalf of the Stock Exchange, then any allotment made on an application in pursuance of this prospectus shall, whenever made, be void.

All the Offer Shares will be registered on our H Share register of members in order to enable them to be traded on the Stock Exchange. None of our share or loan capital is listed or dealt in on any other stock exchange and no such listing or permission to list is being or is expected to be sought in the near future.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the H Shares (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option) on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or on any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made for the H Shares to be admitted into CCASS. Investors should seek the advice of their stockbroker or other professional advisor for details of those settlement arrangements and how such arrangements will affect their rights and interests.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for Hong Kong Offer Shares are set out in the section headed "How to Apply for Hong Kong Offer Shares".

H SHARE REGISTER AND STAMP DUTY

Our principal register of members will be maintained in the PRC and our H Share register of members will be maintained by our H Share Registrar, Computershare Hong Kong Investor Services Limited in Hong Kong.

All Offer Shares will be registered on our H Share register of members. Dealings in the H Shares registered on our H Share register of members will be subject to Hong Kong stamp duty.

REGISTRATION OF SUBSCRIPTION, PURCHASE AND TRANSFER OF H SHARES

Persons applying for or purchasing H Shares under the Global Offering are deemed, by their making an application or purchase, to have represented that they are not close associates (as such term is defined in the Listing Rules) of any of our Directors or any existing Shareholders or a nominee of any of the foregoing.

PROFESSIONAL TAX ADVICE RECOMMENDED

You should consult your professional advisors if you are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of, or dealing in, the H Shares or exercising any rights attaching to the H Shares. We emphasize that none of our Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering accepts responsibility for any tax effects or liabilities resulting from your subscription, purchase, holding or disposing of, or dealing in, the H Shares or your exercise of any rights attaching to the H Shares.

EXCHANGE RATE CONVERSION

Unless otherwise specified, this prospectus contains certain translations for the convenience purposes at the following rates:

HK$1.00 : RMB0.88163
US$1.00 : RMB6.9007

No estimation is made that any amounts in HK$, RMB and US$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.

LANGUAGE

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, this prospectus shall prevail unless otherwise stated. However, the translated English names of the PRC and foreign national, entities, departments, facilities, certificates, titles, laws, regulations (including certain of our subsidiaries) and the like included in this prospectus are translations of their Chinese names and are included for identification purpose only. If there is any inconsistency, the names in their original languages shall prevail.

The English names of companies incorporated in the PRC are translations from their Chinese names and included for identification purpose only.

COMMENCEMENT OF DEALING IN THE H SHARES

Dealings in the H Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Tuesday, March 31, 2026. The H Shares will be traded in board lots of 100 H Shares each.

OTHER

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

DIRECTORS

Name	Address	Nationality
Executive Directors:		
Mr. Xu Xiaolin (徐小林)	Room 401, No. 18, Lane 669, Liuying Road, Shanghai, PRC	Chinese
Mr. Liu Baoliang (劉保良)	Room 1102, No. 2, Lane 591, Donglan Road, Minhang District, Shanghai, PRC	Chinese
Mr. Qian Shun (錢舜)	Room 202, No. 8, Lane 333, Fangdian Road, Pudong New Area, Shanghai, PRC	Chinese
Ms. Yu Bingbing (於冰冰)	Room 1604, Building A, 868 Changping Road, Jing'an District, Shanghai, PRC	Chinese
Non-executive Directors:		
Mr. Chen Binglin (陳兵林)	Room 401, No. 44, Lane 1155, Guanglan Road, Pudong New Area, Shanghai, PRC	Chinese
Mr. Lin Enfeng (林恩峰)	Room 502, No. 15, Lane 1177, Shangcheng Road, Pudong New Area, Shanghai, PRC	Chinese
Independent Non-executive Directors:		
Mr. Liu Hongcan (劉宏燦)	17E, Honghui Building, 332 Zhongshan Road, Siming District, Xiamen, Fujian Province, PRC	Chinese
Ms. Liu Liping (劉麗萍)	Unit 201, Building 55, Phase II, Zhaoshang Haide Park, Jimei District, Xiamen, Fujian Province, PRC	Chinese
Mr. Dai Xueguang (戴雪光)	Room A-0531, 8 Hung Luen Road, Hunghom Bay, Kowloon, Hong Kong	Chinese (Hong Kong)

For the biographies and other relevant information of our Directors, see "Directors and Senior Management".

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors	**Guotai Junan Capital Limited** 26/F–28/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong **Orient Capital (Hong Kong) Limited** 28/F–29/F 100 Queen's Road Central Central, Hong Kong
Overall Coordinators, Joint Sponsor-OCs and Joint Global Coordinators	**Guotai Junan Securities (Hong Kong) Limited** 26/F–28/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong

	Orient Securities (Hong Kong) Limited 28/F–29/F 100 Queen's Road Central Central, Hong Kong
Joint Bookrunners	**Guotai Junan Securities (Hong Kong) Limited** 26/F–28/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
	Orient Securities (Hong Kong) Limited 28/F–29/F 100 Queen's Road Central Central, Hong Kong
	CCB International Capital Limited 12/F, CCB Tower 3 Connaught Road Central Central Hong Kong
	ABCI Capital Limited 11/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong
	Futu Securities International (Hong Kong) Limited 34/F, United Centre No. 95 Queensway Admiralty Hong Kong
	Yellow River Securities Limited Room 2701B, 27/F, Tower 1 Admiralty Center 18 Harcourt Road Admiralty, Hong Kong
	Shenwan Hongyuan Securities (H.K.) Limited Level 6, Three Pacific Place 1 Queen's Road East Hong Kong
	Livermore Holdings Limited Unit 1214A, 12/F, Tower II Cheung Sha Wan Plaza 833 Cheung Sha Wan Road, Kowloon Hong Kong
	Huafu International Securities Limited Units 2603–2604, 26/F, Infinitus Plaza 199 Des Voeux Road Central, Sheung Wan Hong Kong

	Yuen Meta (International) Securities Limited 2601, 26/F, Wanchai Central Building 89 Lockhart Road Wanchai, Hong Kong
	Zheshang International Financial Holdings Co., Limited 1703–1706, 17/F, Infinitus Plaza 199 Des Voeux Road Central, Sheung Wan Hong Kong
Joint Lead Managers	**Guotai Junan Securities (Hong Kong) Limited** 26/F–28/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
	Orient Securities (Hong Kong) Limited 28/F–29/F 100 Queen's Road Central Central, Hong Kong
	ABCI Securities Company Limited 10/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong
Capital Market Intermediaries	**Guotai Junan Securities (Hong Kong) Limited** 26/F–28/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
	Orient Securities (Hong Kong) Limited 28/F–29/F 100 Queen's Road Central Central, Hong Kong
	CCB International Capital Limited 12/F, CCB Tower 3 Connaught Road Central Central Hong Kong
	ABCI Capital Limited 11/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong
	ABCI Securities Company Limited 10/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong

Futu Securities International (Hong Kong) Limited
34/F, United Centre
No. 95 Queensway
Admiralty
Hong Kong

Yellow River Securities Limited
Room 2701B, 27/F, Tower 1
Admiralty Center
18 Harcourt Road
Admiralty, Hong Kong

Shenwan Hongyuan Securities (H.K.) Limited
Level 6, Three Pacific Place
1 Queen's Road East
Hong Kong

Livermore Holdings Limited
Unit 1214A, 12/F, Tower II
Cheung Sha Wan Plaza
833 Cheung Sha Wan Road, Kowloon
Hong Kong

Huafu International Securities Limited
Units 2603–2604, 26/F, Infinitus Plaza
199 Des Voeux Road Central, Sheung Wan
Hong Kong

Yuen Meta (International) Securities Limited
2601, 26/F, Wanchai Central Building
89 Lockhart Road
Wanchai, Hong Kong

Zheshang International Financial Holdings Co., Limited
1703–1706, 17/F, Infinitus Plaza
199 Des Voeux Road Central, Sheung Wan
Hong Kong

Legal Advisors to our Company

As to Hong Kong and U.S. laws:
Baker & McKenzie
14/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

As to PRC laws:
Commerce & Finance Law Offices
10/F, Tower 1, Jing An Kerry Centre
1515 West Nanjing Road
Shanghai 200040
PRC

As to International Sanction Law:
Commerce & Finance Law Offices LLP
45 Rockefeller Plaza, Suite 2000
New York, NY 10111

	As to the Litigation: **Fangda Partners** 24/F, HKRI Centre Two, HKRI Taikoo Hui 288 Shi Men Yi Road Shanghai 200041, China
Legal Advisors to the Joint Sponsors and the Underwriters	*As to Hong Kong laws:* **Jingtian & Gongcheng LLP** Suites 3203–3209, 32/F, Edinburgh Tower The Landmark 15 Queen's Road Central Hong Kong *As to PRC laws:* **Jingtian & Gongcheng** 34/F, Tower 3, China Central Place 77 Jianguo Road Chaoyang District, Beijing PRC
Auditors and Reporting Accountants	**Ernst & Young** *Certified Public Accountants* *Registered Public Interest Entity Auditors* 27/F, One Taikoo Place 979 King's Road Quarry Bay Hong Kong
Transfer Pricing Advisor	**SHINEWING Tax and Business Advisory Limited** 17/F, Leighton Centre 77 Leighton Road Causeway Bay Hong Kong
Independent Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** 2504 Wheelock Square 1717 Nanjing West Road Shanghai 200040 PRC
Receiving Bank	**Industrial and Commercial Bank of China (Asia) Limited** 33/F, ICBC Tower 3 Garden Road, Central Hong Kong

Registered Office and Headquarters	Room 303, Building 4 Second Street, Gangcheng Square No. 88 Yunjuan Road, Lane 11 Lin-gang Special Area China (Shanghai) Free Trade Pilot Zone PRC
Principal Place of Business in Hong Kong	46/F, Hopewell Centre 183 Queen's Road East Wan Chai, Hong Kong
Company's Website	**www.foursemi.com** *(information contained in this website does not form part of this Prospectus)*
Joint Company Secretaries	**Mr. Gao Wenchao (高文超)** 9th floor, Building 1 Yuanzhong Industrial Building Phase III 2007 Hongmei Road, Xuhui District Shanghai PRC **Mr. Chow Shing Lung (鄒醒龍)** 46/F, Hopewell Centre 183 Queen's Road East Wan Chai, Hong Kong
Authorized Representatives	**Mr. Xu Xiaolin (徐小林)** Room 401, No. 18, Lane 669 Liuying Road Shanghai PRC **Mr. Gao Wenchao (高文超)** 9th floor, Building 1 Yuanzhong Industrial Building Phase III 2007 Hongmei Road, Xuhui District Shanghai PRC
Audit Committee	Mr. Liu Hongcan (劉宏燦) (*Chairman*) Ms. Liu Liping (劉麗萍) Mr. Dai Xueguang (戴雪光)
Nomination Committee	Mr. Xu Xiaolin (徐小林) (*Chairman*) Mr. Dai Xueguang (戴雪光) Ms. Liu Liping (劉麗萍)
Remuneration and Appraisal Committee	Mr. Liu Hongcan (劉宏燦) (*Chairman*) Ms. Liu Liping (劉麗萍) Mr. Xu Xiaolin (徐小林)

Compliance Adviser	**Orient Capital (Hong Kong) Limited** 28/F–29/F 100 Queen's Road Central Central, Hong Kong
H Share Registrar	**Computershare Hong Kong Investor Services Limited** Shop 1712–1716, 17th Floor Hopewell Centre 183 Queen's Road East, Wan Chai Hong Kong
Principal Banks	**Shanghai Pudong Development Bank Xuhui Branch** No. 589 Jianguo West Road Xuhui District, Shanghai PRC
	Industrial Bank Co., Ltd. Shanghai Nanxiang Branch Building No. 1, Lane 819, Yinxiang Road Jiading District, Shanghai PRC
	Industrial and Commercial Bank of China Limited Shanghai Kaixuan Road Branch 1/F, No. 436 Wuyi Road Changning District, Shanghai PRC

The information and statistics set out in this section and other sections of this prospectus were extracted from the report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the F&S report, an independent industry report, in connection with the Global Offering. The information from official government sources has not been independently verified by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries or any of our or their respective directors, senior management, representatives or any other person involved in the Global Offering and no representation is given as to its accuracy. The relevant information and statistics may not be consistent with such other information and statistics compiled within or outside China.

SOURCES OF INFORMATION AND RESEARCH METHODOLOGY

This section includes information from the F&S report, a report commissioned by us from Frost & Sullivan, as we believe such information imparts a greater understanding of the industry. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York, and provides market research on a variety of industries, among other services. We have agreed to pay Frost & Sullivan a fee of RMB300,000. The F&S report has been prepared by Frost & Sullivan independently without any influence from us or other interested parties.

In preparing the F&S report, Frost & Sullivan conducted (1) primary research, which involved discussing the status of the industry with certain leading industry participants, and interviews with industry experts on a best-effort basis to collect information in aiding in-depth analysis; and (2) secondary research, which involved reviewing company reports, independent research reports and data based on its own research database. Frost & Sullivan also assumed that China's economy is likely to maintain its steady growth in the forecast period and China's social, economic and political environment is likely to remain stable in the forecast period.

DIRECTORS' CONFIRMATION

Our Directors confirm that they have exercised reasonable care in selecting and identifying the information sources in this section, compiling, extracting and reproducing such information, and ensuring no material omission of such information.

OVERVIEW OF CHINA'S POWER AMPLIFIER AUDIO CHIP INDUSTRY

Definition of Power Amplifier Audio Chip

Power amplifier audio chips are chip modules based on mixed-signal design, differing from traditional audio chips with fixed volume and single mechanical sound output. Power amplifier audio chips utilize built-in or external audio algorithms, digital interface inputs, gain, equalizers, dynamic range adjustments, and other audio modules to achieve efficient audio signal processing and optimized output.

Classification of Power Amplifier Audio Chips

Low-power audio chips

Low-power audio chips enable precise output control within low-power output ranges, and are therefore widely used in various consumer electronic devices, including smartphones, tablets, smart wearables, and VR/AR devices, to maximize sound quality and volume within the constraints of compact speaker designs. With algorithms, low-power audio chips accurately predict or measure the physical limits of a speaker (such as real-time power, membrane excursion, speaker current and voltage,

and speaker coil temperature). The chip's internal signal processing unit adjusts the signal output in real time to enable the speaker to operate in its optimal state, achieving maximum output without damaging the speaker and ensuring reliability.

- **Adaptive power control audio chips:** Adaptive power control audio refers to the process where the audio chip analyzes the customer's acoustic cavity structure through modeling and uses algorithms to dynamically adjust input and output signals in real time to match the acoustic environment. This enables the speaker to operate in an optimal and safe state. Meanwhile, the overall audio effect of the system is maximized through audio enhancement and scene adaptive algorithms.
- **portable power amplifier audio chip:** Compared to the adaptive power control audio chip series, portable power amplifier audio chip adds current and voltage sensing. By detecting the speaker's current and voltage in real time, the chip can detect and control the speaker more accurately, thus achieving the complete closed loop of the system. At the same time, portable power amplifier audio chip usually has higher output power and better analog performance, generally resulting in better audio effects of speakers.

Mid/high-power audio chips

Audio signal amplification and driver chips with an output power of over 10W convert audio signals into high-power output by controlling audio effect algorithms (such as dynamic range enhancement technology, power consumption reduction, and smart audio amplifier control) to drive speakers, addressing core needs like high-fidelity playback, low distortion, and high-volume output. Mid/high-power audio chips are mainly used in devices such as smart displays, soundbars, and car audio systems.

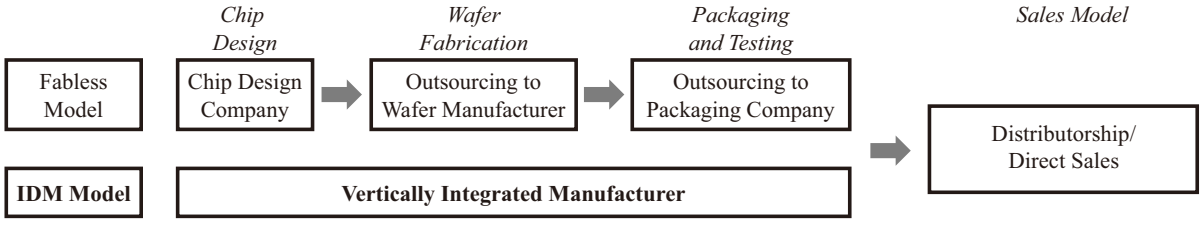
Among them, automotive-grade power amplifier audio chips are special high-power chips specifically designed for in-vehicle environments. In intelligent vehicles, automotive-grade power amplifier audio chips are widely used in intelligent cabins, automotive infotainment system, AVAS and T-BOX, among others.

Analysis of Business Models in the Power Amplifier Audio Chip Market

The power amplifier audio chip industry primarily has two operating models: fabless and IDM:

The fabless model refers to a model where a company focuses on chip design and sales, while outsourcing production processes like wafer fabrication, packaging and testing to specialized foundries and packaging/testing companies. This model features strong in-house design capabilities, more flexible market responses, production collaborations that are not limited by proprietary production lines, and more flexible production capacity. The IDM model refers to a model where a company handles all stages of the industry chain, from chip design, manufacturing, packaging, and testing to product sales. Due to its asset-intensive nature, few companies in the industry adopt this model, and it is more common among large overseas integrated manufacturers.

The figure below shows a schematic diagram of the two main business models:



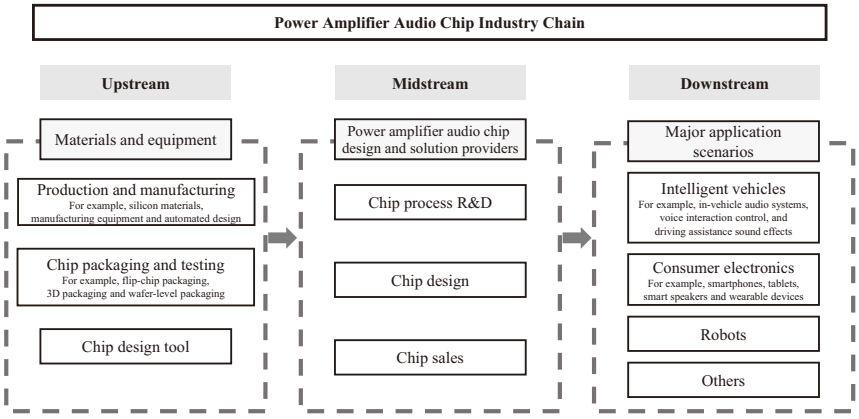
- **Prevalence of Distributorship:** Due to the wide range of downstream applications, distributors typically play an important role in the sales process of power amplifier audio chips. Through distributor networks, power amplifier audio chip companies can reach dispersed end customers and reduce sales costs. The distributorship system plays an irreplaceable role for power amplifier audio chip companies in terms of regional coverage, product delivery, logistics optimization, inventory buffering and responsiveness to small-batch orders.

Analysis of China's Power Amplifier Audio Chip Market Industry Chain

The upstream of the power amplifier audio chip industry mainly includes wafer fabrication, chip packaging and testing, and chip design tools, which provide the necessary technological foundation and manufacturing prerequisites.

The midstream consists of chip design and sales companies, which complete chip R&D, design, and sales based on their innovative R&D capabilities and accumulated professional knowledge.

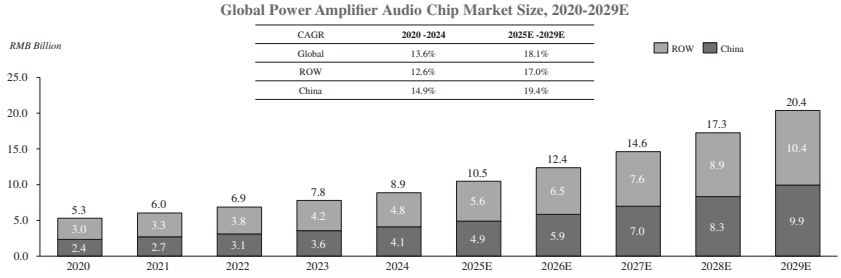
Downstream is distributed across application domains, such as consumer electronics, intelligent vehicles, and robotics. The diversity of downstream demand drives power amplifier audio chip design and manufacturing companies to establish comprehensive product libraries to meet the needs of different customers.



Data Source: Frost & Sullivan

Global Power Amplifier Audio Chip Market Size

In terms of total revenue, the global power amplifier audio chip market size has grown from RMB5.3 billion in 2020 to RMB8.9 billion in 2024, with a CAGR of 13.6% during the period. Driven by technological advancements and the further expansion of downstream applications, the global power amplifier audio chip market size is expected to reach RMB20.4 billion by 2029, with a CAGR of 18.1%.



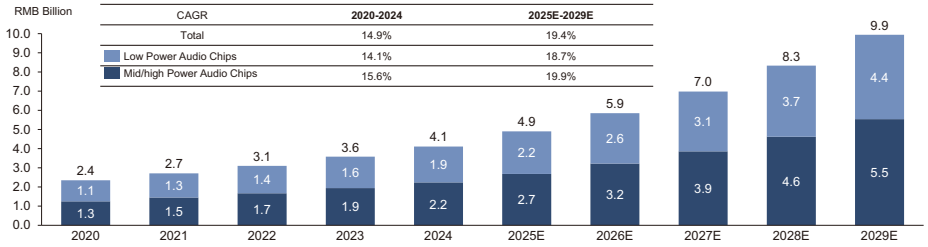
CAGR	2020 -2024	2025E -2029E
Global	13.6%	18.1%
ROW	12.6%	17.0%
China	14.9%	19.4%

Data Source: Frost & Sullivan

Size of China's Power Amplifier Audio Chip Market by Product Type

The market size of low-power audio chips grew from RMB1.1 billion in 2020 to RMB1.9 billion in 2024, with a CAGR of 14.1% during the period. With the deepening of AI applications in consumer electronics and the upgrading of audio solutions, the growth of low-power audio chips market size will accelerate in the future, reaching RMB4.4 billion by 2029, with a CAGR of 18.7% from 2025 to 2029. Driven by the continuous growth in the use of in-vehicle speakers and the surge in demand for AI tuning, Mid/high-power audio chips have shown higher growth potential. The market size grew from RMB1.3 billion in 2020 to RMB2.2 billion in 2024, and is expected to further grow at a CAGR of 19.9% to RMB5.5 billion by 2029.

China's Power Amplifier Audio Chip Market Size (by Product Type), 2020-2029E



Data Source: Frost & Sullivan

Drivers of China's Power Amplifier Audio Chip Market

- **Rapid Upgrade in Demand for Audio Interaction in Consumer Electronics:** As the demand for intelligent voice interaction in consumer electronics increases, there is a need for simultaneous enhancement of technologies like power amplifier audio chips and audio power control algorithms.

- **Demand in Display Devices:** The trend of integrating audio and display is becoming more prominent. In 2024, the global shipment of power amplifier audio chips used in smart displays was approximately 90.0 million units. It is projected to continue expanding at a CAGR of 12.0%, reaching a shipment volume of 160.0 million units by 2029. In 2024, the shipment volume of China's domestically produced power amplifier audio chips for smart screens was approximately 45.0 million units. With the wide penetration of smart display devices and domestic substitution market size of power amplifier audio chips for smart displays will continue expanding at a CAGR of 15.0%, with shipment volume reaching 90.5 million units by 2029.

- **Upgrade of In-vehicle Audio Software and Hardware Configuration:** The application of multi-channel audio systems has become more widespread, including more overhead speakers and subwoofer configurations. The mainstream in-vehicle speaker configurations in the market have gradually upgraded from around four speakers to 15 or more in 2024, and it is expected that more and more vehicle models will be equipped with over 20 speakers in the future. The ability to automatically adjust audio effects based on user preferences and the current environment through AI algorithms has become a key area of competition.

- **Accelerated Penetration in Emerging Sectors:** China's power amplifier audio chip industry has achieved broad coverage in mainstream markets such as consumer electronics, intelligent vehicles, and IoT devices (e.g., smart speaker). However, penetration rates remain relatively low in emerging application areas like industrial IoT and smart cities. As IoT segments like smart city and industrial IoT infrastructure accelerate development, these emerging sectors will become key engines for future industry growth.

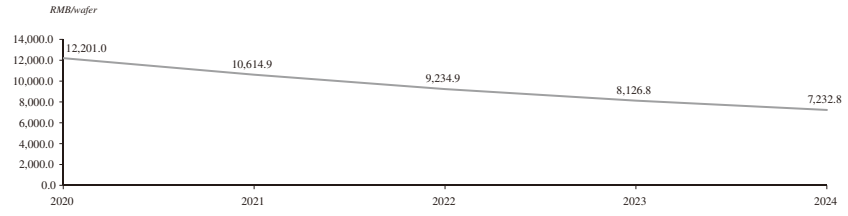
- **Cost Trends:** The cost structure of power amplifier audio chips is mainly composed of wafer fabrication, packaging and testing. To reduce overall costs, companies are gradually adopting various cost-reduction measures, such as implementing tiered wafer cost control through a mixed-process strategy, which can reduce the cost per transistor by 30%–35%; shortening R&D cycles and reducing design verification costs by 70% by designing key IP in-house and reusing IP, ensuring a high success rate for development; amortizing small-batch production costs through multi-project wafer technology, with single designs costing only 5%–10% of a full mask; additionally, companies reduce procurement costs by signing long-term agreements with foundries and packaging and testing vendors to lock in production capacity and prices; in the testing phase, cooperating with testing vendors to develop automated testing production lines to reduce costs, and by establishing a pre-verification mechanism and adopting lean testing processes, the verification cycle is further shortened by 40%.

Major Cost and Price Trends in the Power Amplifier Audio Chip Industry

The main costs of power amplifier audio chips are composed of wafer fabrication, packaging and testing, and IP design tool licensing among others. Changes in the prices of major raw materials have driven a downward trend in the historical sales prices of audio chip companies' final products. The average unit price of power amplifier audio chips decreased from RMB1.6 per unit in 2020 to RMB1.2 per unit in 2024, a drop of 25%.

Over the past three years, wafer prices in China have shown a downward trend. In 2020, the price was RMB12,201.0 per wafer. Due to fierce market competition, various wafer manufacturers have reduced prices. At the same time, technological advancements leading to cost reductions and economies of scale have also driven wafer prices down, reaching RMB7,232.8 per wafer in 2024.

Average Price Trend of Wafers in China, 2020-2024



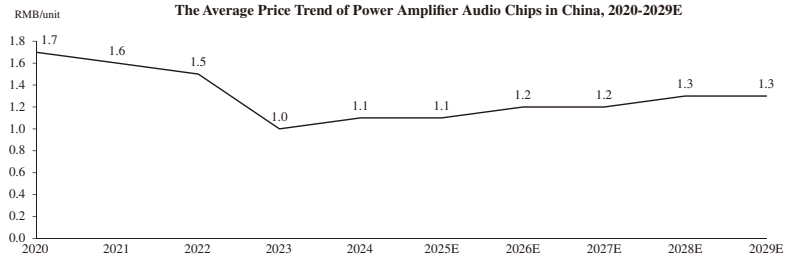
Data Source: Frost & Sullivan

As power amplifier audio chips mainly use high-end packaging technology such as wafer-level packaging (WLP) and flip-chip, the average packaging price rose from RMB0.10 per unit in 2020 to RMB0.15 per unit in 2022. In 2024, with improved yield rates and process standardization, the average unit price decreased to RMB0.10 per unit.

The Average Price Trend of Power Amplifier Audio Chips Industry

The average unit price in 2020 was approximately RMB 1.7. From 2020 to 2023, China's audio chip prices showed a downward trend, primarily due to the entire industry entering an inventory adjustment period. Companies were forced to reduce prices to clear inventory, leading to a sustained decline in the industry-wide average chip price. Concurrent factors included increasingly mature chip technology, optimized local supply chains, the 2023 semiconductor industry inventory adjustment, and price wars among manufacturers. By 2023, the average chip price had fallen to approximately RMB 1.0 per unit, representing a 41% decrease from 2020.

After 2024, inventory adjustments among manufacturers will largely conclude. Audio chip prices are expected to stabilize and begin a gradual recovery starting in 2025. By 2029, the average chip price is projected to rebound to RMB 1.3 per unit.



Data Source: Frost & Sullivan

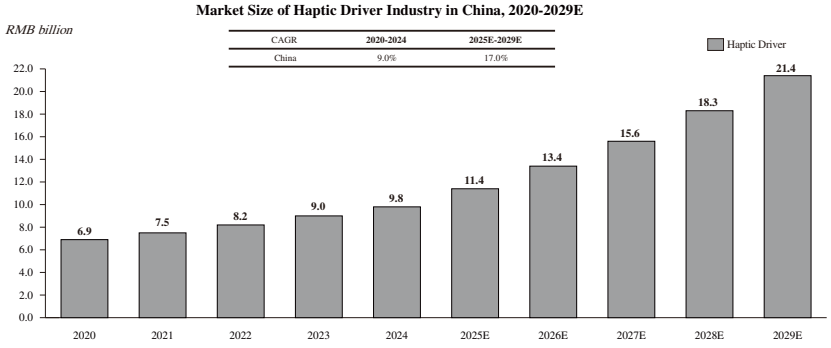
OVERVIEW OF CHINA'S HAPTIC DRIVER INDUSTRY

Definition of Haptic Driver

A Haptic Driver is a specialized electronic component or integrated circuit designed to control and drive actuators, such as vibration motors, to generate tactile feedback in electronic devices. This feedback simulates the sense of touch, enhancing the user's interactive experience with the device. The core function of a haptic driver is to receive commands from a device's main processor and translate them into precise electrical signals that control the actuator's movements.

China's Haptic Driver Market Size

China's haptic drivers market size grew from RMB6.9 billion in 2020 to RMB9.8 billion in 2024, with a CAGR of 9.0%. Driven by the accelerated domestic substitution and growing demand for intelligent cabins, the market size of haptic drivers is projected to reach RMB11.4 billion in 2025, and grow at a CAGR of 17.0% to RMB21.4 billion by 2029. The shipment volume of its core technology, linear motor drivers, reached 300 million units in 2024 and is projected to grow at a CAGR of 38.0% to 1.5 billion units by 2029.



Data Source: Frost & Sullivan

Drivers of China's Haptic Driver Market

- **Surging Demand from Automotive Intelligence:** As vehicles become more intelligent, the role of haptic feedback is evolving from a simple notification tool to a critical component for safety and an enhanced user experience.
- **Proliferation in Consumer Electronics:** Consumer expectations for realistic tactile feedback during typing, gaming, and notifications continue to push technology towards greater refinement and lower power consumption. The trend is also strong in wearable devices like smartwatches and emerging AR/VR equipment, which rely on haptics for information delivery and interaction.
- **Broadening Applications:** The application of haptic technology is expanding into industrial automation (for precise robotic control) and the medical field (for rehabilitation robotics and remote surgery with force feedback), indicating significant future growth potential.

MARKET COMPETITION ANALYSIS

Global and China's Power Amplifier Audio Chip Market Competitive Landscape and Market Share

In 2024, the global shipment volume of power amplifier audio chips was approximately 5.0 billion units. Our Company achieved a total annual global shipment volume of 460 million power amplifier audio chips, accounting for a global market share of approximately 9.2%, ranked third among power amplifier audio chip companies globally and holding a leading position.

By revenue, our Company, accounting for a global market share of approximately 4.1%, ranked fourth among power amplifier audio chip companies globally.

Enterprise Ranking in Global Power Amplifier Audio Chip Market, by Revenue / Shipment Volume, 2024

Ranking	Company	Revenue (RMB billion)	Market Share (%)
1	Company C	2.47	27.8%
2	Company A	0.72	8.2%
3	Company B	0.64	7.2%
4	The Company	0.36	4.1%
5	Company D	0.31	3.5%
Top Five Total		4.50	50.8%
Total		8.87	100.0%

Ranking	Company	Shipment Volume (100 million Units)	Market Share (%)
1	Company A	6.8	13.5%
2	Company B	6.5	13.0%
3	The Company	4.6	9.2%
4	Company C	4.4	8.8%
5	Company D	2.5	5.0%
Top Five Total		24.8	49.5%
Total		50.0	**100.0%**

Data Source: Frost & Sullivan, Annual Reports

In 2024, the shipment volume of power amplifier audio chips in the China region was approximately 2.5 billion units. Our Company achieved a total annual shipment volume of 400 million power amplifier audio chips in China, accounting for a market share of approximately 15.8%, ranked second in China and possessing a significant advantage in market position.

By revenue, our Company, accounting for a market share of approximately 8.5%, ranked third among power amplifier audio chip companies in China market.

Enterprise Ranking in China's Power Amplifier Audio Chip Market, by Revenue / Shipment Volume, 2024

Ranking	Company	Revenue (RMB billion)	Market Share (%)
1	Company A	0.54	13.2%
2	Company C	0.48	11.6%
3	The Company	0.35	8.5%
4	Company D	0.31	7.6%
5	Company B	0.22	5.4%
Top Five Total		1.90	46.5%
Total		4.10	100.0%

Ranking	Company	Shipment Volume (100 million Units)	Market Share (%)
1	Company A	5.1	20.3%
2	The Company	4.0	15.8%
3	Company C	3.1	12.4%
Top Three Total		12.1	48.5%
Total		25.0	**100.0%**

Data Source: Frost & Sullivan, Annual Reports

Global and China's Smart Display Power Amplifier Audio Chip Market Competitive Landscape and Market Share

In 2024, the global shipment volume of power amplifier audio chips for use in smart displays was approximately 90 million units. Our Company achieved a total annual global shipment volume of 10.677 million power amplifier audio chips for smart displays, accounting for a market share of approximately 11.9%, ranked third among power amplifier audio chip companies for smart displays globally and possessing a significant advantage in market position.

Enterprise Ranking in Global Smart Display Power Amplifier Audio Chip Market, by Global Shipment Volume, 2024

Ranking	Company	Shipment Volume (10,000 units)	Market Share (%)
1	Company E	1,461.6	16.2%
2	Company C	1,320.0	14.7%
3	The Company	1,067.7	11.9%
4	Company F	960.0	10.7%
Top Four Total		4,809.3	53.4%
Total		9,000.0	**100.0%**

Ranking	Company	Revenue (RMB billion)	Market Share (%)
1	Company C	0.03	15.9%
2	The Company	0.03	12.0%
3	Company E	0.02	11.5%
4	Company F	0.01	5.8%
5	Company B	0.01	2.3%
Top Four Total		0.10	47.6%
Total		0.22	100.0%

Data Source: Frost & Sullivan, Annual Reports

China's Haptic Driver Market Competitive Landscape and Market Share

In 2024, our Company achieved a shipment volume of 5.845 million haptic drivers in China, accounting for a market share of approximately 1.9%, ranked fourth among haptic driver companies in China.

Enterprise Ranking in China's Haptic Driver Market, by Shipment Volume in China, 2024

Ranking	Company	Shipment Volume (10,000 units)	Market Share (%)
1	Company A	6,768.0	22.6%
2	Company C	1,550.0	5.2%
3	Company B	650.0	2.2%
4	The Company	584.5	1.9%
5	Company G	400.0	1.3%
Top Five Total		9,952.5	33.2%
Total		3,0000.0	100.0%

Ranking	Company	Revenue (RMB billion)	Market Share (%)
1	Company A	0.20	21.8%
2	Company C	0.08	8.6%
3	Company B	0.02	2.2%
4	Company G	0.01	0.9%
5	The Company	0.01	0.6%
Top Five Total		0.31	34.0%
Total		0.90	100.0%

Data Source: Frost & Sullivan, Annual Reports

Comparison of Technical Capabilities for China's Power Amplifier Audio Chips

The following table compares the technical parameters for commercialized mainstream products on the market that compete with those of our Company and shows that our Company has established significant advantages in four core areas: signal-to-noise ratio, output power, output voltage range, and noise floor.

Comparison of Technical Capabilities for Power Amplifier Audio Chips, 2024

Key Technical Metrics	Low-power Audio Chip			Mid/high-power Audio Chip			Automotive-grade Power Amplifier Audio Chip		
	Our Company FS1999	Company A	Remarks	Our Company FS2105	Company C	Remarks	Our Company FS5024	Company C	Remarks
Signal-to-Noise Ratio	119dB	110dB	Higher signal-to-noise ratio	112dB	111dB	Higher signal-to-noise ratio	95dB	89dB	Higher signal-to-noise ratio
Output Power	5.5W	5.3W	Higher output power, better sound dynamic range	2*24W	2*23W	Higher output power, better sound dynamic range	4*75W	4*75W	/
Operating Voltage Range	2.7V-5.5V	3.0V-5.5V	Wider operating power supply voltage	4.5V-26.4V	4.5V-26.4V	/	4.5V-26.4V	4.5V-26.4V	/
Package Type	FOWLP-36	WLCSP-42	Smaller package size	TSSOP-28	TSSOP-28	/	HSSOP-56	HSSOP-56	/
Noise floor	7.5 μV	14μV	Lower noise floor	36μV	37μV	Lower noise floor	43μV	70μV	Lower noise floor

1. Signal-to-noise ratio: The ratio of signal power to noise power. The higher the signal-to-noise ratio, the smaller the distortion.
2. Output power: The usable power generated by a device or system. The higher the output power, the better the dynamic effect of the sound.
3. Operating voltage range: A wider output voltage range allows the voltage regulator to deliver the required performance in more applications.
4. Package type: Chip package type. FOWLP is an advanced packaging technology featuring miniaturization.
5. Noise floor: The lowest level at which a signal can be distinguished from background noise. A lower noise floor means a lower noise level in the system.

Notes:

1. All figures in the table above have been rounded.
2. Company A, founded in 2008 and headquartered in China, is listed on the Shanghai Stock Exchange, primarily engaged in mixed-signal chips, analog chips, and radio frequency chips.
3. Company B, founded in 1984 and headquartered in the United States, is listed on the NASDAQ, primarily engaged in the development of power amplifier audio chips and other semiconductor products.
4. Company C, founded in 1930 and headquartered in the United States, is listed on the NASDAQ, and a world-leading company primarily engaged in designing, manufacturing, and sale of analog and embedded semiconductors.

5. Company D, founded in 2002 and headquartered in China, is listed on the Shanghai Stock Exchange, primarily engaged in chip design and software development, delivering comprehensive hardware-software solutions.

6. Company E, founded in 2000 and headquartered in South Korea, primarily engaged in the development of power amplifier audio chips and other semiconductor products.

7. Company F, founded in 1998 and headquartered in Taiwan province, China, is listed on the Taiwan Stock Exchange, primarily engaged in the chip design, manufacturing, sales, and technical services.

8. Company G, founded in 2006 and headquartered in South Korea, is listed on the Korea Exchange, primarily engaged in the chips for haptic driver, image stabilization, autofocus control, power management.

Entry Barriers in the Power Amplifier Audio Chip Industry

- ***Technological Barriers***

  Power amplifier audio chip products have high performance requirements in terms of anti-interference capability, detection accuracy, power consumption, and size. Moreover, with the continuous upgrading of audio effects in various consumer electronics and intelligent vehicles, new requirements are being brought up, such as tuning technology, customized design and algorithms technology for power amplifier audio chips. For new market entrants, it requires a long time and substantial resources to carry out technological R&D and to pass patent applications and reviews by relevant authorities. Therefore, the industry has high technological barriers.

- ***Customer Barriers***

  In the power amplifier audio chip industry, especially for highly customized scenarios in consumer electronics, intelligent vehicles and robotics, customers have strict audit and certification systems for suppliers, involving certifications for functional safety (e.g., JESD22-A113), and requiring compliance with reliability standards such as automotive-grade AEC-Q100 and the quality management system standard (ISO9001). After a partnership is established, high switching costs and strong dependence on major customers make it difficult for new entrants to break through quickly.

- ***Supply Chain Barriers***

  The power amplifier audio chip industry in China requires a stable supply chain system. Companies must secure a long-term and stable supply of wafer foundry and packaging and testing capacity by locking in capacity resources through prepayments and long-term agreements; otherwise, they will face the risks of delays in mass production and cost premiums. Under the fabless model, companies primarily rely on third-party wafer foundries for chip manufacturing. While this model inherently exposes the Company to certain supplier concentration and geopolitical risks, the Company has adopted a diversified sourcing strategy to mitigate such exposure. In particular, most of the Company's chip supply is sourced from PRC manufacturers, with the remaining portion allocated to suppliers in Japan and South Korea. Such arrangement is consistent with common industry practice, as it enables the Company to avoid over-reliance on any single jurisdiction and to enhance supply chain resilience. By maintaining a balanced supplier portfolio across the PRC, Japan and South Korea, the Company is able to mitigate, to a certain extent, both geopolitical risks relating to Japan and South Korea and potential sanctions or trade restriction risks relating to the PRC.

This section sets out a summary of certain aspects of the laws and regulations which are relevant to the business and operations of our Group. The principal objective of this summary is to provide potential investors with an overview of the key laws and regulations applicable to us. This summary does not purport to be a comprehensive description of all the laws and regulations applicable to our business and operations and/or which may be important to potential investors. Investors should note that the following summary is based on laws and regulations in force as at the date of this prospectus, which may be subject to change.

REGULATORY ENVIRONMENT IN THE PRC

Below is a summary of the major PRC laws, regulations and policies relevant to our Company's daily business operations currently carried out in the PRC.

LAWS AND REGULATIONS ON THE INTEGRATED CIRCUIT INDUSTRY

From 2010 to 2021, the State Council has issued a series of regulations aimed at promoting the development of the integrated circuit industry, which includes the Decision of the State Council on Accelerating the Fostering and Development of Strategic Emerging Industries (《國務院關於加快培育和發展戰略性新興產業的決定》), the Notice of the State Council on Promulgation of Several Policies for Further Encouraging the Development of Software and Integrated Circuit Industries (《國務院關於印發進一步鼓勵軟件產業和集成電路產業發展若干政策的通知》), the Outline for Advancing the National Integrated Circuit Industry (《國家集成電路產業發展推進綱要》), Made in China (2025) (《中國製造(2025)》), the Notice of the State Council on Promulgation of Several Policies for Promoting the High-quality Development of Integrated Circuit and Software Industries in the New Era (《國務院關於印發新時期促進集成電路產業和軟件產業高質量發展若干政策的通知》).

In November 2016, the State Council promulgated the "State Council's Notice on the Issuance of the Development Plan for the Nation's Strategic Emerging Industries under the '13th Five-Year' Plan" (《國務院關於印發"十三五"國家戰略性新興產業發展規劃的通知》), with a view to initiate the major productivity layout and planning project for integrated circuits, and implement a series of high-impact projects to drive rapid leaps in industrial capabilities.

On January 25, 2017, the National Development and Reform Commission ("**NDRC**") promulgated Strategic Emerging Industries Key Products and Services Guidance Catalog (《戰略性新興產業重點產品和服務指導目錄》), which includes integrated circuit chip design and services as a key product and service in the strategic emerging industries.

On March 28, 2018, the Ministry of Finance, the State Taxation Administration, the NDRC and the Ministry of Industry and Information Technology (MIIT) jointly promulgated the Notice on Issues Concerning Corporate Income Tax Policies for Integrated Circuit Manufacturers (《關於集成電路生產企業有關企業所得稅政策問題的通知》), which grants income tax exemptions or reductions to some integrated circuit manufacturing companies. The next year, the Ministry of Finance and the State Taxation Administration jointly promulgated the Announcement on Income Tax Policies for Integrated Circuit Design and Software Enterprises (《關於集成電路設計和軟件產業企業所得稅政策的公告》). Pursuant to the foregoing provisions, integrated circuit design enterprises and software enterprises satisfying the criteria shall enjoy an incentive period with effect from their profit-making year(s) prior to December 31, 2018, and be exempted from EIT for the first and second years, and pay EIT at half the statutory 25% tax rate from the third year to the fifth year, until the incentive period expires.

In December 2020, the Ministry of Finance, the State Taxation Administration, NDRC, and MIIT jointly released the Announcement on Enterprise Income Tax Policy for Promoting High Quality Development of Integrated Circuit Industry and Software Industry (《關於促進集成電路產業和軟件產業高質量發展企業所得稅政策的公告》). Pursuant to the aforesaid regulations, key integrated circuit

design enterprises and software enterprises encouraged by the state are exempted from enterprise income tax for the first to fifth years starting from the profit-making year, and are subject to a reduced enterprise income tax rate of 10% in the succeeding years.

Pursuant to the Notice of the Ministry of Finance and the State Taxation Administration on the Weighted Deduction Policy for Value-added Tax on Integrated Circuit Enterprises (《財政部、税務總局關於集成電路企業增值税加計抵減政策的通知》), which was promulgated on April 20, 2023, from January 1, 2023 to December 31, 2027, enterprises engaged in the design, production, packaging and testing, equipment and materials of integrated circuits are allowed to deduct extra 15% of the deductible input tax in the current period from the VAT payable.

PRC LAWS AND REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Patent

Pursuant to the Patent Law of the PRC (the Patent Law) promulgated by the Standing Committee of the NPC (SCNPC) on 12 March 1984, last revised on 17 October 2020 and effective from 1 June 2021, and the Implementation Rules of the Patent Law of the PRC promulgated by the State Council, last revised on 11 December 2023 and effective from 20 January 2024, there are three types of patents, namely invention, utility model and design. Invention patents are valid for 20 years, while utility model patents are valid for ten years and design patents are valid for 15 years, all starting from the date of application. After the granting of a patent for an invention or utility model, unless otherwise provided for in the Patent Law, no entity or individual may exploit the patent without the permission of the patentee; after the granting of a design patent, no entity or individual shall, without permission of the patentee, exploit the patent, that is, they shall not make, promise to sell, sell, or import the product incorporating its or his patented design, for production and business purposes.

Trademark

Pursuant to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on 23 August 1982, last revised on 23 April 2019 and effective on 1 November 2019, and the Regulation on the Implementation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) promulgated by the State Council on 3 August 2002, last revised on 29 April 2014 and effective on 1 May 2014, trademarks approved and registered by the Trademark Office are registered trademarks, and the trademark registrant has the exclusive right to use the trademark, which is protected by law. The validity period of a registered trademark is ten years from the date of approval of registration.

Copyright and Software Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC on 7 September 1990, last revised on 11 November 2020 and effective on 1 June 2021, and the Implementation Regulations of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》) promulgated by the State Council on 2 August 2002, last revised on 30 January 2013 and effective on 1 March 2013, works of PRC citizens, legal persons or unincorporated organizations, whether published or not, shall enjoy copyright in accordance with law. Works refer to intellectual achievements in the field of literature, art and science that are original and can be expressed in a certain form. A copyright holder shall enjoy a number of personal and property rights, including the right of publication, the right of authorship and the right of amendment.

In addition, internet activities, products disseminated over the internet, and software products also enjoy copyright. Pursuant to the Regulation on Protection of Computer Software (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991, effective on November 1, 1991, last amended on January 30, 2013 and implemented on March 1, 2013, the software registration authority shall grant certificates of registration to computer software copyright applicants in compliance with the Regulation on Protection of Computer Software.

Design of Integrated Circuit Layouts

Pursuant to the Regulations on the Protection of Layout-Designs of Integrated Circuits (the "**Regulations on the Protection**") (《集成電路布圖設計保護條例》) issued by the State Council on 2 April 2001, and effective from 1 October 2001, natural persons, legal persons or other organizations in China who create layout-designs shall have exclusive rights to their designs in accordance with the Regulations on the Protection. The exclusive rights to the layout design arise upon registration with the intellectual property administration department of the State Council, and layout designs that have not been registered are not protected by the Regulations on the Protection. The protection period for the exclusive rights of a layout design is ten years, starting from the date of application for registration of the design or from the date of putting it into commercial exploitation somewhere in the world for the first time, whichever is earlier. However, whether or not the design is registered or commercially used, it is no longer protected by the Regulations on the Protection 15 years after the date of completion of the design.

LAWS AND REGULATIONS RELATING TO PRODUCT QUALITY

According to the Law of the People's Republic of China on Product Quality (《中華人民共和國產品質量法》), promulgated by the SCNPC on February 22, 1993, and most recently amended on December 29, 2018, producers and sellers shall establish and improve internal product quality management systems, strictly implement post-specific quality standards, quality responsibilities, and corresponding assessment methods. Prohibited actions include: forging or fraudulently using quality marks such as certification marks; forging a product's place of origin, or forging or fraudulently using another manufacturer's name and address; mixing impurities or counterfeits into products during production or sale, passing off fake products as genuine ones, or passing off substandard products as high-quality ones.

LAWS AND REGULATIONS ON FOREIGN INVESTMENT

The establishment, operation and governance of corporate entities in the PRC is governed by the Company Law of the PRC (《中華人民共和國公司法》), which was issued by the SCNPC on 29 December 1993, last revised on 29 December 2023 and became effective on 1 July 2024. Limited liability companies and companies limited by shares established in the PRC shall be subject to the PRC Company Law. A foreign-invested company is also subject to the PRC Company Law unless otherwise provided by the foreign investment laws.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), which was promulgated by the NPC on 15 March 2019 and came into effect on 1 January 2020, specifies that the state shall implement the management system of pre-entry national treatment and the Negative List for foreign investment. Pre-entry national treatment refers to the treatment accorded to foreign investors and their investments at the stage of investment entry which is no less favorable than the treatment accorded to domestic investors and their investments; Negative List refers to a special administrative measure for the entry of foreign investment in specific sectors as imposed by the state. The state provides national treatment to foreign investments outside the Negative List. In addition, the Regulations on Implementing the Foreign Investment Law of the PRC (《中華人民共 和國外商投資法實施條例》), which were promulgated by the State Council on 26 December 2019 and came into effect on 1 January 2020, further stipulate that the state shall, in accordance with the needs of the national economy and social development, formulate a catalog of industries for encouraging foreign investment, setting out the specific industries, fields and regions in which foreign investors will be encouraged and induced to invest.

The NDRC and the Ministry of Commerce jointly revised and promulgated the Special Administrative Measures for the Access of Foreign Investment (Negative List) (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) on 6 September 2024, which came into effect on 1 November 2024, replacing the previous Negative List, pursuant to which, domestic enterprises engaged in business sectors prohibited under the Negative List that seek to issue shares and list overseas shall be

subject to review and approval by the relevant national competent authorities, and foreign investors are not allowed to participate in the operation and management of the enterprise and their shareholding ratios shall be implemented with reference to the relevant regulations on the management of domestic securities investment by foreign investors.

REGULATIONS ON OVERSEAS INVESTMENT

Pursuant to the Administrative Measures for Outbound Investment (《境外投資管理辦法》) promulgated by the Ministry of Commerce on 6 September 2014 and effective from 6 October 2014, the Ministry of Commerce and provincial competent commerce departments shall carry out administration either by record-filing or by verification and approval depending on different circumstances of outbound investment by enterprises. Outbound investment by enterprises that involves sensitive countries and regions or sensitive industries shall be subject to administration by verification and approval. Outbound investment that falls under any other circumstances shall be subject to administration by record-filing.

Pursuant to the Administrative Measures for Outbound Investment by Enterprises (《企業境外投資管理辦法》) promulgated by NDRC on 26 December 2017 and effective from 1 March 2018, domestic enterprises (the "**investors**") in the PRC making an outbound investment shall go through verification and approval or record-filing or other procedures applicable to outbound investment projects (the "**Projects**"), report relevant information, and cooperate with the supervision and inspection. Sensitive Projects carried out by the investors directly or through overseas enterprises controlled by them shall be subject to the management of verification and approval; non-sensitive Projects directly carried out by the investors, namely, non-sensitive projects involving the investors' direct contribution of assets or rights and interests or provision of financing or security, shall be subject to the management of record-filing. The aforementioned sensitive project means a project involving sensitive countries and regions or a sensitive industry. The NDRC promulgated the Catalogue of Sensitive Sectors for Outbound Investment (2018 Edition) (《境外投資敏感行業目錄(2018年版)》), effective on 1 March 2018, which details the sensitive industries for outbound investment.

REGULATIONS RELATING TO HOUSE LEASING

Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》), which was promulgated by the SCNPC on 5 July 1994, was last revised on 26 August 2019 and came into effect on 1 January 2020, in case of house leasing, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, usage, rental and repair liabilities, as well as other rights and obligations of both parties, and go through registration and filing procedures with the real estate administration department.

In addition, according to the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on 1 December 2010 and came into effect on 1 February 2011, within 30 days after the conclusion of the house leasing contract, the parties involved in the house leasing shall carry out house leasing registration and filing procedures with the construction (real estate) administrative department of the people's government of a municipality directly under the central government of the PRC, city or county where the house leased is located. If individuals or entities are in violation of the above provisions, they may be ordered to make corrections within a specified time limit by the competent construction (real estate) department of the people's government of a municipality directly under the central government, city or county. If any individual fails to do so, a fine of less than RMB1,000 will be imposed, while if any entity fails to do so, a fine of more than RMB1,000 but less than RMB10,000 will be imposed.

LAWS AND REGULATIONS RELATING TO IMPORT AND EXPORT TRADE

According to the Customs Law of the PRC (《中華人民共和國海關法》) promulgated by the SCNPC on 22 January 1987 and last revised on 29 April 2021, unless otherwise stipulated, the declaration of import and export goods and the payment of customs duties may be handled by the consignees or consignors of imported or exported goods or entrusted customs declaration enterprises. The consignee or the consignor of imported or exported goods and the customs declaration enterprise shall go through customs declaration and filing procedures at the relevant customs in accordance with the law.

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) promulgated by the SCNPC on 12 May 1994 and last revised on 30 December 2022, and the Regulation of the People's Republic of China on the Administration of the Import and Export of Goods (《中華人民共和國貨物進出口管理條例》) promulgated by the State Council on 10 December 2001, last revised on 10 March 2024 and became effective on 1 May 2024, goods classified as prohibited imports shall not be imported, and goods classified as prohibited exports shall not be exported. Goods subject to import restrictions imposed by the State shall be managed under a quota system, while other goods subject to import and export restrictions are managed under a licensing system. Goods classified as freely importable and exportable are not subject to restrictions. The requirement for foreign trade operators engaged in the import and export of goods or technologies to register with the relevant authorities under the Ministry of Commerce or its authorized agencies was abolished. Furthermore, except where laws or administrative regulations explicitly prohibit or restrict imports or exports, no entity or individual may impose or maintain prohibitive or restrictive measures on the import or export of goods.

Pursuant to the Administrative Provisions of the PRC on the Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs on 19 November 2021 and became effective on 1 January 2022, consignees, consignors or customs declaration enterprises of imported or exported goods only need to file with the Customs but not to register with the General Administration of Customs. The filing information will be publicized through the China Customs Enterprise Import and Export Credit Information Publicity Platform.

LAWS AND REGULATIONS RELATING TO LABOR AND SOCIAL INSURANCE

Labor Law and Labor Contract Law

Pursuant to the Labor Law of the PRC (《中華人民共和國勞動法》) last revised by the SCNPC on 29 December 2018 and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) last revised by the SCNPC on 28 December 2012 and came into effect on 1 July 2013, a labor contract shall be concluded when a labor relationship is established. Employers shall establish and improve labor rules and systems in accordance with the law to safeguard employees' labor rights and fulfillment of labor obligations. Employers are forbidden to force employees to work overtime or to do so in a disguised manner and employers must pay employees overtime wages in accordance with the regulations of the state. In addition, wages may not be lower than local minimum wage standards and must be paid to the employees promptly. Employers shall establish and improve a system of labor safety and sanitation and shall strictly abide by national rules and standards on labor safety and sanitation as well as educate employees on labor safety and sanitation so as to prevent accidents during work and reduce occupational hazards. Labor safety and sanitation facilities shall comply with national standards. The employers must also provide employees with labor safety and sanitation conditions that comply with national standards and necessary labor protection supplies.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) passed by the SCNPC on October 28, 2010, effective on July 1, 2011 and amended and implemented on December 29, 2018, each employer and individual in the PRC shall make social insurance contributions, including basic pension insurance, basic medical insurance, work injury

insurance, unemployment insurance and maternity insurance. Contributing entities must register for social insurance with the local social insurance administrative agencies and participate in social insurance. Contributing entities and individuals shall pay social insurance premiums in full and on time. Employer who fail to make adequate social insurance contributions shall be ordered to pay or supplement within a stipulated period, and are subject to a late fee computed from the date of default at the rate of 0.05% per day. Where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times of the overdue amount.

According to the Administrative Regulations on the Housing Provident Fund (《住房公積金管理條例》) passed by the State Council on April 3, 1999, last amended and implemented on March 24, 2019, each employer and individual in the PRC shall make housing provident fund contributions. Entities shall register for housing provident fund contributions with the housing provident fund management center and establish housing provident fund accounts for their employees. Entities shall contribute housing provident fund in full and on time. Where, in violation of the provisions of the regulations, an employer is overdue in the contribution of, or underpays, the housing provident fund, the competent PRC government authority shall order it to make the contribution within a stipulated period. If the payment is not made within such stipulated period, an application may be made to the People's Court for compulsory enforcement.

LAWS AND REGULATIONS RELATING TO TAX

Enterprise Income Tax Law

Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法》) was promulgated by the SCNPC on March 16, 2007, implemented on January 1, 2008, and most recently revised and implemented on December 29, 2018. The Implementing Regulations of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法實施條例》) were issued by the State Council on December 6, 2007, implemented on January 1, 2008, and most recently revised and implemented on April 23, 2019. The Measures for the Administration of Recognition of High and New Technology Enterprises (《高新技術企業認定管理辦法》) were issued by the Ministry of Science and Technology, Ministry of Finance, and the State Taxation Administration on January 29, 2016, and implemented on January 1, 2016. According to these laws and regulations, both resident and non-resident enterprises are subject to a uniform EIT rate of 25%. Enterprises certified as High and New Technology Enterprises are subject to a tax rate of 15%, while qualified small and micro enterprises are subject to a 20% rate. However, non-resident enterprises without establishments or places of business in China, or those whose income has no actual connection with their establishments or places of business in China, shall pay EIT at the rate of 20% on their income sourced from within China.

Value-added Tax

Pursuant to the Provisional Regulations of the PRC on Value-Added Tax (《中華人民共和國增值税暫行條例》), which was promulgated by the State Council, and last revised and became effective on 19 November 2017; the Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值税暫行條例實施細則》), which was promulgated by the Ministry of Finance, and last revised on 28 October 2011 and effective on 1 November 2011; the Notice of the Ministry of Finance and the State Taxation Administration on the Adjustment to VAT Rates (《財政部、税務總局關於調整增值税税率的通知》) which was promulgated on 4 April 2018 and came into effect on 1 May 2018, and the Announcement on Policies for Deepening the VAT Reform (《關於深化增值税改革有關政策的公告》), which was promulgated by the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on 20 March 2019 and became effective on 1 April 2019, all enterprises and individuals engaging in the sale of goods or providing processing, repair and maintenance services, sales services, intangible assets, real estate and import of goods in China are subject to VAT; from April 1, 2019, the generally applicable VAT rates are 13%, 9%, 6% and 0%, with a VAT rate of 3% applicable to small-scale taxpayers.

Taxation on Dividends

According to the Individual Income Tax Law (《個人所得稅法》) promulgated on September 10, 1980, last amended on August 31, 2018 and effective on January 1, 2019, and the Regulations for the Implementation of the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法實施條例》) last amended on December 18, 2018 and effective on January 1, 2019, income from interest, dividends, bonuses, property leasing, property transfer and incidental income shall be subject to a proportional tax rate of 20%. In addition, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies for Dividends and Bonuses of Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) issued on September 7, 2015 by the Ministry of Finance, the State Taxation Administration and the China Securities Regulatory Commission (CSRC), where an individual acquires stocks of a listed company from public offering of the company or from the stock transfer market and holds the stocks for more than one year, the income from dividends is exempted from individual income tax. If the individual holds the stocks for one month or less, the income from dividends is fully taxable. If the individual holds the stocks for one month to one year (one year inclusive), 50% of the income from dividends is taxable. The aforesaid income is subject to an individual income tax at a flat rate of 20%.

The Circular of the State Taxation Administration on Issues Relating to the Withholding of Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to H Share Shareholders of Overseas Non-Resident Enterprise (《國家稅務總局關於中國居民企業向境外H股 非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》), which was issued by the State Taxation Administration on November 6, 2008, further clarified that a PRC-resident enterprise shall uniformly withhold enterprise income tax at a rate of 10% on dividends paid to H Share shareholders of overseas non-resident enterprise for 2008 and subsequent years. After receiving dividends, the shareholder of a non-resident enterprise may apply to the competent tax authority for the treatment under the tax treaty (arrangement), and after the examination and verification by the competent tax authority, shall refund the balance between the tax paid and the tax payable calculated according to the tax rate stipulated in the tax treaty (arrangement). In addition, the Response to Issues on Levying Enterprise Income Tax on Dividends Received by Non-resident Enterprise from Holding Stock such as B-shares (《國家稅務總局關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》), which was issued by the SAT on July 24, 2009, further provides that any PRC-resident enterprise that is listed on overseas stock exchanges must withhold enterprise income tax at a rate of 10% on dividends 2008 and subsequent years that it distributes to non-resident enterprises. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has concluded with a relevant jurisdiction, where applicable.

LAWS AND REGULATIONS IN RELATION TO FOREIGN EXCHANGE

The Foreign Exchange Control Regulations of the PRC (《中華人民共和國外匯管理條例》) last revised by the State Council on 5 August 2008, are applicable to all activities related to the foreign exchange receipts and disbursements and transactions of domestic corporations and individuals and to the said activities of overseas corporations and individuals within the territory of the PRC. International payments in foreign currencies and transfers of foreign currencies under current account in PRC shall not be subject to any restriction. Foreign currency transactions under the capital account, such as direct investment and capital contribution, are still restricted and require approvals from, or registration with, the foreign exchange administrative authorities.

According to the Circular of the State Administration of Foreign Exchange (SAFE) on Issues concerning the Administration of Foreign Exchange Involved in Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) announced by the SAFE on December 26, 2014, the SAFE and its branch offices and administrative offices shall oversee, regulate and inspect domestic companies regarding their business registration, opening and use of accounts, trans-border payments and receipts, exchange of funds and other conduct involved in overseas listing. Domestic companies shall, within 15 working days after completion of its public offering overseas, handle registration formalities with the foreign exchange authority at its place of registration with the required materials.

LAWS AND REGULATIONS IN RELATION TO OVERSEAS LISTING

The Securities Law of the People's Republic of China (《中華人民共和國證券法》), which was last revised by the SCNPC on 28 December 2019 and became effective on 1 March 2020, comprehensively regulates the activities of the securities market in the PRC, including the issuance and trading of securities, acquisitions of listed companies, disclosure of information, investor protection, stock exchanges, securities companies, securities registration and clearing institutions, securities service agencies, securities associations and securities regulatory authorities. The Securities Law further stipulates that domestic enterprises that directly or indirectly issue securities abroad or list their securities abroad shall comply with the relevant provisions of the State Council, and that the specific provisions for subscription and trading of shares of domestic companies in foreign currencies shall be separately stipulated by the State Council. The CSRC is a securities regulatory body established by the State Council, which is responsible for supervising and managing the securities market in accordance with the law, maintaining market order and safeguarding the legal operation of the market.

On 17 February 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the Trial Measures) and related guidelines, which came into effect on 31 March 2023. Pursuant to the Trial Measures, where a domestic enterprise in the PRC directly or indirectly issues or lists shares overseas, it shall file a report with the CSRC within 3 working days after submitting the application documents for issuance and listing overseas; overseas issuance and listing shall be prohibited under any of the following circumstances: (i) where the issuance and listing is prohibited by laws, administrative regulations or the relevant provisions of the state; (ii) where the overseas issuance and listing is recognized by the relevant competent department of the State Council in accordance with the law as potentially jeopardizing national security; (iii) where domestic enterprises or their controlling shareholders or de facto controllers are involved in criminal offenses of corruption, bribery, misappropriation of property, embezzlement of property, or disruption of the socialist market economy order within the last three years; (iv) where domestic enterprises suspected of committing crimes or major violations of laws and regulations are being investigated by the law, and has not yet come to a definitive conclusion of the opinion; (v) where there are significant ownership disputes over the shareholdings held by controlling shareholders or shareholders directed by controlling shareholders or de facto controllers. Additionally, overseas listing regulations stipulate that after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report to the CSRC within three working days after the occurrence and public disclosure of (i) a change of control thereof, (ii) investigations of or sanctions imposed on the issuer by overseas securities regulators or relevant competent authorities, (iii) changes of listing status or transfers of listing segment, and (iv) a voluntary or mandatory delisting. Overseas offering and listing by domestic companies shall be made in strict compliance with relevant laws, administrative regulations and rules concerning national security in the spheres of foreign investment, cybersecurity, data security etc., and duly fulfill their obligations to protect national security.

On February 24, 2023, the CSRC and three other relevant government authorities jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), or the Provisions on Confidentiality. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses any document or material that involves state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of the PRC by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and cross-border transfers shall go through the examination and approval formalities in accordance with the relevant State provisions.

REGULATORY ENVIRONMENT IN HONG KONG

There is no specific statutory requirement for our Group to obtain any licence to carry out our business in Hong Kong other than the requirement to have a business registration certificate under the Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong). Our Group does not import or export any food, dutiable commodities under the Dutiable Commodities Ordinance (Cap. 109) or any prohibited articles under the Import and Export Ordinance (Cap. 60) in or into Hong Kong. Below is a summary of the laws and regulations in Hong Kong which are material to our Group's business.

Sale of Goods Ordinance (Chapter 26 of the Laws of Hong Kong)

The Sale of Goods Ordinance (Chapter 26 of the Laws of Hong Kong) governs the formation, performance and remedies of contract for the sale of goods in Hong Kong and the transfer of title of goods sold. The ordinance also sets out certain implied terms or conditions and warranties generally relating to the safety and suitability of goods supplied under a contract of sale for goods in Hong Kong, including:

(i) where there is a sale of goods by description, the goods shall correspond with the description;

(ii) where the seller sells goods in the course of a business, the goods shall be of a merchantable quality, i.e. (a) as fit for the purpose or purposes for which the goods of that kind are commonly bought; (b) of such standard of appearance and finish; (c) as free from defects (including minor defects); (d) as safe; and (e) as durable, as it is reasonable to expect having regard to any description applied to them, the price (if relevant) and all the other relevant circumstances; and

(iii) where the seller sells goods in the course of a business and the buyer makes known to the seller (whether expressly or by implication) any particular purpose for which the goods are being bought, the goods supplied under the contract shall be reasonably fit for that purpose.

Under section 55 of the Sale of Goods Ordinance, where there is a breach of warranty by the seller, the buyer is not, by reason only of such breach of warranty, entitled to reject the goods, but he may set up against the seller the breach of warranty in diminution or extinction of the price, or maintain an action against the seller for damages for the breach of warranty.

Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong)

The Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong) requires every person carrying on any business to make application to the Commissioner of Inland Revenue in the prescribed manner for the registration of that business. The Commissioner of Inland Revenue must register each business for which a business registration application is made and as soon as practicable after the prescribed business registration fee and levy are paid, and issue a business registration certificate or branch registration certificate for the relevant business or the relevant branch as the case may be. Business registration does not serve to regulate business activities and it is not a licence to trade. Business registration serves to notify the Inland Revenue Department of the establishment of a business in Hong Kong. Any person who fails to apply for business registration shall be guilty of an offence and shall be liable to a fine of HK$5,000 and to imprisonment for one year.

Laws relating to Transfer Pricing

The Inland Revenue Department ("**IRD**") may make transfer pricing adjustments by disallowing expenses incurred by Hong Kong residents under sections 16(1), 17(1)(b) and 17(1)(c) of the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) ("**IRO**") and challenging the entire arrangement under general anti-avoidance provisions such as sections 61 and 61A of the IRO if the IRD considers that the related party transactions are not conducted on an arm's length basis. In December 2009, the IRD released Departmental Interpretation and Practice Notes No. 46 (DIPN 46). DIPN 46

provides clarifications and guidance on the IRD's views on transfer pricing and how it intends to apply the existing provisions of the IRO to establish whether related parties are transacting at arm's length prices. In general, the practices followed by the IRD are based on the transfer pricing methodologies recommended by the OECD Transfer Pricing Guidelines. In April 2009, the IRD released Departmental Interpretation and Practice Notes No. 45 (DIPN 45). DIPN 45 provides that where double taxation arises as a result of transfer pricing adjustments made by the tax authorities of another country, a Hong Kong taxpayer may potentially claim relief under the treaty between Hong Kong and that country (countries that entered into tax arrangements with Hong Kong includes the PRC). Furthermore, the Hong Kong Government has gazetted the Inland Revenue (Amendment) (No. 6) Ordinance 2018 (the Amendment Ordinance) on 13 July 2018. The main objectives of the Amendment Ordinance are to codify the transfer pricing principles and implement certain measures under the Base Erosion and Profit Shifting ("**BEPS**") package promulgated by the Organisation for Economic Co-operation and Development, such as the transfer pricing documentation requirements. The BEPS package seeks to counter the exploitation of gaps and mismatches in tax rules by multinational enterprises to artificially shift profits to low or no-tax locations where there are little or no economic activity.

Section 50AAF of the IRO now codifies the arm's length principle and allows for an adjustment of a taxpayer's profits upwards/losses downwards if the taxpayer has entered into transaction(s) with an associated person, and the pricing of such transaction(s) differs from that between independent persons and has created a Hong Kong tax advantage. Section 82A of the IRO stipulates that a person is liable to be assessed for penalties to additional tax of the amount of tax undercharged resulting from transfer pricing adjustments, unless it is proved that reasonable efforts have been made to determine the arm's length price for the transaction(s). Pursuant to section 58C of the IRO, Hong Kong entities engaged in transactions with associated enterprises will be required to prepare master and local files for accounting periods beginning on or after 1 April 2018, except where they meet either one of the following exemptions in respect of business size or relevant transaction volume:

Exemption based on size of business: Taxpayers meeting any two of the following conditions are not required to prepare the master file and local files:

(i) Total revenue for the accounting period not exceeding HK$400 million;

(ii) Total assets at the end of the accounting period not exceeding HK$300 million;

(iii) No more than 100 employees on average.

Exemption based on related party transactions: If the amount of a type of controlled transactions for the relevant accounting period is below the threshold set out below, an enterprise will not be required to prepare a local file for that particular type of transactions:

(i) Transfer of properties (other than financial assets and intangibles): HK$220 million;

(ii) Transaction of financial assets: HK$110 million;

(iii) Transfer of intangibles: HK$110 million;

(iv) Any other transaction (e.g., service income and royalty income): HK$44 million.

If all types of controlled transactions for the relevant accounting period are not required to be covered in local files, neither of the following is required to be prepared or retained by a taxpayer:

(i) Local file for the accounting period;

(ii) Master file for the corresponding accounting period.

Trade Description Ordinance (Chapter 362 of the Laws of Hong Kong)

The Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong) aims to prohibit false trade description, false, misleading or incomplete information, false marks and misstatements in respect of goods and services provided in the course of trade. The definition of trade description under section 2 of the ordinance covers a broad range of matters including but not limited to: quantity, method of manufacture, composition, fitness for purpose, availability, compliance with a standard specified or recognised by any person, price, approval by any person, a person by whom they have been acquired, the goods being of same kind as goods supplied to a person, place or date of manufacture, etc.

Section 2 also provides that a trade description which is false to a material degree or which, though not false, is misleading, that is to say, likely to be taken for a trade description of a kind that would be false to a material degree, would be regarded as a false trade description.

Section 7 provides that it is an offence for any person who, in the course of any trade or business, applies a false trade description to any goods or supplies or offer to supply any goods to which a false description is applied. Section 7A provides that it is an offence for a trader who applies a false trade description to a service supplied or offered to be supplied to a consumer, or supplies or offers to supply to a consumer a service to which a false trade description is applied. Section 12 further prohibits any person from importing or exporting any goods to which a false trade description or forged trade mark is applied.

Sections 13E, 13F, 13G, 13H and 13I of the ordinance provide that a trader commits an offence if the trader engages, in relation to a consumer, in a commercial practice that is a misleading omission, or is aggressive, or constitutes bait advertising, or constitutes a bait and switch, or wrongly accepting payment for a product.

Any person who commits an offence under sections 7, 7A, 13E, 13F, 13G, 13H or 13I shall be liable, on conviction on indictment, to a fine of HK$500,000 and to imprisonment for 5 years, and on summary conviction, to a level 6 fine of HK$100,000 and imprisonment for 2 years.

Trade Marks Ordinance (Chapter 559 of the Laws of Hong Kong)

The Trade Marks Ordinance (Chapter 559 of the Laws of Hong Kong) makes provision in respect of the registration of trade marks and provides for connected matters.

The ordinance provides that a person infringes a registered trade mark if he uses in the course of trade or business a sign which is:

(a) identical to the registered trade mark in relation to goods or services which are identical to those for which it is registered;

(b) identical to the registered trade mark in relation to goods or services which are similar to those for which it is registered and such use is likely to cause confusion on the part of the public;

(c) similar to the registered trade mark in relation to goods or services which are identical to or similar to those for which it is registered and such use is likely to cause confusion on the part of the public; or

(d) identical or similar to the registered trade mark in relation to goods or services which are not identical or similar to those for which the trademark is registered, and the trade mark is entitled to protection under the Paris Convention as a well-known trade mark, and such use, being without due cause, takes unfair advantage of or is detrimental to the distinctive character or repute of a trade mark.

The ordinance further provides that the owner of a trade mark may bring infringement proceedings against the infringer for damages, injunction, accounts or any other relief available in law.

U.S. EXPORT CONTROL AND ECONOMIC SANCTIONS

BIS Entity List Restrictions

According to the EAR § 744.16, in addition to the license requirements for items specified on the CCL, any entity may not, without a license from BIS, export, reexport, or transfer (in-country) any items included in the License Requirement column of an entry on the Entity List (supplement no. 4 to the EAR § 744.16) when an entity associated with that entry or when any person using an address identified in the Entity List entry as a high-risk diversion address is a party to a transaction as described in § 748.5(c) through (f) of the EAR.

FN5 FDP Rule

A foreign-produced item is subject to the EAR if it meets the product scope and end-user scope in Entity List FDP Rule footnote 1, footnote 4 or footnote 5 provisions. The Entity List footnote 5 FDP Rule (FN5 FDP) applies if foreign-produced item meets both product and end-user conditions.

Product Scope: the foreign-produced commodity is specified in ECCN 3B001 (except 3B001.a.4, c, d, f.1, f.5, f.6, g, h, k to n, p.2, p.4, r), 3B002 (except 3B002.c), 3B903, 3B991 (except 3B991.b.2.a through 3B991.b.2.b), 3B992, 3B993, or 3B994, and meets the definition of a "direct product" under the relevant provisions.

End-user Scope: activities involving Footnote 5 designated entities and for entities located at "facilities" where the "production" of "advanced-node integrated circuits" occurs; or Footnote 5 designated entities and for "advanced-node integrated circuits" "production" "facilities" as transaction parties.

SME Foreign Direct Product Rule

A foreign-produced commodity is subject to the EAR if it meets both the product scope and the destination scope specified in Semiconductor Manufacturing Equipment (SME) FDP Rule.

Product Scope: the product scope applies to a foreign-produced commodity specified in ECCN 3B001.a.4, c, d, f.1, f.5, f.6, k to n, p.2, p.4, r, or 3B002.c which meets the direct product condition as described in § 734.9(h)(1).

Destination Scope: a foreign-produced item meets the destination scope if there is "knowledge" that the foreign-produced item is destined to Macau or a destination in Country Group D:5 of supplement no. 1 to part 740 of the EAR. To be more specific, China is one of the countries designated in Country Group D:5.

Department of Defense NDAA §1260H List

Amended in 2025, 1260H List mostly prohibits the U.S. Department of Defense (DoD) from entering into, renewing, or extending contracts for goods, services, or technology with entities on the Chinese Military Company List or their affiliates. Contracts with companies controlled by these listed entities are also prohibited.

U.S. Treasury's Non-SDN CMIC List

Non-SDN Chinese Military-Industrial Complex Companies List, published by the Department of the Treasury's Office of Foreign Assets Control (OFAC) is designed as a reference tool that identifies persons subject to certain sanctions that have been imposed under statutory or other authorities.

A United States person is prohibited from certain purchase or sale of publicly traded securities of CMIC List entities, and any transaction that evades or avoids, is intended to evade or avoid, causes a violation of, or attempts to violate any of the prohibitions set forth is prohibited. OFAC published several new Frequently Asked Questions ("FAQs") on application of Non-SDN CMIC List, and FAQ 905 clarifies that U.S. Persons are not prohibited from engaging in all activities with CMICs.

OUR HISTORY AND DEVELOPMENT

Overview

We are a provider of power amplifier audio chips and haptic drivers in China. We specialize in the design of low-power audio chips, mid/high-power audio chips and haptic drivers under a fabless model to offer a wide array of solutions for emerging application scenarios. According to the F&S report, we ranked (1) first among power amplifier audio chip providers in China in terms of total shipment volume in 2024 of power amplifier audio chips for use in smart displays, (2) second among power amplifier audio chip providers in China, and third among power amplifier audio chip providers globally, in terms of total shipment volume of power amplifier audio chips in 2024, and (3) fourth among haptic driver providers in China in terms of total shipment volume of haptic drivers in 2024.

Our Company was founded in the PRC in May 2016 by our executive Directors, Mr. Xu and Mr. Liu. See "Directors and Senior Management—Board of Directors—Executive Directors" for the biographical details of Mr. Xu and Mr. Liu.

Business Milestones

The following table illustrates our major business milestones:

Year	Milestone
2016	Our Company was incorporated in the PRC
2017	We launched China's first ASIC DSP-integrated portable power amplifier audio chip and achieved commercialization
2018	We became part of the ODM supply chain for top-tier smartphone brands ranking among the top 10 brands in terms of shipment volume
2021	We launched China's first mid/high-power audio chip and achieved commercialization
	Our accumulated shipment volume exceeded 100 million units
2022	We received the 2022 Annual Pudong New Area Innovation and Entrepreneurship Award (2022年度浦東新區創新創業獎) from the Shanghai Pudong New Area Government
	We became a direct supplier of one of the global electronics firms with revenue reaching more than RMB400 billion in the third quarter of 2025, marking a significant breakthrough in our globalization strategy
2023	We launched China's first automotive-grade AEC-Q100-certified power amplifier audio chip
	Our haptic driver achieved commercialization
	We were recognized as a Specialized, Refined, Distinctive and Innovative Small and Medium-sized Enterprise (專精特新中小企業) by the Shanghai Municipal Commission of Economy and Informatization
	We were Recognized as a Specialized, Refined, Distinctive and Innovative Little Giant Enterprise (專精特新"小巨人"企業) by the Ministry of Industry and Information Technology of the PRC
2025	We established a contracted partnership with one of the world's largest renewable energy vehicle manufacturers with our automotive-grade power amplifier audio chip

OUR COMPANY

Establishment of Our Company

On May 17, 2016, our Company was established as a limited liability company under the laws of the PRC with a registered capital of RMB0.5 million. Upon incorporation, our Company was owned by Mr. Xu and Mr. Liu as to 60% and 40%, respectively.

To fund our strategic growth and broaden our shareholder base, we have conducted several rounds of pre-IPO investments since the incorporation of our Company. See "—Pre-IPO Investments" for details.

Joint Stock Reform of Our Company

On May 30, 2025, our then Shareholders, being our promoters, passed resolutions approving, among others, the conversion of our Company into a joint stock company with limited liability under the laws of the PRC. In accordance with an audit report of our Company issued by an independent accountant, as of February 28, 2025, the audited net asset value of our Company was RMB202,880,229.11, among which, RMB100,000,000 was converted into 100,000,000 Shares with a nominal value of RMB1.00 each and the remaining RMB102,880,229.11 was converted into capital reserve. Our Shares upon conversion were subscribed for by our then Shareholders in proportion to their respective equity interest in our Company immediately before the conversion. The joint stock reform was completed on June 12, 2025.

OUR PRINCIPAL SUBSIDIARY

The following entity was our subsidiary which made material contribution to our results of operation during the Track Record Period.

Name	Place of incorporation	Date of incorporation	Principal business activities
Fourier Technology Limited (傅裡葉科技有限公司). . . .	Hong Kong	November 18, 2016	Trade of power amplifier audio chips

MATERIAL ACQUISITIONS AND DISPOSALS

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any material acquisition or disposal.

PRE-IPO INVESTMENTS

Name of Pre-IPO Investor(s)	Date of contract	Date of settlement	Registered capital of our Company subscribed for/acquired	Consideration	Cost per Share paid[1]	Discount to the Offer Price[2]
			(RMB)	*(RMB)*	*(RMB)*	
1st Angel Investment (Pre-money valuation: RMB16.0 million; Post-money valuation: RMB20.0 million)						
Equity Subscription						
Mr. Liu Changjiang (劉長江)	June 1, 2016	September 9, 2016	1,530,000	4.0 million	0.68	98.29%
Equity Transfer						
Mr. Ding Xuexin (丁學欣)	August 10, 2016	April 30, 2017	53,750[3]	53,750	0.26	99.34%

Name of Pre-IPO Investor(s)	Date of contract	Date of settlement	Registered capital of our Company subscribed for/acquired	Consideration	Cost per Share paid[1]	Discount to the Offer Price[2]
			(RMB)	*(RMB)*	*(RMB)*	
2nd Angel Investment (Pre-money valuation: RMB36.0 million; Post-money valuation: RMB40.0 million)						
Equity Subscription						
Ms. Jiang Yan (江燕)	September 30, 2016	April 27, 2017	850,000	4.0 million	1.23	96.90%
Equity Transfer						
Mr. Ding Xuexin (丁學欣)	January 3, 2017	April 30, 2017	46,250[4]	46,250	0.26	99.34%
Pre-Series A Investments (Pre-money valuation: RMB92.0 million; Post-money valuation: RMB100.0 million)						
Equity Subscription						
Xiamen Weitai Shenghong Equity Investment Partnership (Limited Partnership) (廈門偉泰晟弘股權投資合夥企業(有限合夥)) ("**Weitai Shenghong**")	May 1, 2017	June 1, 2017	461,956.52	5.0 million	2.83	92.87%
Xiamen Zhongxia Capital Management Co., Ltd. (廈門中廈資本管理有限公司) ("**Zhongxia Capital**")	May 1, 2017	June 16, 2017	184,782.61	2.0 million	2.83	92.87%
Mr. Deng Tianshun (鄧天順)	May 1, 2017	September 18, 2017	92,391.30	1.0 million	2.83	92.87%
Series A Investments (Pre-money valuation: RMB120.0 million; Post-money valuation: RMB145.0 million)						
Equity Subscription						
Shenzhen City Vinno Intelligent and Health Venture Investment Fund (Limited Partnership) (深圳市合創智能及健康創業投資基金(有限合夥)) ("**Vinno Intelligent and Health**")	December 29, 2017	January 11, 2018	1,509,060.16	19.60 million	3.39	91.46%
Qingdao Xinda Venture Capital Center (Limited Partnership) (青島信達善創投資中心(有限合夥)) ("**Xinda Venture Capital**")	December 29, 2017	January 11, 2018	30,797.14	0.4 million	3.39	91.46%
Ningbo Junyi Borui Venture Investment Partnership (Limited Partnership) (寧波君翼博瑞創業投資合夥企業(有限合夥)) ("**Junyi Borui**")	December 29, 2017	January 11, 2018	384,964.33	5 million	3.39	91.46%
Series A+ Investments (Pre-money valuation: RMB189.0 million; Post-money valuation: RMB195.0 million)						
Equity Subscription						
Xiamen Zhengchu Venture Capital Partnership (Limited Partnership) (廈門正儲創業投資合夥企業(有限合夥)) ("**Zhengchu Venture Capital**")	November 20, 2018	December 6, 2018	354,411.17	6 million	4.42	88.86%
Series B Investments (Pre-money valuation: RMB200.0 million; Post-money valuation: RMB238.0 million)						
Equity Subscription						
Shanghai Moqin Intelligent Technology Co., Ltd. (上海摩勤智能技術有限公司) ("**Moqin Intelligent**")	September 25, 2019	September 27, 2019	1,267,019.96	22 million	4.54	88.56%
Xiamen Junyi Kaixiang Venture Capital Partnership (Limited Partnership) (廈門君翼凱翔創業投資合夥企業(有限合夥))) ("**Junyi Kaixiang**")	September 25, 2019	October 9, 2019	921,469.06	16 million	4.54	88.56%

Name of Pre-IPO Investor(s)	Date of contract	Date of settlement	Registered capital of our Company subscribed for/acquired	Consideration	Cost per Share paid[1]	Discount to the Offer Price[2]
			(RMB)	*(RMB)*	*(RMB)*	
Equity Transfer						
Shanghai Kuanlian Investment Co., Ltd. (上海寬聯投資有限公司) ("**Kuanlian Investment**")	October 9, 2019	October 18, 2019	345,550[5]	5 million	3.78	90.47%
Series B+ Investments (Pre-money valuation: RMB292.5 million; Post-money valuation: RMB300.0 million)						
Equity Subscription						
Furui Chuangxin (Xiamen) Emerging Industries Investment Partnership (Limited Partnership) (福睿創信(廈門)新興產業投資合夥企業(有限合夥)) ("**Furui Chuangxin**")	January 3 and March 30, 2020	March 17, 2020	351,457.75	7.5 million	5.57	85.96%
Series B2 Investments (Pre-money valuation: RMB350.0 million; Post-money valuation: RMB450.0 million)						
Equity Subscription						
Shaoxing Gansheng Equity Investment Partnership (Limited Partnership) (紹興淦盛股權投資合夥企業(有限合夥)) ("**Gansheng Investment**")[15]	June 24, 2020	August 31, 2020	200,833	5 million	6.50	83.62%
Gansheng Investment[15]	July 17, 2020	August 28, 2020	1,004,165	25 million	6.50	83.62%
Shenzhen Zhanxiang Information Technology Co., Ltd. (深圳市展想信息技術有限公司) ("**Zhanxiang Information**")	September 15, 2020	November 5, 2020	361,499.40	9 million	6.50	83.62%
Jiaxing Junsheng Equity Investment Partnership (Limited Partnership) (嘉興君昇股權投資合夥企業(有限合夥)) ("**Junsheng Investment**")[15]	July 17, 2020	August 31, 2020	763,165.40	20 million	6.85	82.73%
Wentianxia Technological Group Co., Ltd. (聞天下科技集團有限公司) ("**Wentianxia**")	December 7, 2020	January 4, 2021	440,752.32	11 million	6.52	83.57%
Wuxi Ark Investment Partnership (Limited Partnership) (無錫方舟投資合夥企業(有限合夥)) ("**Ark Investment**")	March 23, 2021	May 21, 2021	1,202,051.79	30 million	6.52	83.57%
Equity Transfer						
Gansheng Investment	June 24, 2020	September 4, 2020	468,610[6]	9 million	5.02	87.35%
Zhanxiang Information	September 15, 2020	November 11, 2020	156,203.44[7]	3 million	5.02	87.35%
Series C Investments (Pre-money valuation: RMB1,200.0 million; Post-money valuation: RMB1,356.0 million)						
Equity Subscription						
Shenzhen Fortune Chuanghong Private Equity Investment Enterprise (Limited Partnership) (深圳市達晨創鴻私募股權投資企業(有限合夥)) ("**Fortune Chuanghong**")	September 6, 2021	December 27, 2021	980,157	62.075 million	16.54	58.31%
Shenzhen Caizhi Chuangying Private Equity Investment Enterprise (Limited Partnership) (深圳市財智創贏私募股權投資企業(有限合夥)) ("**Caizhi Chuangying**")	September 6, 2021	December 28, 2021	46,185	2.925 million	16.54	58.31%
Shanghai Chaoyue Moore Equity Investment Fund Partnership (Limited Partnership) (上海超越摩爾股權投資基金合夥企業(有限合夥)) ("**Chaoyue Moore**")	September 6, 2021	December 22, 2021	789,494	50 million	16.54	58.31%

Name of Pre-IPO Investor(s)	Date of contract	Date of settlement	Registered capital of our Company subscribed for/acquired	Consideration	Cost per Share paid[1]	Discount to the Offer Price[2]
			(RMB)	*(RMB)*	*(RMB)*	
Jiaxing Junqing Equity Investment Partnership (Limited Partnership) (嘉興君擎股權投資合夥企業(有限合夥)) ("**Junqing Investment**")	September 6, 2021	December 15, 2021	236,848	15 million	16.54	58.31%
Suzhou Jicui Meibai Venture Capital Partnership (Limited Partnership) (蘇州集萃美柏創業投資合夥企業(有限合夥)) ("**Jicui Meibai**")	September 6, 2021	January 5, 2022	157,899	10 million	16.54	58.31%
Shanghai Fumiao Investment Management Partnership (Limited Partnership) (上海復淼投資管理合夥企業(有限合夥)) ("**Fumiao Investment**")	September 6, 2021	January 5, 2022	94,739	6 million	16.54	58.31%
Fujian Junxin Ruizhi Equity Investment Partnership (Limited Partnership) (福建珺信睿智股權投資合夥企業(有限合夥)) ("**Junxin Ruizhi**")	September 6, 2021	December 24, 2021	157,899	10 million	16.54	58.31%
Equity Transfer						
Fortune Chuanghong	September 9, 2021 and November 26, 2021	September 17, 2021	246,752[8]	14.325 million	15.17	61.76%
Caizhi Chuangying	September 9, 2021 and November 26, 2021	September 18, 2021	11,627[8]	675,000	15.17	61.76%
Junqing Investment	September 9, 2021 and November 26, 2021	September 13, 2021	103,352[8]	6 million	15.17	61.76%
Fumiao Investment	September 9, 2021 and November 26, 2021	September 29, 2021	51,676[8]	3 million	15.17	61.76%
Junxin Ruizhi	September 9, 2021 and November 26, 2021	September 23, 2021	17,225[8]	1 million	15.17	61.76%
Series C+ Investments (Pre-money valuation: RMB1,506.0 million; Post-money valuation: RMB1,609.0 million)						
Equity Subscription						
Guangzhou Chufeng Equity Investment Partnership (Limited Partnership) (廣州初楓股權投資合夥企業(有限合夥)) ("**Chufeng Investment**")	December 29, 2021	January 28, 2022	789,490	50 million	16.54	58.31%
Moqin Intelligent	December 29, 2021	February 10, 2022	394,745	25 million	16.54	58.31%
Suzhou Yahe Xinghua Optoelectronics Industry Investment Partnership (Limited Partnership) (蘇州亞禾星華光電產業投資合夥(有限合夥)) ("**Yahe Xinghua**")	December 29, 2021	February 10, 2022	236,847	15 million	16.54	58.31%
Shanghai Longcheer Smart Technology Co., Ltd. (上海龍旗智能科技有限公司) ("**Longcheer Intelligence**")	December 29, 2021	February 11, 2022	157,898	10 million	16.54	58.31%
Ningbo Zhiyou Enterprise Management Partnership (Limited Partnership) (寧波志佑企業管理合夥企業(有限合夥)) ("**Zhiyou Management**")	December 29, 2021	February 10, 2022	47,369	3 million	16.54	58.31%

Name of Pre-IPO Investor(s)	Date of contract	Date of settlement	Registered capital of our Company subscribed for/acquired	Consideration	Cost per Share paid[1]	Discount to the Offer Price[2]
			(RMB)	*(RMB)*	*(RMB)*	
Equity Transfer						
Tianjin Haihe Shunke Equity Investment Partnership (Limited Partnership) (天津海河順科股權投資合夥企業(有限合夥)) ("**Shunke Investment**")	June 14, 2022	March 22, 2023	274,933[9]	17,412,091	16.54	58.31%
Shenzhen Shunying Private Equity Investment Fund Partnership (Limited Partnership) (深圳順贏私募股權投資基金合夥(有限合夥)) ("**Shunying Investment**")	June 14, 2022	March 22, 2023	195,148[9]	12,359,138	16.54	58.31%
Series D Investments (Pre-money valuation: RMB2,700.0 million; Post-money valuation: RMB2,775.0 million)						
Equity Subscription						
Beijing Xingtou Youxuan Venture Capital Fund (Limited Partnership) (北京興投優選創業投資基金(有限合夥)) ("**Xingtou Youxuan**")	August 18, 2022	August 29, 2022	282,405	30 million	27.75	30.05%
Huzhou Zhuosheng Equity Investment Partnership (Limited Partnership) (湖州卓昇股權投資合夥企業(有限合夥)) ("**Huzhou Zhuosheng**")	August 18, 2022	September 1, 2022	169,443	18 million	27.75	30.05%
Xiamen Innovation Xingke Equity Investment Partnership (Limited Partnership) (廈門創新興科股權投資合夥企業(有限合夥)) ("**Xiamen Innovation**")	August 18, 2022	September 5, 2022	84,721	9 million	27.75	30.05%
Sanming Green Innovation Investment Partnership (Limited Partnership) (三明綠色創新投資合夥企業(有限合夥)) ("**Sanming Innovation**")	August 18, 2022	September 5, 2022	84,721	9 million	27.75	30.05%
Quanzhou Huide Equity Investment Partnership (Limited Partnership) (泉州匯德股權投資合夥(有限合夥)) ("**Huide Investment**")	August 18, 2022	September 28, 2022	84,721	9 million	27.75	30.05%
Equity Transfer						
Xingtou Youxuan	August 18, 2022	August 29, 2022	200,942[10]	20 million	26.00	34.46%
Huzhou Zhuosheng	August 18, 2022	September 1, 2022	120,565[10]	12 million	26.00	34.46%
Xiamen Innovation	August 18, 2022	September 2, 2022	60,283[10]	6 million	26.00	34.46%
Sanming Innovation	August 18, 2022	September 2, 2022	60,283[10]	6 million	26.00	34.46%
Huide Investment	August 18, 2022	September 28, 2022	60,283[10]	6 million	26.00	34.46%
Suzhou Haisheng Xianting Industrial Investment Fund Partnership (Limited Partnership) (蘇州海晟閑庭產業投資基金合夥企業(有限合夥)) ("**Haisheng Xianting**")	November 29, 2022	January 17, 2023 and February 23, 2023	150,706[11]	15 million	26.00	34.46%
Jiaxing Shuimu Xinchi Venture Capital Partnership (Limited Partnership) (嘉興水沐芯馳創業投資合夥企業(有限合夥)) ("**Shuimu Xinchi**")	April 20, 2023	June 16, 2023 and July 4, 2023	100,467[12]	10 million	26.00	34.46%

(1) The cost per Share presented in the table has been adjusted to take into account the enlarged registered capital of our Company as a result of the joint stock reform carried out in June 2025. The amount is arrived at by dividing the total consideration by the total number of Shares to be converted from the registered capital held by the respective investors as a result of the joint stock reform and their respective subscriptions or purchases. Furthermore, the cost per Share paid by Mr. Liu Changjiang and Ms. Jiang Yan for Angel investments has taken into account the conversion of capital reserve into registered capital of our Company in April 2017.

(2) The discount to the Offer Price is calculated based on the assumption that the Offer Price is HK$45.00 per H Share, being the mid-point of the indicative Offer Price range of HK$40.00 to HK$50.00 per H Share, and that the Over-allotment Option is not exercised.

(3) The equity interest was transferred from Mr. Liu.

(4) The equity interest was transferred from Mr. Xu.

(5) The equity interest was transferred from Ms. Jiang Yan and Mr. Liu Changjiang.

(6) The equity interest was transferred from Zhongxia Capital and Mr. Liu Changjiang.

(7) The equity interest was transferred from Ms. Jiang Yan.

(8) The equity interest was transferred from Mr. Xu.

(9) The equity interest was transferred from Chufeng Investment.

(10) The equity interest was transferred from Mr. Xu.

(11) The equity interest was transferred from Furui Chuangxin.

(12) The equity interest was transferred from Furui Chuangxin.

(13) The post-money valuation is calculated by dividing the total consideration of equity subscriptions under the relevant round of the Pre-IPO Investments by the percentage of the new subscribed equity interest in the total registered capital of our Company at the relevant time. The pre-money valuation is calculated by excluding the total consideration of equity subscriptions from the post-money valuation under the relevant round of the pre-IPO investment. The valuation of our Company has been increasing along with our rapid business development.

(14) Under certain transfers of equity interest between our investors, the relevant investors considered various factors, such as timing of the transaction, past or present relationships between the parties and their respective bargaining power in the negotiations when determining the consideration, in addition to the then valuation of our Company, and thus agreed on a discount to the then valuation.

(15) Gansheng Investment made a total of capital contribution to the Company of RMB30 million in two tranches on June 24 and July 17, 2020, respectively. Subsequently, on July 17, 2020, Junsheng Investment made an additional capital contribution to the Company of RMB20 million based on a pre-money valuation of RMB385 million, following the investment from Gansheng Investment.

Basis of determining the consideration paid

The consideration for Pre-IPO Investments was based on arms' length negotiation between the Company and the Pre-IPO investors after taking into consideration of a number of factors, including but not limited to (1) status of milestones and prospects of R&D and commercialization of our chip products; (2) our realized and projected operating revenue scale; (3) our R&D management system and execution efficiency and other factors of our Company; and (4) the timing of the investments, the market value and the prospects of our business.

Strategic benefits the Pre-IPO Investments

At the time of the Pre-IPO Investments, our Directors were of the view that our Company would benefit from the additional capital provided by the Pre-IPO Investors' investments in our Company and their knowledge and experience.

Reasons for Fluctuations in Valuation

The principal reasons for the material increases in our Company's valuation are as follows:

(1) the increase in valuation from the Angel investments to the Pre-Series A investments was mainly due to our research and development progress including the launch of China's first ASIC DSP-integrated portable power amplifier audio chip FS1601;

(2) the increase in valuation from the Pre-Series A investments to the Series B investments was mainly due to our successful commercialization of FS1601 and the rapid increase in our revenue after the launch of FS1601;

(3) the increase in valuation from the Series B investments to the Series C investments was mainly due to our research and development progress including the launch of China's first mid/high-power audio chip which successfully expanded our product portfolio and customer coverage, and the significant sales growth in our power amplifier audio chips;

(4) the increase in valuation from the Series C investments to the Series D investments was mainly due to the significant growth in our revenue and market shares; and

(5) the increase in valuation from the Series D investments to the Listing was mainly due to the significant growth in our revenue and market shares. At the time of the Series D investments, the Pre-IPO Investors primarily considered the Company's unaudited revenue of RMB103.1 million for the year of 2021 and the Company's global market shares of power amplifier audio chips of 1.7% in 2021. By contrast, the valuation for the Global Offering reflects (i) the Company's revenue of RMB355.2 million for the year of 2024, representing an increase of 244.5% over 2021, and (ii) the Company's global market shares of power amplifier audio chips of 4.1% in 2024, representing an increase of 141% over 2021.

Use of Proceeds from the Pre-IPO Investments

The proceeds received by us from the Pre-IPO Investments which involved subscriptions of increased registered capital of our Company amounted to approximately RMB526.5 million. As of the Latest Practicable Date, the proceeds from the Pre-IPO Investments had been fully utilized for our general operation and working capital purposes.

Special Rights of Our Pre-IPO Investors

Pursuant to the investment agreement entered among our Company, Mr. Xu and the Pre-IPO Investors (including Huzhou Zhuosheng) on August 18, 2022 (the "**Investment Agreement**") and the supplemental agreement to the Investment Agreement entered among our Company, Mr. Xu and the Pre-IPO Investors (including Huzhou Zhuosheng) on August 18, 2022 (the "First Supplemental Agreement"), the Pre-IPO Investors had been granted (i) certain special rights by the Company, including, among others, redemption rights, pre-emptive rights, anti-dilution rights, information rights, co-sale rights, right of first refusal and liquidation preferences, and (ii) redemption rights by Mr. Xu.

Special rights granted by the Company to the Pre-IPO Investors (excluding Huzhou Zhuosheng)

As advised by the PRC Legal Advisor, pursuant to a supplemental agreement to the Investment Agreement entered into among our Company, Mr. Xu and the Pre-IPO Investors (excluding Huzhou Zhuosheng) on April 30, 2025 (the "**Second Supplemental Agreement**"), the redemption rights granted to such Pre-IPO Investors (excluding Huzhou Zhuosheng) by the Company shall be irrevocably terminated and shall be void ab initio and are deemed to have never had any legal effect. Prior to the execution of the Second Supplemental Agreement, only certain information rights and director nomination rights under the Investment Agreement and the First Supplemental Agreement had been exercised by the Pre-IPO Investors. These rights were exercised in the ordinary course for governance and information purposes and did not result in any financial obligations, liabilities or other financial implications for the Company nor affect the PRC Legal Advisor's conclusion above. There was no exercise of redemption rights granted by the Company during the Track Record Period.

Pursuant to a supplemental agreement to the Investment Agreement entered into among our Company, Mr. Xu and the Pre-IPO Investors (excluding Huzhou Zhuosheng) on June 27, 2025 (the "**Third Supplemental Agreement**"), all other special rights under the Pre-IPO Investments for such Pre-IPO Investors (excluding Huzhou Zhuosheng) shall cease to be effective and be terminated on the date preceding the Listing, which include, among others, pre-emptive rights, information rights, anti-dilution rights, co-sale rights, right of first refusal and liquidation preferences.

Accordingly, all of the special rights granted by the Company to the Pre-IPO Investors (excluding Huzhou Zhuosheng) were terminated under the Second Supplemental Agreement and Third Supplemental Agreement in compliance with Chapter 4.2 of the Guide.

Article 143 of the Civil Code of the People's Republic of China (中華人民共和國民法典) stipulates that a civil legal act is valid if it is conducted by parties with the requisite capacity for civil conduct, is based on genuine intent, and does not contravene mandatory provisions of laws, administrative regulations, or public order and morals. Adhering to the principle of autonomy of will, the Company and the Pre-IPO Investors (excluding Huzhou Zhuosheng) explicitly agreed that the redemption rights were irrevocably terminated and deemed *void ab initio*. Through the execution of the Second Supplemental Agreement and the Third Supplemental Agreement, while the clauses concerning the redemption rights have never been exercised, both parties agreed to terminate these clauses and to treat them as having no legal effect from the time of their execution, thereby restoring the rights and obligations of both parties to the status quo ante as if such clauses had never been agreed upon. This arrangement does not violate any mandatory provisions of laws, administrative regulations, or public order and morals, and is thus legally valid. Based on the above, the PRC Legal Advisors are of the view that the redemption rights agreed upon by the Company and the Pre-IPO Investors (excluding Huzhou Zhuosheng) have been irrevocably terminated and shall be deemed *void ab initio*.

The Investment Agreement and the First Supplemental Agreement do not contain any clause that explicitly require consensus from all contracting parties for any subsequent amendments.

In the First Supplemental Agreement, the parties (including the Pre-IPO Investors) agree that some investors waive relevant rights under this supplemental agreement shall not affect the other investors to exercise relevant rights. Based on the Article 143 and other relevant laws and regulations, the PRC Legal Advisor is of the opinion that the aforementioned provisions in the First Supplemental Agreement do not violate the mandatory provisions of Chinese laws and administrative regulations, nor do they contravene public order or good morals. Such provisions are legally valid and binding upon the Pre-IPO Investors.

In the Third Supplemental Agreement, the Pre-IPO Investors other than Huzhou Zhuosheng agree not to claim the shareholders' special rights (including but not limited to the redemption rights) under the Second Supplemental Agreement and the Third Supplemental Agreement that have been suspended or terminated for them but remain in effect for Huzhou Zhuosheng, on the grounds that Huzhou Zhuosheng has not executed the Second Supplemental Agreement and the Third Supplemental Agreement, which shall become effective for the Pre-IPO Investors other than Huzhou Zhuosheng who executed the Third Supplemental Agreement. Based on the Article 143 and other relevant laws and regulations, the PRC Legal Advisor is of the opinion that the aforementioned provisions provided in the Third Supplemental Agreement do not violate the mandatory provisions of Chinese laws and administrative regulations, nor do they contravene public order or good morals. Such provisions are legally valid and binding upon the Pre-IPO Investors other than Huzhou Zhuosheng.

Based on the above provisions in the First Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement, the PRC Legal Advisor is of the view that the Second Supplemental Agreement and the Third Supplemental Agreement are still legally binding upon the Pre-IPO Investors other than Huzhou Zhuosheng without Huzhou Zhuosheng as a signatory to the Second Supplemental Agreement and the Third Supplemental Agreement.

Special rights granted by Mr. Xu to the Pre-IPO Investors

Pursuant to the Third Supplemental Agreement, the redemption rights granted by Mr. Xu to the Pre-IPO Investors (excluding Huzhou Zhuosheng) shall be terminated on the date preceding the first submission of the listing application to the Stock Exchange for the purpose of the Global Offering, provided that such special right shall resume automatically in the event that (i) the listing application has been withdrawn by our Company; (ii) the listing application has been returned or rejected by the Stock Exchange; (iii) our Company did not pass the hearing of the listing application by the Listing

Committee; and (iv) the Listing does not take place within 18 months after June 27, 2025. Accordingly, all of the special rights granted by Mr. Xu to the Pre-IPO Investors (excluding Huzhou Zhuosheng) were terminated under the Third Supplemental Agreement in compliance with Chapter 4.2 of the Guide.

For the redemption rights granted by Mr. Xu, there were no side agreements or arrangements between the Company and Mr. Xu, nor had the Company provided any form of guarantee in connection with any potential default or failure by Mr. Xu to fulfill his obligations relating to such redemption rights. Although the Company was a signing party to the Investment Agreements and the First Supplemental Agreement, the Company had no connection or involvement in the arrangements concerning the redemption rights between the Pre-IPO Investors and Mr. Xu, nor did it bear any obligation to repurchase any Shares under such terms. For the details of the redemption rights granted by Mr. Xu, see Note 34 to the Accountants Report in Appendix I.

Special rights granted by the Company to Huzhou Zhuosheng

Although our Company, as advised by the PRC Legal Advisor, has exhausted different means to liaise with Huzhou Zhuosheng, our Company was not able to liaise with any of the representatives of Huzhou Zhuosheng. The PRC Legal Advisor is of the view that as of the Latest Practicable Date, in accordance with the First Supplemental Agreement, all special rights granted to Huzhou Zhuosheng by the Company and by Mr. Xu have been terminated upon our Company's listing application to the Stock Exchange and will automatically resume in the event that (1) our Company's listing application is withdrawn, lapsed or rejected; or (2) the Listing has not been completed within 12 months upon termination of such special rights.

As advised by the PRC Legal Advisor, the arrangement for Huzhou Zhuosheng would not affect the rights and obligations of other Pre-IPO Investors and it would not have any impact on the PRC Legal Advisor's conclusion that the redemption rights granted to the Pre-IPO Investors (excluding Huzhou Zhuosheng) by the Company shall be irrevocably terminated and shall be void ab initio, because the Pre-IPO Investors (excluding Huzhou Zhuosheng) agreed in the Third Supplemental Agreement that they shall not claim the redemption rights as to the Pre-IPO Investors (excluding Huzhou Zhuosheng) which had been terminated pursuant to the Second Supplemental Agreement on the grounds that Huzhou Zhuosheng did not execute the Second Supplemental Agreement.

Except for the redemption liabilities recognized related to Huzhou Zhuosheng, no liability regarding such redemption rights was recorded during the Track Record Period. For the details of redemption liabilities recognized related to Huzhou Zhuosheng, see Note 26 to the Accountants Report in Appendix I.

Based on the representations and confirmations given to the Joint Sponsors and the Reporting Accountants' opinion as set out in Appendix I to this prospectus, nothing has come to the attention of the Joint Sponsors that would cause them to cast reasonable doubt on the issue as set out above.

Information regarding Our Principal Pre-IPO Investors

Set out below is a description of our Sophisticated Independent Investors (including Pathfinder SIIs) and other principal Pre-IPO Investors (being investors that have made meaningful investments in our Company (each holding more than 1.00% of our total issued and outstanding Shares immediately upon the Listing)). Among our Pre-IPO Investors, we have seven Sophisticated Independent Investors, four of which respectively held more than 3.0% of the total issued Shares of our Company as of the Latest Practicable Date. To the best knowledge of our Directors, each of our Sophisticated Independent Investors and other principal Pre-IPO Investors is independent from and not connected with any Director, chief executive or substantial shareholder of our Company, or its subsidiaries, or any of their respective close associates unless as disclosed otherwise, and each of such Pre-IPO Investors is independent from each other unless as disclosed otherwise.

Our Pathfinder SIIs

(1) Huaqin Technology SII (being Moqin Intelligent)

Moqin Intelligent is a limited liability company incorporated in the PRC and principally engaged in investment management and responsible for industrial investment and synergy. Moqin Intelligent is a wholly-owned subsidiary of Huaqin Technology Co., Ltd. (華勤技術股份有限公司) ("**Huaqin Technology**"), a company whose shares are listed on the Shanghai Stock Exchange (stock code: 603296) and an Independent Third Party. Huaqin Technology specializes in the R&D, design, production, manufacturing, and operational services of smart hardware products, with offerings spanning smart phones, laptops, tablets, smart wearables, AIoT, servers and automotive electronic products, etc.. The Group became acquainted with Huaqin Technology through industry events. Huaqin Technology is a subsidiary of Shanghai Aoqin Telecom Technology Co., Ltd. (上海奧勤信息科技有限公司) ("**Shanghai Aoqin**"), which is ultimately controlled by Qiu Wensheng (邱文生), an Independent Third Party. During the Track Record Period, Huaqin Technology indirectly purchased audio ICs and other electronic components from the Group. As of the Latest Practicable Date, Moqin Intelligent held approximately 6.36% of the total issued shares of our Company. According to Frost & Sullivan, Huaqin Technology is a key participant in the downstream smart hardware industry in terms of market share by revenue in the PRC as of June 30, 2019[(1)] and December 31, 2024, respectively. According to Frost & Sullivan, Huaqin Technology achieved revenue exceeding RMB30 billion in 2019 and RMB100 billion in 2024, ranking among the top 3 companies in the downstream smart hardware industry. In compliance with Rule 18C.05 of the Listing Rules, Moqin Intelligent held approximately 6.36% and 6.36% of the total issued share capital of our Company, as of June 29, 2025 (being the date of submission of our Company's listing application) and June 29, 2024 (being the commencement date of the pre-application 12-month period), respectively.

(2) Fortune Capital SIIs (being Fortune Chuanghong and Caizhi Chuangying)

Each of Fortune Chuanghong and Caizhi Chuangying is a limited partnership established in the PRC, with the same general partner, Shenzhen Fortune Caizhi Venture Capital Management Co., Ltd. (深圳達晨財智創業投資管理有限公司) ("**Fortune Capital**"), an Independent Third Party and holding approximately 4.25% and 0.18% partnership interests in Fortune Chuanghong and Caizhi Chuangying, respectively. All of 49 limited partners of Fortune Chuanghong and 30 limited partners of Caizhi Chuangying are Independent Third Parties, none of which individually holds more than 30% partnership interests therein. Fortune Capital is ultimately controlled by Hunan TV & Broadcast Intermediary Co., Ltd. (湖南電廣傳媒股份有限公司) (a company whose A shares are listed on the Shenzhen Stock Exchange (stock code: 000917)), an Independent Third Party and directly and indirectly holding 55% equity interests in Fortune Capital. The remaining 12 shareholders of Fortune Capital are Independent Third Parties, none of which individually holds more than 30% equity interests in Fortune Capital. Fortune Capital primarily invests in information technology, intelligent manufacturing, healthcare, defense, cultural media, consumer sectors, and enterprise services. Examples of portfolio companies include Wuxi NCE Power Co., Ltd. (無錫新瀠能股份有 限公司) (a company whose shares are listed on the Shanghai Stock Exchange (stock code: 605111)) and Chengdu Zhimingda Electronics Co. Ltd. (成都智明達電子股份有限公司) (a company whose shares are listed on the Shanghai Stock Exchange (stock code: 688636)).

The Group became acquainted with the Fortune Capital SIIs through the outreach of the latter. As of the Latest Practicable Date, the Fortune Capital SIIs held approximately 4.92% of the total issued shares of our Company. The assets under management ("**AUM**") of the Fortune Capital was approximately RMB36 billion as of June 30, 2021[(1)], and approximately RMB60 billion as of December 31, 2024, respectively. As Fortune Capital is ultimately responsible for the investment decisions of the Fortune Capital SIIs, the different platforms are purely different funds or entities ultimately managed by the same entity and should be aggregated as one Pathfinder SII pursuant to Chapter 2.5 of the Guide. In compliance with Rule 18C.05 of the Listing Rules, the Fortune Capital SIIs held

approximately 4.92% and 4.92% of the total issued share capital of our Company, as of June 29, 2025 (being the date of submission of our Company's listing application) and June 29, 2024 (being the commencement date of the pre-application 12-month period), respectively.

(3) Xianyun Management SII (being Gansheng Investment)

Gansheng Investment is a limited partnership established in the PRC, with the general partner, Xianyun (Shanghai) Investment Management Co., Ltd (顯鋆(上海)投資管理有限公司) ("**Xianyun Management**"), an Independent Third Party and holding approximately 1.00% partnership interests therein, which is respectively owned as to 65%, 25% and 10% by Ye Feng (葉楓), Ma Hongmin (馬洪敏) and Yu Hongbin (余紅斌), each being an Independent Third Party. All of the limited partners of Gansheng Investment are Independent Third Parties, none of which individually holds more than 30% partnership interests in Gansheng Investment. The funds managed by Xianyun Management primarily invests in companies in the semiconductor, new materials, and high-end manufacturing sectors including OmniVision Integrated Circuits Group Inc. (豪威集成電路(集團)股份有限公司) (a company whose shares are listed on the Shanghai Stock Exchange (stock code: 603501)).

The Group became acquainted with Gansheng Investment through industry events. As of the Latest Practicable Date, the Xianyun Management SII held approximately 6.41% of the total issued shares of our Company. The AUM of Xianyun Management derived primarily from Specialist Technology investments was approximately RMB12.6 billion as of March 31, 2020[(1)], and approximately RMB9.8 billion as of December 31, 2024, respectively. As the investment decisions of Gansheng Investment are ultimately managed and controlled by Xianyun Management, whose AUM meets the threshold set out in Chapter 2.5 of the Guide, Gansheng Investment qualifies as a Sophisticated Independent Investor. In compliance with Rule 18C.05 of the Listing Rules, Gansheng Investment held approximately 6.41% and 6.41% of the total issued share capital of our Company, as of June 29, 2025 (being the date of submission of our Company's listing application) and June 29, 2024 (being the commencement date of the pre-application 12-month period), respectively.

(4) Wuxi Capital SII (being Ark Investment)

Ark Investment is a limited partnership established in the PRC, with the general partner, Wuxi Financial Investment Management Co, Ltd. (無錫金投資本私募基金管理有限公司) ("**Wuxi Financial**"), an Independent Third Party and holding 0.01% partnership interest therein. Wuxi Financial is a wholly-owned subsidiary of Wuxi Capital Group Co., Ltd. (無錫市創新投資集團有限公司) ("**Wuxi Capital**"). Wuxi Capital is owned as to (i) approximately 73.50% by Wuxi Guofa Capital Operation Co., Ltd. (無錫市國發資本運營有限公司) (wholly owned by the State-owned Assets Supervision and Administration Commission of the Wuxi Municipal People's Government); (ii) approximately 18.28% by Wuxi Fengrun Investment Co., Ltd. (無錫豐潤投資有限公司), whose actual controller is the State-owned Assets Supervision and Administration Commission of the Wuxi Municipal People's Government; (iii) approximately 4.11% by Jiangsu Guoxin Investment Group Limited (江蘇省國信集團有限公司) (wholly owned by the People's Government of Jiangsu Province); and (iv) approximately 4.11% by Wuxi Urban Construction Development Group Co., Ltd. (無錫城建發展集團有限公司) (wholly owned by the State-owned Assets Supervision and Administration Commission of the Wuxi Municipal People's Government). The largest limited partner of Ark Investment is Shanghai Wenxin Enterprise Partnership (Limited Partnership) (上海聞芯企業管理合夥企業(有限合夥)) ("**Shanghai Wenxin**"), an Independent Third Party and holding approximately 54.99% partnership interests in Ark Investment. Wentianxia holds approximately 87.04% partnership interests in Shanghai Wenxin as a limited partner. The remaining 5 limited partners of Ark Investment are Independent Third Parties, none of which individually holds more than 30% partnership interests in Ark Investment. Wuxi Capital is a state-owned venture capital institution that integrates seed, angel, startup, equity, mergers and acquisitions, and secondary fund (S fund) investments, focusing on strategic emerging industries such as biopharmaceuticals, integrated circuits, carbon neutrality and energy conservation, and advanced manufacturing. Examples of portfolio companies include Wuxi NCE Power Co., Ltd. (無錫新潔能股份有限公司) (a company whose shares are listed on the Shanghai Stock Exchange (stock code: 605111)),

Angelalign Technology Inc. (時代天使科技有限公司) (a company whose shares are listed on the Stock Exchange (stock code: 6699)) and Zhongjie (Jiangsu) Technology Co., Ltd. (江蘇中捷精工科技股份有限公司) (a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 301072)).

The Group became acquainted with Ark Investment through the outreach of the latter. As of the Latest Practicable Date, Ark Investment held approximately 4.60% of the total issued shares of our Company. The AUM of Wuxi Capital was over RMB30.5 billion and approximately RMB270 billion as of December 31, 2020[(1)] and May 31, 2025, respectively. As the investment decisions of Ark Investment are ultimately managed and controlled by Wuxi Capital, whose AUM meets the threshold set out in Chapter 2.5 of the Guide, Ark Investment qualifies as a Sophisticated Independent Investor. In compliance with Rule 18C.05 of the Listing Rules, Ark Investment held approximately 4.60% and 4.60% of the total issued share capital of our Company, as of June 29, 2025 (being the date of submission of our Company's listing application) and June 29, 2024 (being the commencement date of the pre-application 12-month period), respectively.

Our Pathfinder SIIs, in aggregate, held approximately 22.29% and 22.29% of the total issued share capital of our Company, as of June 29, 2025 (being the date of submission of our Company's first listing application) and June 29, 2024 (being the commencement date of the pre-application 12-month period), respectively.

Our Other Sophisticated Independent Investors

(1) Transsion Holdings SII (being Zhanxiang Information)

Zhanxiang Information is a limited liability company incorporated in the PRC, which is a wholly-owned subsidiary of Shenzhen Transsion Holdings Co., Ltd. (深圳傳音控股股份有限公司) ("**Transsion Holdings**"), a company whose shares are listed on the Shanghai Stock Exchange (stock code: 688036) and an Independent Third Party. Transsion Holdings primarily engages in the design, research and development, production, sales, and brand operation of smart terminals centered around mobile phones. The Group became acquainted with Transsion Holdings through discussions on business cooperations. During the Track Record Period, Transsion Holdings indirectly purchased power amplifier audio chips from the Group. According to Frost & Sullivan, Transsion Holdings is a key participant in the downstream mobile industry in terms of market share by revenue in the PRC as of June 30, 2020[(1)] and December 31, 2024, respectively. According to Frost & Sullivan, Transsion Holdings achieved revenue exceeding RMB30 billion in 2020 and RMB60 billion in 2024, ranking among the top 10 companies in the downstream mobile industry.

As of the Latest Practicable Date, Zhanxiang Information held approximately 1.98% of the total issued shares of our Company.

(2) Fujian Investment Development SIIs (being Xiamen Innovation and Sanming Innovation)

Each of Xiamen Innovation and Sanming Innovation is a limited partnership established in the PRC, with the same general partner, Fujian Province Venture Investment Management Co., Ltd. (福建省創新創業投資管理有限公司) ("**Fujian Venture Investment**"), an Independent Third Party, which is ultimately controlled by Fujian Province Investment Development Group Co., Ltd. (福建省投資開發集團有限責任公司) ("**Fujian Investment Development**"), an Independent Third Party. Fujian Investment Development is owned as to (i) approximately 80.58% by the State-owned Assets Supervision and Administration Commission of the People's Government of Fujian Province; and (ii) approximately 19.42% by Fujian Industrial Investment Co., Ltd. (福建省產業投資有限公司), whose actual controller is the State-owned Assets Supervision and Administration Commission of the People's Government of Fujian Province. Fujian Venture Investment holds approximately 0.01% and 0.83% partnership interest in Xiamen Innovation and Sanming Innovation, respectively. The sole limited partner of Xiamen Innovation is Fujian Investment Development, holding 99.99% partnership interest therein. The limited partners of Sanming Innovation are Sanming Industrial Investment Group Co., Ltd. (三明市產業投資集團有限公司) and Fujian Huaxing Venture Investment Co., Ltd. (福建華興創業投資有限公司) (wholly

owned by Fujian Investment Development), holding approximately 50.83% and 48.33% partnership interests therein, respectively. Sanming Industrial Investment Group Co., Ltd. is wholly owned by Sanming Investment Development Group Co., Ltd. (三明市投資發展集團有限公司), which is respectively owned as to 96.55% by the State-owned Assets Supervision and Administration Commission of Sanming Municipal People's Government and 3.45% by the Fujian Provincial Department of Finance. All of the aforementioned limited partners of Xiamen Innovation and Sanming Innovation are Independent Third Parties. Fujian Investment Development is a provincial-level state-owned capital investment company. Examples of portfolio companies include Zhongmin Energy Co., Ltd. (中閩能源股份有限公司) (a company whose shares are listed on the Shanghai Stock Exchange (stock code: 600163)), Min Xin Holdings Ltd. (閩信集團有限公司) (a company whose shares are listed on the Stock Exchange (stock code: 222)) and Fujian Futou New Energy Investment Co., Ltd. (福建福投新能源投資股份公司) (a company whose shares are listed on the National Equities Exchange and Quotations of the PRC (全國中小企業股份轉讓系統有限責任公司) (stock code: 839351)).

As Fujian Investment Development is ultimately responsible for the major investment decisions of the Fujian Investment Development SIIs, the different platforms are purely different funds or entities ultimately managed by the same entity and should be aggregated as one SII pursuant to Chapter 2.5 of the Guide. As of the Latest Practicable Date, Xiamen Innovation and Sanming Innovation held approximately 1.11% of the total issued share capital of our Company. The AUM of Fujian Investment Development was approximately RMB67.5 billion as of June 30, 2022[(1)], and approximately RMB88.1 billion as of March 31, 2025, respectively.

(3) CIIT Asset Management SII (being Xingtou Youxuan)

Xingtou Youxuan is a limited partnership established in the PRC, with the general partner Xingtou (Beijing) Capital Management Company Limited (興投(北京)資本管理有限公司) ("**Xingtou Beijing**"), an Independent Third Party and holding 0.0758% interest therein. Xingtou Beijing is a wholly-owned subsidiary of CIIT Asset Management Co., Ltd. (興業國信資產管理有限公司) ("**CIIT Asset Management**"). CIIT Asset Management is a specialized platform under Industrial Bank Co., Ltd. (興業銀行股份有限公司) (a company whose A shares are listed on the Shanghai Stock Exchange (stock code: 601166)) for conducting private equity investment and related asset management services.

As of the Latest Practicable Date, Xingtou Youxuan held approximately 1.85% of the total issued share capital of our Company. As the investment decisions of Xingtou Youxuan are ultimately managed and controlled by CIIT Asset Management, whose AUM meets the threshold set out in Chapter 2.5 of the Guide, Xingtou Youxuan qualifies as a Sophisticated Independent Investor. The AUM of CIIT Asset Management was over RMB46.1 billion as of March 31, 2022[(1)], and over RMB30.0 billion as of December 31, 2024, respectively.

(1) being a date not more than six months prior to the date on which the relevant investor signed the relevant definitive agreement for their investment in our Company

Our Other Principal Pre-IPO Investors

Mr. Liu Changjiang

Mr. Liu Changjiang is an individual investor. As of the Latest Practicable Date, Mr. Liu was the general manager of Xiamen Xicheng Graphene Science and Technology Co., Ltd. (廈門烯成石墨烯科技有限公司) and held 20% equity interests in Xiamen Heyong Investment Management Co., Ltd. (廈門和永投資管理有限公司), which managed multiple funds. Mr. Liu served as a Director from January 2018 to May 2025. In order to devote more time to his other business affairs, Mr. Liu resigned as a Director.

Weitai Shenghong

Weitai Shenghong is a limited partnership established in the PRC with the general partner Xiamen HeYong Capital Management Company Limited (廈門和永投資管理有限公司) ("**HeYong Capital**"), HeYong Capital is owned by Cai Weiwei (蔡偉偉), Liu Changjiang (劉長江), Wang Jing (王靖), Hong

Jinlong (洪勁龍), Lai Jinmei (賴金梅) and You Lei (游磊) as to 30%, 20%, 15%, 12.9%, 12.1% and 10%, respectively. Save for Liu Changjiang, all of the foregoing individuals are Independent Third Parties. The largest limited partner of Weitai Shenghong is Liu Jun (劉軍), an Independent Third Party. The remaining six limited partners of Weitai Shenghong are Independent Third Parties, none of which individually holds more than 30% partnership interests in Weitai Shenghong.

Vinno Intelligent and Health

Vinno Intelligent and Health is a limited partnership established in the PRC, with the general partner Vinno Capital Co., Ltd. (深圳市合創資本管理有限公司) ("**Vinno Capital**"), holding approximately 1.78% partnership interests. Vinno Capital is owned by Ding Mingfeng (丁明峰), Tang Zujia (唐祖佳), Yu Juan (禹涓), Qian Qiang (錢強) as to 72%, 12%, 8% and 8%, respectively, each being an Independent Third Party. All of the limited partners of Vinno Intelligent and Health are Independent Third Parties, none of which individually holds more than 30% partnership interests in Vinno Intelligent and Health.

Junyi Kaixiang and Junyi Borui

Junyi Kaixiang is a limited partnership established in the PRC with the general partner Xiamen Junyixing Equity Investment Management Co., Ltd (廈門君翼行股權投資管理有限公司), which holds approximately 1.96% partnership interests therein and is wholly owned by Shanghai Junyi Boxing Venture Capital Management Co., Ltd. (上海君翼博星創業投資管理有限公司) ("**Junyi Boxing**"). The limited partner of Junyi Kaixiang is Xiamen Junyi Boyue Venture Capital Partnership (Limited Partnership) (廈門君翼博越創業投資合夥企業(有限合夥)) ("**Junyi Boyue**"), holding approximately 98.04% partnership interests therein. The largest limited partner of Junyi Boyue is Wei Xing (魏星), an Independent Third Party, holding 64% partnership interests in Junyi Boyue. The general partner of Junyi Boyue is Junyi Boxing, holding 1% partnership interest therein. All of the other 18 limited partners of Junyi Boyue are Independent Third Parties, none of which individually holds more than 30% partnership interests in Junyi Boyue.

Junyi Borui is a limited partnership established in the PRC with the general partner Junyi Boxing, holding 1% partnership interest, which is ultimately controlled by Guo Peng (郭芃), an Independent Third Party. The largest limited partner of Junyi Borui is Wei Xing (魏星), an Independent Third Party, holding 42% partnership interests in Junyi Borui. None of the other 17 limited partners of Junyi Borui individually holds more than 30% partnership interests in Junyi Borui.

Chaoyue Moore

Chaoyue Moore is a limited partnership established in the PRC with the general partner Shanghai Chaoyue Moore Private Equity Fund Management Co., Ltd. (上海超越摩爾私募基金管理有限公司), an Independent Third Party, holding approximately 0.73% partnership interest in Chaoyue Moore. The largest limited partner of Chaoyue Moore is National Integrated Circuit Industry Investment Fund Co., Ltd. (國家集成電路產業投資基金股份有限公司), an Independent Third Party, holding approximately 39.16% partnership interests in Chaoyue Moore. All of the other 8 limited partners of Chaoyue Moore are Independent Third Parties, none of which individually holds more than 30% partnership interests in Chaoyue Moore.

Zhengchu Venture Capital

Zhengchu Venture Capital is a limited partnership established in the PRC with the general partner Xiamen Falcon Investment Management Co., Ltd. (廈門市獵鷹投資管理有限公司) ("**Xiamen Falcon**"), an Independent Third Party. Xiamen Falcon is owned by Xie Jianhua (謝建華) as to 32%, Chen Meilian (陳美蓮) as to 17.45%, Fu Xiaofeng (傅曉楓) as to 17.45%, Huang Danlin (黃丹琳) as to 13.1%, and two entities controlled by Jin Xiaoqi (金孝奇) as to 20%, each being an Independent Third Party. The largest limited partner of Zhengchu Venture Capital is Wang Jiaqiang (王佳強), an Independent Third Party, holding approximately 51.46% partnership interests in Zhengchu Venture Capital. Shenzhen

Sanshuo Chengshun Investment Co., Ltd. (深圳市三碩乘順投資有限公司), which is owned as to 50%, 25% and 25% by Huang Xuankai, Huang Heting and Huang Danlin, each being an Independent Third Party, holds approximately 30.10% partnership interests in Zhengchu Venture Capital. All of the other 5 limited partners of Zhengchu Venture Capital are Independent Third Parties, none of which individually holds more than 30% partnership interests in Zhengchu Venture Capital.

Kuanlian Investment

Kuanlian Investment is a limited liability company incorporated in the PRC and a wholly owned subsidiary of Shanghai Aoqin, which is ultimately controlled by Qiu Wensheng (邱文生), an Independent Third Party.

Junsheng Investment and Junqing Investment

Junsheng Investment is a limited partnership established in the PRC with the general partner Shanghai Juntong Equity Investment Management Co., Ltd. (上海君桐股權投資管理有限公司), which is owned by Wen Wei (聞威), Guo Yanfen (郭艷芬), Weng Yiqing (翁逸卿), Yang Bo (楊博) and Zhang Li (張莉) as to 44.35%, 18.92%, 17.12%, 14.26% and 5.35%, respectively, each being an Independent Third Party. All of the 8 limited partners of Junsheng Investment are Independent Third Parties, none of which individually holds more than 30% partnership interests in Junsheng Investment.

Junqing Investment is a limited partnership established in the PRC with the general partner Shanghai Junlong Enterprise Management Partnership (Limited Partnership) (上海君瀧企業管理合夥企業(有限合夥)), which is owned by Wen Wei (聞威) and Zhang Yu (張瑜) as to 50% and 50%, respectively, each being an Independent Third Party. The largest limited partner of Junqing Investment is Li Le (李樂), an Independent Third Party and holding approximately 33.33% partnership interests in Junqing Investment. All of the other four limited partners of Junqing Investment are Independent Third Parties, none of which individually holds more than 30% partnership interests in Junqing Investment.

Chufeng Investment

Chufeng Investment is a limited partnership established in the PRC with the general partner Tianjin Shuncheng Investment Management Partnership (Limited Partnership) (天津順承投資管理合夥企業(有限合夥)) ("**Tianjin Shuncheng**"). The general partner of Tianjin Shuncheng is Tianjin Shunchuang Investment Management Co., Ltd. (天津順創投資管理有限責任公司) ("**Tianjin Shunchuang**"). Tianjin Shunchuang is owned as to 18% by Lei Jun (雷軍), being an Independent Third Party, and 82% by Tianjin Shunyao Enterprise Management Co., Ltd. (天津順耀企業管理有限責任公司), which is owned by Ma Wenjing (馬文靜), Cao Liping (曹莉平) and Cheng Tian (程天) as to 34%, 33% and 33%, respectively, each being an Independent Third Party. The largest limited partner of Chufeng Investment is Hainan Lanlan Network Technology Co., Ltd. (海南藍嵐網絡科技有限公司), an Independent Third Party, holding approximately 35% partnership interests therein. All of the other 20 limited partners of Chufeng Investment are Independent Third Parties, none of which individually holds more than 30% partnership interests in Chufeng Investment.

Wentianxia

Wentianxia is a limited liability company incorporated in the PRC, which is ultimately owned by Zhang Xuezheng (張學政) as to 99% and Liu Xiaojing (劉小靜) as to 1%, each being an Independent Third Party.

Meaningful Investment from Sophisticated Independent Investors

We have received investments from four Pathfinder SIIs, namely Moqin Intelligent, Fortune Capital SIIs, Gansheng Investment and Ark Investment, each having invested in the Group for at least 12 months prior to the first submission of our listing application to the Stock Exchange for the purpose of the Global Offering. In accordance with Chapter 2.5 of the Guide, each of Moqin Intelligent, Fortune Capital SIIs, Gansheng Investment and Ark Investment held more than 3%, and in aggregate more than

10%, of the issued share capital of our Company as of the date of our listing application and throughout the pre-application 12-months period. For details of the shareholding percentage in our Company's share capital of each of the Sophisticated Independent Investors, see "—Capitalization of Our Company".

As of the Latest Practicable Date, our Sophisticated Independent Investors held, in aggregate, approximately 27.23% in the total issued share capital of our Company. Upon the Listing, assuming the Over-allotment Option is not exercised, Gansheng Investment, Moqin Intelligent, Fortune Chuanghong, Caizhi Chuangying, Ark Investment, Zhanxiang Information, Xingtou Youxuan, Xiamen Innovation and Sanming Innovation will hold 5.72%, 5.68%, 4.19%, 0.2%, 4.11%, 1.77%, 1.65%, 0.5% and 0.5% in the total issued share capital of our Company, respectively. Upon the Listing, such Sophisticated Independent Investors will hold, in aggregate, no less than 20% in the total issued share capital of our Company, assuming that our expected market capitalization at the time of Listing will be more than HK$4 billion but less than HK$15 billion.

Compliance with the Guide

Based on the documents provided by our Company relating to the Pre-IPO Investments, the Joint Sponsors have confirmed that the Pre-IPO Investments are in compliance with the guidance on pre-IPO investments in Chapter 4.2 of the Guide.

PRC Legal Advisor's Confirmation

As advised by our PRC Legal Advisor, the equity transfers and increases in the registered capital in respect of our Company, as described above have been completed and settled, and all regulatory approvals, registrations or filings have been granted in accordance with PRC laws and regulations.

LOCK-UP PERIOD

Pursuant to the applicable PRC law, within the 12 months following the Listing Date, all existing Shareholders (including our Pre-IPO Investors) are prohibited from disposing of any of the Shares held by them. The following Shares will be subject to disposal restrictions pursuant to Rule 18C.14 of the Listing Rules at the time of the Listing:

Name	Capacity	Aggregate number of Shares held immediately following the completion of the Global Offering	Aggregate ownership percentage of shareholding in the total issued share capital of our Company following the completion of the Global Offering[1]	Lock-up period
			(%)	
Key persons and their close associates				
Mr. Xu	Founder, chairman of our Board, executive Director and president	8,859,800	7.91	Commencing on the date of this prospectus and ending on expiry of 12 months from the Listing Date
Mr. Liu	Co-founder, executive Director, vice president, director of algorithm applications and core R&D team member	2,518,500	2.25	
Shanghai FourSemi Management[2] . .	Employee shareholding platform controlled by Mr. Xu	12,617,800	11.27	
Xiamen FourSemi Management[2] . .	Employee shareholding platform controlled by Mr. Xu	7,073,700	6.32	

Name	Capacity	Aggregate number of Shares held immediately following the completion of the Global Offering	Aggregate ownership percentage of shareholding in the total issued share capital of our Company following the completion of the Global Offering[1]	Lock-up period
			(%)	
Xiamen FourSemi Chuangke[2]	Employee shareholding platform controlled by Mr. Xu	4,206,100	3.76	
Pathfinder SIIs				
Moqin Intelligent . .	Pathfinder SII	6,361,400	5.68	Commencing on the date of this prospectus and ending on expiry of six months from the Listing Date
Fortune Chuanghong	Pathfinder SII	4,696,800	4.19	
Caizhi Chuangying .	Pathfinder SII	221,300	0.20	
Gansheng Investment.	Pathfinder SII	6,406,800	5.72	
Ark Investment . . .	Pathfinder SII	4,601,600	4.11	

Note:

(1) Assuming the Over-allotment Option is not exercised.

(2) As of the Latest Practicable Date, each of Shanghai FourSemi Management, Xiamen FourSemi Management and Xiamen FourSemi Chuangke was controlled by Mr. Xu as the general partner. Therefore, each of Shanghai FourSemi Management, Xiamen FourSemi Management and Xiamen FourSemi Chuangke is a close associate of Mr. Xu under the Listing Rules and is subject to the lock-up requirements pursuant to Rule 18C.14 of the Listing Rules.

Certain limited partners of Shanghai FourSemi Management, Xiamen FourSemi Management and Xiamen FourSemi Chuangke, namely Mr. Qian Shun, Mr. Liu, Mr. Shi Hongxiao, Mr. He Xiuan, Mr. Yang Xiaoming, Mr. Liu Yanhai and Mr. Zhu Huaping, are also key persons under Rule 18C.14 of the Listing Rules and shall be subject to a lock-up period commencing from the date of this prospectus and ending on expiry of 12 months from the Listing Date. They undertake that they will not dispose of their interests in the above partnerships within the aforementioned lock-up period. For details of these key persons, see "Business—Research and Development—Our Research and Development Team and Core Member" and "History-Employee Shareholding Platform".

Pursuant to the respective partnership agreement of Shanghai FourSemi Management, Xiamen FourSemi Management and Xiamen FourSemi Chuangke, any transfer of partnership interest by limited partners shall be approved by the general partner, Mr. Xu and the majority of the limited partners. Mr. Xu as the general partner of the aforementioned three employee shareholding platforms will ensure that the lock-up restriction will be effectively enforced in respect of the indirect interests held by these key persons as limited partners.

PUBLIC FLOAT

Pursuant to Rule 8.08(1) of the Listing Rules, assuming that the Over-allotment Option is not exercised, (i) based on an Offer Price of HK$40.00 per Offer Share (being the low end of the indicative Offer Price range), our expected market capitalization upon the Listing is HK$4,480.0 million, and the minimum prescribed public float percentage applicable to our Shares is 25% under 19A.13A(1) of the Listing Rules; (ii) based on an Offer Price of HK$45.00 per Offer Share (being the mid-point of the indicative Offer Price range), our expected market capitalization upon the Listing is HK$5,040.0 million, and the minimum prescribed public float percentage applicable to our Shares is 25% under 19A.13A(1) of the Listing Rules; and (iii) based on an Offer Price of HK$50.00 per Offer Share (being the high end of the indicative Offer Price range), our expected market capitalization upon the Listing is HK$5,600.0 million, and the minimum prescribed public float percentage applicable to our Shares is 25% under 19A.13A(1) of the Listing Rules.

The 1,110,200 Domestic Shares that will not be converted into H Shares (representing approximately 0.99% of our total issued Shares upon the Listing (assuming the Over-allotment Option is not exercised)) will not be considered as part of the public float as such Domestic Shares will not be converted into H Shares and will not be listed on the Stock Exchange following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares.

Of the 98,889,800 H Shares to be converted from Domestic Shares and listed on the Stock Exchange following the Completion of the Global Offering and the Conversion of Domestic Shares into H Shares:

(a) 35,275,900 H Shares representing approximately 31.50% of our total issued Shares upon the Listing (assuming that the Over-allotment Option is not exercised) will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules upon the Listing as such H Shares are held by Mr. Xu, Mr. Liu, Shanghai FourSemi Management, Xiamen FourSemi Management and Xiamen FourSemi Chuangke, the core connected persons of our Company; and

(b) the remaining 63,613,900 H Shares (representing approximately 56.80% of our total issued Shares upon the Listing (assuming the Over-allotment Option is not exercised) will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the Listing as such Shareholders are not core connected persons of our Company upon the Listing nor accustomed to take instructions from our Company's core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and their acquisition of Shares were not financed directly or indirectly by our Company's core connected persons.

See "Share Capital—Conversion of Domestic Shares into H Shares" for more details of the H Shares to be converted from Domestic Shares and listed on the Stock Exchange following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares.

As a result, immediately upon completion of the Global Offering and the Conversion of Domestic Shares into H Shares, taking into account 12,000,000 H Shares to be offered pursuant to the Global Offering (assuming the Over-allotment Option is not exercised), an aggregate of 75,613,900 H Shares will count towards the public float of our Company, representing 67.51% of the total issued Shares of our Company. Therefore, our Company will be able to meet the minimum public float requirement under Rule 19A.13A(1) of the Listing Rules.

FREE FLOAT

Rule 19A.13C of the Listing Rules provides that, there must be sufficient shares for which listing is sought by a new applicant that are held by the public and available for trading upon listing. This will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000.

Based on an Offer Price of HK$40.00 per Offer Share, being the low-point of the indicative Offer Price range, our Company will be able to satisfy the free float requirement under Rule 19A.13C(1) of the Listing Rules.

CONCERT PARTY AGREEMENT

On June 25, 2019, Mr. Xu and Mr. Liu entered into the Concert Party Agreement, pursuant to which Mr. Liu has irrevocably agreed to act in concert with Mr. Xu and follow his decisions in exercising his vote at the general meetings of our Company.

As of the Latest Practicable Date, Mr. Xu and Mr. Liu controlled 35.28% of the voting power at the general meetings of our Company. Upon the Listing, Mr. Xu and Mr. Liu will control 31.50% of the voting power at the general meetings of our Company (assuming the Over-allotment Option is not exercised). Mr. Xu and Mr. Liu are members of our Controlling Shareholders. See "Relationship with Our Controlling Shareholders" for further details.

EMPLOYEE SHAREHOLDING PLATFORM

In recognition of the contributions of our key employees and to incentivize them to further promote our development, we award the partnership interest in our employee shareholding platforms to the employees and adopt the employee stock ownership plan, which is not subject to the provisions of Chapter 17 of the Listing Rules. As of the Latest Practicable Date, Shanghai FourSemi Management, Xiamen FourSemi Management and Xiamen FourSemi Chuangke were established as our employee shareholding platforms. Shanghai FourSemi Management, Xiamen FourSemi Management and Xiamen FourSemi Chuangke are controlled by the same general partner, Mr. Xu.

According to the employee stock ownership plan and the respective grant agreements, all management and voting powers of the employee shareholding platforms are exercised by their respective sole general partner, Mr. Xu, whereas the relevant employees as the limited partners of such employee shareholding platforms are entitled to the economic interest.

Shanghai FourSemi Management

Shanghai FourSemi Management was established as a limited partnership under the laws of the PRC on October 22, 2021. As of the Latest Practicable Date, Shanghai FourSemi Management held 12.62% of our Shares, and its partnership structure was as follows:

Name	Position	Capacity of partnership interests in Shanghai FourSemi Management	Approximate percentage of partnership interests
			(%)
Mr. Xu	Chairman of the Board, executive Director and president	General partner	75.5816
Mr. Qian Shun	Executive Director, vice president, chief technology officer and one of the core research and development members[#]	Limited partner	0.6417
Mr. Shi Hongxiao	One of the core research and development members[#]	Limited partner	3.6088
Mr. Zhu Huaping	One of the core research and development members[#]	Limited partner	1.9906
Mr. Yang Xiaoming	One of the core research and development members[#]	Limited partner	1.3439
Mr. He Xiuan	One of the core research and development members[#]	Limited partner	0.9535
25 other persons[*]	Existing employees	Limited partner	15.8798

Xiamen FourSemi Management

Xiamen FourSemi Management was established as a limited partnership under the laws of the PRC on December 29, 2017. As of the Latest Practicable Date, Xiamen FourSemi Management held 7.07% of our Shares, and its partnership structure was as follows:

Name	Position	Capacity of partnership interests in Xiamen FourSemi Management	Approximate percentage of partnership interests
			(%)
Mr. Xu	Chairman of the Board, executive Director and president	General partner	1.2672
Mr. Qian Shun	Executive Director, vice president, chief technology officer and one of the core research and development members[#]	Limited partner	35.6040
Mr. He Xiuan	One of the core research and development members[#]	Limited partner	28.9800
Mr. Yang Xiaoming	One of the core research and development members[#]	Limited partner	20.7000
Mr. Zhu Huaping	One of the core research and development members[#]	Limited partner	13.4488

Xiamen FourSemi Chuangke

Xiamen FourSemi Chuangke was established as a limited partnership under the laws of the PRC on December 9, 2020. As of the Latest Practicable Date, Xiamen FourSemi Chuangke held 4.21% of our Shares, and its partnership structure was as follows:

Name	Position	Capacity of partnership interests in Xiamen FourSemi Chuangke	Approximate percentage of partnership interests
			(%)
Mr. Xu	Chairman of the Board, executive Director and president	General partner	28.4070
Ms. Yu Bingbing	Executive Director, vice president and sales director	Limited partner	16.9366
Mr. Liu	Executive Director, vice president, director of algorithm applications and one of the core research and development members[#]	Limited partner	9.6248
Mr. Liu Yanhai	One of the core research and development members[#]	Limited partner	7.4577

Name	Position	Capacity of partnership interests in Xiamen FourSemi Chuangke	Approximate percentage of partnership interests
			(%)
18 other persons*.....	Existing employees	Limited partner	37.5739

* *None of any employee is a key person under Rule 18C.14 of the Listing Rules. Among such employees, Shi Haokai (史浩凱), a digital design manager (數字設計總監) of the Company, and Zhang Lin (章林), a senior system expert (資深系統專家) of the Company hold 6.4136% and 5.0429% partnership interests in Xiamen FourSemi Chuangke, respectively. None of such other employees holds more than 5% of the partnership interests in Xiamen FourSemi Chuangke individually.*

\# *For the composition and other relevant information of our core research and development members each of which is a key person under Rule 18C.14 of the Listing Rules, see "Business—Research and Development—Our Research and Development Team and Core Member".*

CAPITALIZATION OF OUR COMPANY

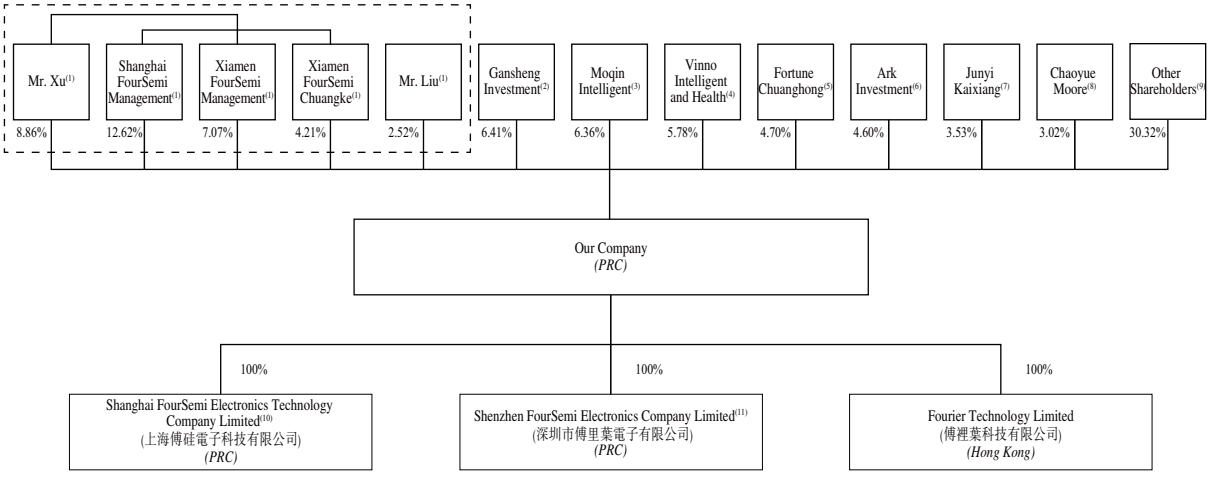
The following table sets forth our shareholding structure as of the Latest Practicable Date and immediately after the Global Offering and the Conversion of Domestic Shares into H Shares (assuming the Over-allotment Option is not exercised):

	As of the Latest Practicable Date		Immediately after the Global Offering and the Conversion of Domestic Shares into H Shares (assuming the Over-allotment Option is not exercised)		
Name of Shareholder	Number of Domestic Shares	Approximate shareholding percentage	Number of Domestic Shares	Number of H Shares	Approximate shareholding percentage
		(%)			*(%)*
Mr. Xu	8,859,800	8.86	—	8,859,800	7.91
Shanghai FourSemi Management	12,617,800	12.62	—	12,617,800	11.27
Xiamen FourSemi Management	7,073,700	7.07	—	7,073,700	6.32
Xiamen FourSemi Chuangke.....	4,206,100	4.21	—	4,206,100	3.76
Mr. Liu.....	2,518,500	2.52	—	2,518,500	2.25
Gansheng Investment...	6,406,800	6.41	—	6,406,800	5.72
Moqin Intelligent.....	6,361,400	6.36	—	6,361,400	5.68
Vinno Intelligent and Health	5,776,900	5.78	—	5,776,900	5.16
Fortune Chuanghong ...	4,696,800	4.70	—	4,696,800	4.19
Ark Investment	4,601,600	4.60	—	4,601,600	4.11
Junyi Kaixiang	3,527,500	3.53	—	3,527,500	3.15
Chaoyue Moore.....	3,022,300	3.02	—	3,022,300	2.70
Junsheng Investment ...	2,921,500	2.92	—	2,921,500	2.61
Mr. Liu Changjiang	2,458,100	2.46	—	2,458,100	2.19
Zhanxiang Information..	1,981,800	1.98	—	1,981,800	1.77
Xingtou Youxuan.....	1,850,300	1.85	—	1,850,300	1.65
Wentianxia	1,687,300	1.69	—	1,687,300	1.51
Weitai Shenghong	1,680,000	1.68	—	1,680,000	1.50
Junyi Borui.....	1,473,700	1.47	—	1,473,700	1.32
Zhengchu Venture Capital.....	1,356,700	1.36	—	1,356,700	1.21
Kuanlian Investment ...	1,322,800	1.32	—	1,322,800	1.18
Junqing Investment	1,302,300	1.30	—	1,302,300	1.16
Chufeng Investment....	1,222,700	1.22	—	1,222,700	1.09

Name of Shareholder	As of the Latest Practicable Date		Immediately after the Global Offering and the Conversion of Domestic Shares into H Shares (assuming the Over-allotment Option is not exercised)		
	Number of Domestic Shares	Approximate shareholding percentage	Number of Domestic Shares	Number of H Shares	Approximate shareholding percentage
		(%)			*(%)*
Huzhou Zhuosheng	1,110,200	1.11	1,110,200	—	0.99
Shunke Investment.....	1,052,500	1.05	—	1,052,500	0.94
Ms. Jiang Yan	950,000	0.95	—	950,000	0.85
Yahe Xinghua	906,700	0.91	—	906,700	0.81
Shunying Investment ...	747,100	0.75	—	747,100	0.67
Junxin Ruizhi	670,400	0.67	—	670,400	0.60
Jicui Meibai	604,500	0.60	—	604,500	0.54
Longcheer Intelligence..	604,500	0.60	—	604,500	0.54
Haisheng Xianting.....	576,900	0.58	—	576,900	0.52
Fumiao Investment	560,500	0.56	—	560,500	0.50
Xiamen Innovation	555,100	0.56	—	555,100	0.50
Sanming Innovation....	555,100	0.56	—	555,100	0.50
Huide Investment.....	555,100	0.56	—	555,100	0.50
Shuimu Xinchi	384,600	0.38	—	384,600	0.34
Furui Chuangxin	383,900	0.38	—	383,900	0.34
Mr. Deng Tianshun	336,000	0.34	—	336,000	0.30
Caizhi Chuangying	221,300	0.22	—	221,300	0.20
Zhiyou Management ...	181,300	0.18	—	181,300	0.16
Xinda Venture Capital ..	117,900	0.12	—	117,900	0.11
Total	**100,000,000**	**100**	**1,110,200**	**98,889,800**	**89.29**

CORPORATE STRUCTURE

The following chart sets forth our corporate structure immediately prior to the Global Offering and the Conversion of Domestic Shares into H Shares:



(1) As of the Latest Practicable Date, (1) Mr. Xu controlled 32.76% of the voting power at the general meetings of our Company, comprising (i) 8.86% beneficially owned by him directly, (ii) 12.62% beneficially owned by Shanghai FourSemi Management, where Mr. Xu acted as its general partner, (iii) 7.07% beneficially owned by Xiamen FourSemi Management, where Mr. Xu acted as its general partner, and (iv) 4.21% beneficially owned by Xiamen FourSemi Chuangke, where Mr. Xu acted as its general partner; and (2) Mr. Liu controlled 2.52% of the voting power at the general meetings of our Company through the interests beneficially owned by him directly. Pursuant to the Concert Party Agreement, Mr. Liu irrevocably agreed to, among others, act in concert with Mr. Xu and follow his instructions in exercising his vote at the general meetings of our Company. See "—Employee Shareholding Platform" and "—Concert Party Agreement" for further details.

(2) See "—Pre-IPO Investments—Information regarding Our Principal Pre-IPO Investors—Our Pathfinder SIIs—(3) Xianyun Management SII (being Gansheng Investment)" for the shareholding structure of Gansheng Investment.

(3) See "—Pre-IPO Investments—Information regarding Our Principal Pre-IPO Investors—Our Pathfinder SIIs—(1) Huaqin Technology SII (being Moqin Intelligent)" for the shareholding structure of Moqin Intelligent.

(4) See "—Pre-IPO Investments—Information regarding Our Principal Pre-IPO Investors—Our Other Principal Pre-IPO Investors—Vinno Intelligent and Health" for the shareholding structure of Vinno Intelligent and Health.

(5) See "—Pre-IPO Investments—Information regarding Our Principal Pre-IPO Investors—Our Pathfinder SIIs—(2) Fortune Capital SIIs (being Fortune Chuanghong and Caizhi Chuangying)" for the shareholding structure of Fortune Chuanghong.

(6) See "—Pre-IPO Investments—Information regarding Our Principal Pre-IPO Investors—Our Pathfinder SIIs—(4) Wuxi Capital SII (being Ark Investment)" for the shareholding structure of Ark Investment.

(7) See "—Pre-IPO Investments—Information regarding Our Principal Pre-IPO Investors—Our Other Principal Pre-IPO Investors—Junyi Kaixiang and Junyi Borui" for the shareholding structure of Junyi Kaixiang.

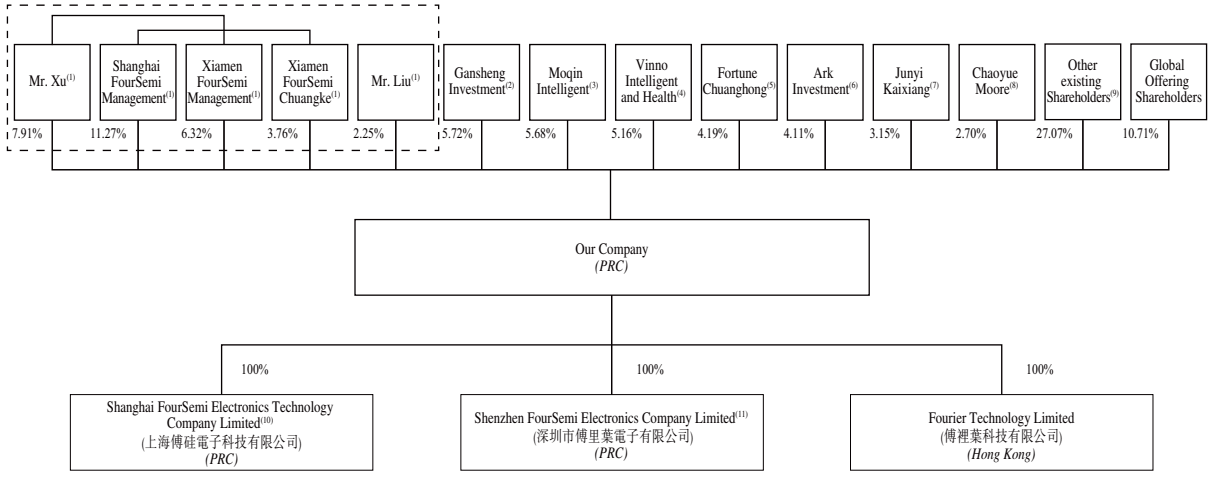
(8) See "—Pre-IPO Investments—Information regarding Our Principal Pre-IPO Investors—Our Other Principal Pre-IPO Investors—Chaoyue Moore" for the shareholding structure of Chaoyue Moore.

(9) As of the Latest Practicable Date, we had 30 other Shareholders who were also our Pre-IPO Investors each holding less than 3% shareholding of our Company. See "—Capitalization of Our Company" for details.

(10) As of the Latest Practicable Date, it had not commenced any business operations. It is anticipated that it will be principally engaged in the trading of power amplifier audio chips.

(11) It is principally engaged in trading of power amplifier audio chips.

The following chart sets forth our corporate structure immediately after the completion of the Global Offering and the Conversion of Domestic Shares into H Shares, without taking into account any H Shares which may be issued upon the exercise of the Over-allotment Option:



(1)–(11) See notes to the corporate structure chart above.

OVERVIEW

Who We Are

We are a provider of power amplifier audio chips and haptic drivers in China. We specialize in the design of low-power audio chips, mid/high-power audio chips and haptic drivers under a fabless model to offer a wide array of solutions for emerging application scenarios. According to the F&S report:

- in terms of total shipment volume in 2024 of power amplifier audio chips for use in smart displays, we ranked first among power amplifier audio chip providers in China;
- in terms of total shipment volume of power amplifier audio chips in 2024, we ranked second among power amplifier audio chip providers in China, and third among power amplifier audio chip providers globally; and
- in terms of total shipment volume of haptic drivers in 2024, we ranked fourth among haptic driver providers in China.

Our power amplifier audio chip products

Our portfolio of products empowers various industries, including consumer electronics and intelligent vehicles. We first introduced our power amplifier audio chip products for portable consumer electronics to optimize audio, create effects and protect speakers using our algorithms. When deployed, our power amplifier audio chip products receive the electrical signal input, analyze and preprocess the signal by filtering noise and strengthening the received signal, process the signal by amplifying electrical power, tunning audio signal based on scenario, convert the signal to code speaker driver movement while simultaneously enabling the speaker protection technologies. This allows users' devices to output the highest quality of audio, reduce power consumption, and protect the speakers to achieve device longevity.

With the success of our first power amplifier audio chip products, we expanded our product portfolio by adding a more powerful line of power amplifier audio chip products that are primarily for larger electronics and intelligent vehicles and a new line of chips that process haptic feedback to provide users with a diverse way of interacting with their devices. Our products are fundamental for devices to perceive operation scenarios accurately, respond to users dynamically and enhance human-device interaction. With our products, we have built deep technical expertise in these industries and believe we will benefit as new application scenarios continue to emerge in these industries with immense growth potential.

Our product innovation stems from our technological development. Through deeply understanding market needs and leveraging our research and development capabilities, we are able to accelerate commercialization while deploying our resources strategically in exploring new application scenarios. For example, we have launched multiple China-first chip products under the trend of domestic substitution, with breakthroughs in algorithm and system architecture, low energy consumption, real-time processing, low distortion, and multi-scenario perception. According to the F&S report, we introduced:

- China's first ASIC DSP-integrated portable power amplifier audio chip in 2017;
- China's first mid/high-power audio chip in 2021; and
- China's first automotive-grade AEC-Q100-certified power amplifier audio chip in 2023.

We have established collaborative relationships with our key customers in the industries through research and development initiatives. This approach embeds us within their ecosystem, forming synergistic and strategic alliances that enhance our competitiveness and support long-term sustainable growth. We have successfully replicated this approach across strategic segments of our customers,

starting with smartphones, expanding into smart displays and intelligent vehicles. Leveraging our integration-driven approach, we have also successfully expanded across multiple application domains and established strong partnerships with customers in each key sector. For instance:

- our power amplifier audio chips have been adopted by nine out of the top ten global smartphone manufacturers in terms of their shipment volume in 2024, according to the F&S report;
- our mid/high-power audio chips have been adopted by eight out of the top ten China TV manufacturers in terms of their shipment volume in 2024, according to the same source; and
- we have established a contracted partnership with one of the world's largest renewable energy vehicle manufacturers for our automotive-grade power amplifier audio chips.

Our Financial Performance

We experienced tremendous growth during the Track Record Period. We generate revenue primarily from the provision of our chips. Our revenue increased from RMB130.3 million in 2022 to RMB150.3 million in 2023, further to RMB355.2 million in 2024. Our revenue maintained relatively stable at RMB288.8 million in the ten months ended October 31, 2024 and RMB280.8 million in the ten months ended October 31, 2025. Backed by our rapid growth and proprietary technologies, we are strategically positioned to seize opportunities in the emerging markets.

From our Robust Technological Capabilities to our Strong Market Expansion Abilities

Audio perception, being one of the primary senses of the human body, represents one of humanity's most fundamental needs, and audio technology has boasted an exceptionally broad range of application possibilities over the past years. Since our inception in 2016, where our products were initially designed for power amplifier audio in smartphones, driven by our technological development, we have progressively extended our product lines and capabilities to cater to different emerging application scenarios. In 2023, we also launched our haptic drivers which are designed to detect users' touch inputs and control motor vibrations, primarily manifesting vibration effects at the device level while different voltages drive different motors to achieve varying haptic feedback. Our marketing initiatives have strategically focused on delivering industry-tailored solutions for several emerging industries undergoing fundamental transformation, including consumer electronics, intelligent vehicles and robotics. We will continue to explore new areas of growth, leveraging our market position, know-how and competitive advantages. We believe we are well-positioned to capitalize the immense growth potential of the different industries as set forth below as they become our primary growth drivers.

Significant Market Opportunities

Consumer Electronics

For consumer electronics, our products support audio applications in scenarios such as smartphones, smart wearables, smart displays and smart speakers. According to the F&S report, in terms of total shipment volume of power amplifier audio chips for use in smart displays in 2024, we ranked first among power amplifier audio chip providers in China and third among power amplifier audio chip providers globally. According to the same source, our power amplifier audio chips have been deployed in nine of the top ten smartphone manufacturers in terms of their shipment volume globally. According to the F&S report, in 2025, global shipments of smart wearable devices are expected to exceed 1 billion units, with products equipped with power amplifier audio interaction technology accounting for 45% of the total. For instance, smart speakers require a combination of acoustic design and sound field calibration technology to maintain high-power audio output. Additionally, noise reduction algorithms are increasingly used to suppress environmental noise, significantly improving the user experience in voice interactions.

Leveraging our market position in this sector, we have emphasized the in-depth development of customized services to enhance customer stickiness. We believe through innovations and a customer-centric approach to satisfy customized needs, we can provide better solutions for our customers. By focusing on customized solutions in this sector, we believe we are able to set up a relatively high barrier to entry within the industry and continue to grow our market share.

Intelligent Vehicles

In 2023, we entered into the intelligent vehicles industry by launching China's first automotive-grade AEC-Q100-certified power amplifier audio chip, according to the F&S report. AEC-Q100 is a rigorous stress test qualification standard for automotive-grade chips, ensuring they withstand extreme conditions while powering advanced audio systems with up to 4*75W output and reliable performance from -40°C to 125°C, which is ideal for application in intelligent vehicles. Launching the first domestic automotive audio chip to obtain AEC-Q100 certification, we will have a first-mover advantage in this industry. In addition, we have also established a contracted partnership with one of the world's largest renewable energy vehicle manufacturers.

According to the F&S report, by 2024, the adoption rate of in-car audio interaction systems surpassed 80%, making it the second-largest interaction interface after the vehicle's central control screen. As technologies advance and user engagement deepens, the demand for power amplifier audio chips in different scenarios as well as the expectation for their output performance are expected to continue to grow. According to the same source, the increasing demands for automotive safety have also driven market expansion, such as the requirement to install Acoustic Vehicle Alerting System (AVAS), which emit warning sounds during driving to ensure pedestrian safety, and the integration of Telematics Boxes (T-BOX) with audio systems to enable vehicle monitoring and intelligent communication functions.

We believe that, in the field of automotive-grade audio chips applications, future development trends will include higher power output, increased channel counts, and the integration of new features such as voice interaction and real-time detection. In this connection, we will work closely with our customers to align with their needs and develop automotive-grade, cost effective solutions with algorithm-based tuning. We also expect our haptic drivers to be increasingly deployed in this industry.

COMPETITIVE STRENGTHS

We believe that the following competitive strengths contribute to our success and differentiate us from our competitors.

Recognized Power Amplifier Audio Chip Provider

We are a provider in power amplifier audio chips and haptic drivers in China. We specialize in the design of low-power audio chips, mid/high-power audio chips and haptic drivers under a fabless model to offer a wide array of solutions for emerging application scenarios. According to the F&S report, in terms of total shipment volume in 2024 for use in smart displays, we ranked first among power amplifier audio chip providers in China; in terms of total shipment volume in 2024, we ranked second among power amplifier audio chip providers in China, and third among power amplifier audio chip providers globally; and in terms of total shipment volume in 2024, we ranked fourth among haptic driver providers in China. We have achieved continuous product innovation through strong technological development, rapidly commercialized our solutions by deeply understanding market needs, and expanded economies of scale through targeted application in various industries.

As an entry point for empowering various industries, including consumer electronics and intelligent vehicles, we have, since our inception, pioneered innovations in multiple critical aspects of the design of power amplifier audio chips, with breakthroughs in algorithm and system architecture, low energy consumption, real-time processing, low distortion, and multi-scenario perception. Power amplifier chips are high-performance, small-form-factor audio chip modules based on mixed-signal

design and integrated with algorithms. Equipped with our technologies such as power control algorithms, speaker protection algorithms, and audio effect algorithms, our power amplifier audio chips enable efficient processing and optimized output of audio signals, offering low power consumption and high integration to meet the customized requirements of our customers. By integrating power amplifier audio chips with advanced self-developed audio algorithms, we are well-positioned to set new industry benchmarks, transform acoustic experiences and capitalize on opportunities across diverse and emerging application scenarios. According to the F&S report, the global power amplifier audio chip market reached RMB8.9 billion in 2024 and is expected to expand to RMB20.4 billion by 2029, representing a CAGR of 18.1%. According to the same source, the China power amplifier audio chip market reached RMB4.1 billion in 2024 and is expected to expand to RMB10.0 billion by 2029, representing a CAGR of 19.4%.

Specifically, we have launched multiple China-first chip products, aligning with the trend of domestic substitution, including the following:

- In 2017, we launched China's first ASIC DSP-integrated portable power amplifier audio chip, marking a pioneering step in the domestic audio technology landscape, according to the F&S report. This product integrates an ASIC DSP module enabling speaker protection, dynamic gain adjustment, phase correction, and noise suppression, which offers an innovative domestic substitution of audio solutions for smartphone manufacturers in China. This product effectively filled a critical gap within the domestic market, and subsequently achieved mass production and shipment for our customers, demonstrating our success in commercialization. Our power amplifier audio chips have been adopted by nine out of the top ten global smartphone manufacturers in terms of their shipment volume in 2024, according to the F&S report.

- In 2021, we launched China's first mid/high-power audio chip, according to the F&S report. This product delivers a higher power on a more demanding level while maintaining low distortion and flat frequency response, compared with low-power audio chips. In addition to its audio performance, this product type stands out due to its stricter requirements in key areas such as its power amplifier's high reliability, thermal management and audio algorithm optimization. Our mid/high-power audio chips have been adopted by eight out of the top ten China TV manufacturers in terms of their shipment volume in 2024, according to the F&S report.

- In 2023, we launched China's first automotive-grade AEC-Q100-certified power amplifier audio chip, according to the F&S report. AEC-Q100 is a rigorous stress test qualification standard for automotive-grade chips, ensuring they meet reliability and performance requirements under harsh automotive environments such as extreme temperatures, vibrations, and electrical stress. Our automotive-grade power amplifier audio chips can deliver up to 4*75W output per channel and support multi-speaker configurations. With a wide operating temperature range of -40°C to 125°C, they are ideally suited for diverse intelligent vehicle audio system applications. Our products have been validated in collaborative tests with multiple domestic automotive brands. For instance, one of our automotive-grade power amplifier audio chip products has passed testing and validation by one of the world's largest renewable energy vehicle manufacturers, and correspondingly we have received and fulfilled their purchase orders, and established a contracted partnership with them.

In addition, we are also committed to developing haptic drivers to cater to the rapidly increasing market demand. According to the F&S report, the growth is fueled by increasing demand for consumer electronics, along with the expanding adoption in automotive intelligent cabins and robotics, which drive a significant rise in demand for enhanced user interaction. The haptic driver market is expected to reach RMB11.4 billion in 2025 and further expand to RMB21.4 billion in 2029, representing a CAGR of 17.0%, according to the F&S report. According to the same source, in terms of total shipment volume in 2024, we ranked fourth among providers of haptic drivers in China.

Constant Technology Breakthroughs and Product Innovations Driving Growth

Our profound expertise in technological development and product innovation position us as a forerunner in the power amplifier audio chip market. Leveraging our robust technical reserve, we have established an expanding product portfolio covering comprehensive application scenarios. Our technical capabilities in algorithm development, ASIC DSP design, high-performance analog engineering, and ultra-low-power circuit design have contributed to our delivery of several China-first chip products.

Our Algorithms

In our audio algorithm development, we have established three core algorithm series, namely speaker protection, audio enhancement, and intelligent scene adaptation. These algorithms can be flexibly deployed across diverse application environments and scenarios on end-user devices. They are also compatible with major mobile platforms including Qualcomm, MediaTek, and Unisoc, supporting operating systems such as Android, Linux, and Windows, according to the F&S report. As of the Latest Practicable Date, over 200 million mobile devices have integrated our audio algorithms.

Relying on our extensive experience, we have created multiple innovative algorithms for specific application scenarios. For instance, in micro-speaker systems where piano tones frequently cause distortions and artifacts, we developed a specialized algorithm that actively detects piano sounds during audio playback. Through real-time signal processing, it is able to eliminate distortion. Separately, for high-altitude environments where atmospheric pressure induces speaker parameter drift, which could lead to performance anomalies, we engineered an adaptive altitude compensation algorithm. This solution continuously tracks parameter variations and dynamically adjusts operational states, assuring speaker longevity under extreme conditions.

Compared to traditional audio chip companies, we maintain an experienced, highly innovative algorithm team. By deeply integrating advanced algorithms with software, we significantly enhance our chips' intelligence and overall competitiveness. Traditional chip companies often prioritize hardware design while lacking systematic investment in algorithms and software, making their products vulnerable to pin-to-pin replacement by competitors due to functional and performance limitations. We embed algorithms directly into our chips, creating differentiation barriers. This deep integration effectively increases chip competitiveness and builds high entry barriers for our competitors.

Our Hardware

In our ASIC DSP technology, we pioneered hardware-implemented PA algorithms and became the first among power amplifier audio chip providers in China, according to the F&S report. Compared to traditional open-sourced DSP architectures, our ASIC approach delivers lower power consumption, reduced latency, and smaller die size. Our proprietary ASIC DSP architecture is wholly built upon our self-owned intellectual property rights, simultaneously reducing costs and strengthening our supply chain stability. In our flagship ASIC DSP product FS1601, the die size is over 30% smaller, and digital power consumption is nearly 50% less than comparable solutions, according to the F&S report. As of the Latest Practicable Date, over 200 million units of our ASIC DSP-enabled power amplifier audio chips had been shipped.

Our Product Offerings

Audio quality is a critical success metric in many devices, yet subjective preference profiles exhibit significant individual divergence. This inherent audio perception variability necessitates substantial investment by our customers in signature sound development, requiring simultaneous optimization for mass-market acceptance and audiophile-grade scrutiny, in order for them to establish differentiated acoustic identities, according to the F&S report.

Leveraging our team's deep expertise in audio technology, we deliver comprehensive support spanning initial audio chip selection, peripheral circuit design, algorithm integration, driver implementation, acoustic cavity modeling, and sound tuning. This establishes a complete

cradle-to-grave solution framework from project inception through mass production. Our specialized tuning team handles more than 100 tuning projects annually, enabling precise interpretation of clients' differentiated acoustic requirements. Our tailored sound customization services significantly enhance client stickiness.

Moreover, our agile customization and innovation capabilities allow us to efficiently customize product functionality and performance to meet the evolving needs of customers across sectors, as demonstrated by our deep penetration in the smartphone sector and successful expansion into areas such as smart wearables, smart displays and intelligent vehicles. Such organic expansion enables us to efficiently broaden our customer outreach with existing resources, driving operational efficiency.

Our Customization Process

We deliver fully customized power amplifier audio chip products tailored to each customer's requirements. Our standard engagement process begins with our customers providing detailed specifications, including application scenarios, output power, working voltage parameters, operating temperature ranges, and protection mechanism specifications. Upon receiving these specifications, our engineering team initiates the development of products designed to meet the customers' exact technical demands base on our technology portfolio and development experience on market-ready chips. We collaborate closely with our fabrication partners to select the optimal manufacturing process matching the product specifications, followed by prototype production for comprehensive testing and validation. Following successful prototype verification, we transition to high-volume production to fulfill customer orders. This development cycle typically requires two to five months to complete, comparing favorably to the industry standard of three to nine months for similar customized power amplifier audio chip solutions.

Our Continued Investments in Research and Developments

We have heavily invested in research and development to maintain our competitive advantage. During the Track Record Period, our research and development costs were RMB48.7 million, RMB59.3 million, RMB68.1 million, RMB55.1 million and RMB55.7 million in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively, representing 57.7%, 60.2%, 62.7%, 61.9% and 53.0% of our annual total operating expenditure in the respective years. As of the Latest Practicable Date, we had 35 registered patents in China, the U.S. and Europe, including 32 invention patents and three utility model patents, and filed 22 patent applications which were pending approval. Our persistent focus on technological breakthroughs and product innovations allow us to address complex technical challenges effectively and provide practical solutions for our customers, further strengthening our market competitiveness.

Integration with Global Customers' Ecosystem and Collaborative Relationships

Leveraging our strength in delivering customized solutions, we have established collaborative relationships with our global customers in the industries to enhance customer stickiness through research and development initiatives. This integration approach embeds us within their ecosystem, forming synergistic and strategic alliances that enhance our competitiveness and support long-term sustainable growth.

We are actively involved across all critical stages of customer engagement:

- **Early-stage technical alignment**: Our differentiated customization capabilities enable us to engage early in the product development cycle, delivering customer-specific audio tuning and functionality that help customers craft unique acoustic signatures and create distinctive acoustic identities in competitive markets;

- **Agile development cycles**: According to the F&S report, our project development cycles, ranging from just two to five months, are among the fastest in China's power amplifier audio chip market. This agility enables us to achieve precise control of the development timeline and capture time-sensitive opportunities in fast-moving application sectors such as the consumer electronics industry;
- **High responsiveness**: We maintain exceptional responsiveness to evolving customer needs and technical changes, which has strengthened our relationships with leading brands amid intense market competition; and
- **Tailored solutions**: We offer complimentary tailored solutions, including adaptive sound enhancement and speaker protection algorithms, as well as customized audio tuning to optimize acoustic performance across diverse applications.

Our solutions have been embedded in the supply chains of top-tier brands across downstream sectors, such as smartphones, smart wearables, smart displays and automotive electronics. This not only enables us to stay at the forefront of latest industry trends but also constantly refine our research and development efforts to meet evolving market demands.

We have successfully replicated this approach across strategic customer segments, starting with smartphones, expanding into smart wearables and smart displays, and more recently, intelligent vehicles. Leveraging our integration-driven approach, we have successfully expanded across multiple application domains and established strong partnerships with our key customers. In 2022, we became a direct supplier of one of the largest consumer electronics multinational corporation headquartered in South Korea, signifying our entry into the international market. This proven scalability positions us to further penetrate both the local and overseas markets, particularly in the premium segment, and diversify our revenue streams, underscoring the strength and adaptability of our business model.

Multifaceted Quality Management and Reliable Supply Chain System

We are committed to delivering high-quality, reliable products and have established a multifaceted quality management framework. Our operations are governed by monitoring and quality control systems that span from product design and development to procurement, packaging, delivery, and post-sales services. Our products meet a wide range of industry standards and regulatory requirements, and we regularly engage independent testing and certification bodies to validate compliance in key target markets. As a fabless chip company specializing in high-reliability chip design, we implement an end-to-end "Design-in Quality" system aligned with ISO 9001 requirements. This framework comprises management protocols across the entire product lifecycle, from architectural design and wafer fabrication to assembly and test.

In the design phase, we have implemented Design for Manufacturability/Testability (DFM/DFT) methodologies and integrate qualification standards including AEC-Q100 (automotive-grade) and JEDEC JESD22 (environmental reliability). These standards are adopted to ensure our long-term operational stability of chips under extreme conditions.

In the testing phase, our automated Test Management System (TMS) tracks data in real-time and integrates statistical process control to dynamically optimize yield. This system maintains industry-leading PPM levels for critical performance parameters. We also conduct testing in China-accredited laboratories which are compliant with international regulatory requirements, enabling our ability for market access across North America, Europe, Asia, and other key regions.

In addition, we have established long-term partnerships with both top-tier global foundries and domestic semiconductor manufacturers, including Semiconductor Manufacturing International Corporation (中芯國際). Furthermore, we have secured proprietary testing capacity by investing in high-end testing equipment and cloud-based test platforms. We believe this would enable real-time data synchronization with foundries, accelerating our quality feedback cycles.

Seasoned Management and Research and Development Team with Profound Industry Expertise

Our core management team brings over a decade of experience in the semiconductor industry, led by our founder, Mr. XU, who previously served at the audio product line at a leading semiconductor company. The core members of our research and development team had held key roles at top-tier international semiconductor firms, with an average experience in IC design of over 20 years. Their global perspective, extensive IC design insights, and proven innovation capabilities are instrumental in driving our product breakthroughs and maintaining our competitive edge.

We have also assembled a stable and high-caliber research and development team as the cornerstone of our sustainable growth. As of the Latest Practicable Date, our research and development team consisted of 91 members, accounting for 61.1% of our workforce, with deep expertise across chip design, chip validation and end-product development. This structure ensures both the productivity and efficiency of our innovation pipeline and research and development efforts. Notably, our team brings together individuals from diverse academic and professional backgrounds, spanning engineering, computer science, materials science, and applied physics, as well as experience across leading technology firms and research institutions. This diversity fosters a dynamic environment where cross-disciplinary thinking and the integration of varied perspectives fuel breakthrough innovations. We also collaborated with prestigious universities, including Xiamen University, to engage in research and development activities and recruit talents along the way. We have established a strategic collaboration agreement with Xiamen University School of Physics and Technology. We jointly conduct research and development initiatives by aligning our business requirements with the University's academic priorities, facilitating reciprocal staff exchanges, and co-organizing academic conferences. Additionally, we developed a comprehensive internship training program for the University's students to gain practical industry experience. Furthermore, our employees lead professional seminars and development training sessions to share specialized knowledge with academic participants. The agreement is silent on the matter of ownership concerning the relevant intellectual property.

We have implemented a systematic talent management framework for our research and development team to retain and grow our talent pool. We are committed to building a learning-focused culture and creating a talent pipeline to support our sustainability with comprehensive employee development programs across all functions and levels. Our structured and multi-tiered training system supports all career stages from new hire onboarding to ongoing professional growth for every team member.

We believe our visionary and experienced management team, together with our talent development efforts, have been instrumental in our accomplishment and will continue to solidify our market position.

OUR GROWTH STRATEGIES

We intend to pursue the following key strategies to grow our business sustainably and maintain our market position.

Strengthen Research and Development in Power Amplifier Audio Chips

We plan to increase our research and development investments to drive continuous innovation in power amplifier audio chip technologies.

Building on our expertise in audio technology, we intend to expand our chip product portfolio with high-performance, compact, highly integrated, and cost-effective audio chip solutions. These will feature advanced capabilities in sound optimization and signal processing. We are also closely monitoring emerging industry opportunities and proactively making preparations in relevant technologies. For example, with our accumulated haptic driver technology, we plan to develop haptic driver solutions compatible with humanoid robots and VR/AR devices.

To enhance our technological competitiveness and accelerate the commercialization of our innovations, we plan to establish a dedicated research and development platform focused on power amplifier audio chips. Our key initiatives include:

- **Establishing a new research and development center in the Yangtze River Delta**, a region known for its deep talent pool and robust supply chain ecosystem. This strategic location is expected to support faster iteration cycles and foster localized innovation in chip design.
- **Constructing an automotive-grade laboratory** equipped with advanced automated test analytics and reliability validation systems, including but not limited to automotive-compliant ATE engineering platforms, Scanning Electron Microscopes (SEM), Transmission Electron Microscopes (TEM) and Highly Accelerated Stress Test (HAST) equipment. This integrated infrastructure will ensure our power amplifier audio chips meet the most stringent automotive reliability standards, including AEC-Q100 compliance, while guaranteeing performance integrity under extreme operating conditions.
- **Expanding our research and development team** by recruiting experienced professionals, including chip design engineers, chip testing engineers, algorithm engineers, and senior technical experts. We believe this would directly strengthen our innovation capacity in areas such as chip design, system architecture, and signal processing.
- **Engaging in strategic partnerships** with wafer foundries and chip packaging and testing providers, and developing tailor-made process to optimize efficiency.
- **Investing in critical design infrastructure**, including EDA software tools and intellectual property licenses to empower our engineers with the tools needed to efficiently design and simulate next-generation chips. In addition, we will establish deep collaborations with upstream wafer factories and OSAT partners to develop tailored customer-owned-technology process solutions, jointly optimizing performance and cost.
- **Upgrading our hardware infrastructure with enterprise-grade servers** to better support research and development of power amplifier audio chip features.

Diversify Product Portfolio and Broaden Customer Base in Key Application Scenarios

We intend to further expand our product portfolio in chips, emphasizing on high efficiency and multi-functional integration to meet diversified market demands from entry-level to flagship applications. We will strategically launch a differentiated product line integrating spatial audio processing, studio-grade DAC implementations (>130dB signal-to-noise ratio), and next-generation AI PC audio codecs with hardware-accelerated neural processing engines, and deepen our presence in various application scenarios. Additionally, we are in the process of developing Specific Absorption Rate (SAR) sensors that can detect human exposure levels to electromagnetic fields from smart devices and autonomously adjusts output power to maintain compliance with safety thresholds. and serve as key components for enhancing electromagnetic safety and user experience in smartphones, smart wearables, and other devices.

Our early involvement in scenario-specific product development enables us to collaborate closely with our industry customers. Specifically, we intend to broaden our product portfolio for the following application scenarios:

- **Consumer electronics**: We plan to offer multi-chip solutions, such as through a combination of algorithm, audio, haptic and SAR sensor chips, to enhance the value of our consumer electronics solutions. We intend to further increase our market share in the applications for smartphones, smart displays, and smart wearables, through the development of next-generation power amplifier audio chip products.
  - We are developing next-generation SoundWire audio codecs to serve the evolving AI and personal computer markets.
  - We continuously evolve the architecture of next-generation portable audio SoCs through enhancements to our existing FS15, FS18, and FS19 series, delivering higher integration and ultra-low power optimizations.

  - For the emerging VR/AR market, we are advancing our latest algorithm-integrated power amplifier audio chips with key customers in China.
  - In the professional audio market, we are in the process of developing higher-power, high-performance audio products for premium and flagship products and applications.

- **Intelligent Vehicles**: We plan to commercialize more automotive-grade chips. We plan to further the implementation of audio chips in in-car voice interaction and automotive safety systems, develop multi-channel audio processing chips to improve intelligent cabin experience. We are in the process of developing higher-power automotive-grade power amplifier audio chips, leveraging our robust algorithm development and sound tuning capabilities to strengthen collaborative alliances with our customers. We are also in the process of accelerating automotive certification for haptic feedback solutions to expand our market share.

- **Robotics**: Our core products, power amplifier audio chips, placed us at the forefront of perception and processing capabilities, particularly in voice interaction. As smart robots continue to evolve through multiple generations, language-based interaction is expected to catalyze the demand of audio processing capabilities. We intend to leverage our accumulated expertise in power amplifier audio chips to expand our offerings for smart robot interactions. We believe that advancing robotics technology will significantly enhance entertainment capabilities, creating substantial application opportunities for our products. We have no current secured orders from the robotics. However, our mid/high-power audio chip series, the FS21, has successfully completed technical feasibility verification. We are now advancing engagements with potential customers, including well-known robotics companies in China.

Build an ATE Testing Platform to Strengthen Supply Chain Stability

To further strengthen our operational resilience and reinforce our position in the industry value chain, we plan to build an ATE testing platform. This initiative is aimed at optimizing our supply chain, improving cost efficiency, enhancing product quality control, reducing reliance on third-party testing providers, and ensuring timely delivery to customers across regions. Key components of this initiative include:

- **Establishing an in-house ATE verification line** for semiconductor product testing. This will allow us to identify and resolve quality issues earlier in the production cycle, improving yield rates and reducing rework costs.

- **Recruiting and training specialized ATE engineers and operators** to build a strong internal testing team. This talent investment will ensure we maintain rigorous testing standards and can satisfy the automotive-grade certification of AEC-Q100.

- **Procuring automated testing equipment** to support the testing requirements of our chip products and ensure that their performances are compliant with automotive standards in all scenarios, particularly in light of our customized solutions tailored to meet diverse customer needs. This includes high-precision instruments capable of handling complex signal processing.

- **Enhancing supply chain visibility and control** by integrating the ATE platform into our broader operation systems. This will improve coordination with upstream and downstream partners and reduce lead times.

- **Supporting long-term scalability** by designing the platform to accommodate future product lines and testing needs.

We believe this investment will significantly enhance the stability, flexibility, and responsiveness of our supply chain, while also supporting our long-term growth and commitment to quality assurance.

Fortify Our Sales Network to Expand Global Reach

We strive to strengthen our overseas technical support and sales teams to expedite the penetration of our products in global markets, particularly in (1) the U.S., (2) Taiwan province, China and (3) South Korea, and deepen engagement with global customers. Our key initiatives include:

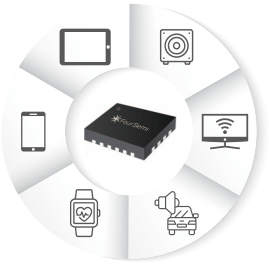
- **Establishing and expanding localized sales and technical service teams** in strategic markets such as (1) the U.S., (2) Taiwan province, China and (3) South Korea. They will enhance our ability to deliver timely, on-site support, shorten customer validation cycles, increase customers' stickiness and strengthen relationships with industry players. As of the Latest Practicable Date, we had already had over 50 million of overseas shipment of our products. We believe this strategy will serve our end overseas customers and strengthen our relationship with them.
- **Investing in marketing initiatives** tailored to the unique needs and preferences of specific customer. This includes localized campaigns designed to increase brand visibility and drive product adoption. We also plan to expand local distributor networks to reach more customers through local resources.
- **Introducing integrated solutions** that combine customized algorithms with our proprietary chips to meet the specific requirements of overseas customers. These offerings are designed to enhance customer stickiness and differentiate our value proposition.
- **Enhancing local talent capabilities** by recruiting, training, and supporting regional service teams. This investment will improve the overall customer experience and ensure consistent, high-quality service delivery.
- **Executing proactive branding and business development efforts**, including targeted marketing campaigns, participation in major industry conferences and exhibitions, and sponsorship of relevant competitions. We will also pursue industry-specific business development initiatives to capture emerging opportunities within key industry verticals.

Pursue Strategic Alliances, Investments and Acquisitions to Integrate Industry Resources

We intend to actively pursue strategic alliance, investment and acquisition opportunities in areas where we already established distinct advantages. Specifically, we aim to identify high-quality targets that offer strong synergy potential, particularly companies with complementary technologies or those that can help extend our market reach, including those specializing in sensor or signal-chain technologies such as haptic feedback algorithms. These investments are expected to enhance our technology capabilities, improve product yield rates and quality, and accelerate innovation. In evaluating our potential strategic partners or investment and acquisition targets, we would also take into account a number of factors, including but not limited to alignment with our strategic plan, synergy with our existing business, experience of the management team, valuation of the target, and their track record. As of the Latest Practicable Date, we had not identified any potential investment or acquisition targets.

OUR PRODUCT OFFERINGS

We have been dedicated to the development and design of power amplifier audio chips since our inception in 2016. Over the years, we have established a comprehensive portfolio of low-power audio chips, mid/high-power audio chips and haptic drivers, complemented with proprietary algorithms and customized application solutions enabling optimal chip performance. Our products have been widely adopted in downstream sectors with robust demand, such as smartphones, smart wearables, smart displays and automotive systems. As of December 31, 2024, we have launched over 120 products.



Leveraging our cumulative industry experience and profound customer insights, our offerings integrate our chip products with our complimentary services, primarily including our accompanying algorithms and tuning services. We believe the provision of the complimentary customized solutions is a natural extension of our core business, which also enables us to enhance customer experience, maintain our relationship with them and broaden our commercialization potentials. Complementary components to our products include our algorithms and application services.

- ***Algorithms***. We have developed complementary adaptive sound enhancement and speaker protection algorithms that dynamically adjust to diverse customer applications, including speaker protection, audio enhancement, and intelligent scene adaptation. These algorithms self-optimize and seamlessly accommodate varying speaker specifications across projects. See "—Our Core Technologies" for details.
- ***Application services***. We deliver customized audio tuning services that optimize acoustic performance through parameter optimization on demand to meet the unique requirements of certain customers for unique sound experience. This empowers our customers to define unique sonic signatures and establish distinctive audio identities for their devices.

Our Products

Our products primarily consist of power amplifier audio chips. Power amplifier chips are integrated circuit modules based on mixed-signal design that incorporate some, or all of the following characteristics, including built-in or externally paired audio algorithms, digital input interfaces and integrated sound processing modules. Power amplifier chips leverage power control algorithms and audio processing algorithms to efficiently process audio signals and optimize output performance. They deliver low power consumption, high integration density and capabilities for intelligent control, catering to customized requirements of downstream industries. Power amplifier chips have extensive applications (1) in consumer electronics and smart home devices including smartphones, tablets, smart wearables, smart displays, and smart speakers, and (2) in automotive systems such as automotive audio systems and displays. Our products are capable of processing in-cabin acoustic data including voice commands, infotainment system output, AVAS warning sounds, and T-BOX audio system communications but do not receive voice command inputs.

Our products include (1) low-power audio chips, comprising two major types, namely, adaptive power control audio chips and portable power amplifier audio chips; (2) mid/high-power audio chips; (3) haptic drivers; and (4) others, including power management chips. In 2024, we delivered more than 400 million power amplifier audio chips in China, and more than 450 million power amplifier audio chips globally, according to the F&S report.

The following table sets forth a breakdown of our revenue by product line for the years indicated.

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in thousands, except for percentages)									
							(unaudited)			
Low-power audio chips	126,370	97.0	140,645	93.5	322,908	90.9	260,760	90.3	255,455	91.0
— Adaptive power control audio chips	*82,529*	*63.3*	*104,379*	*69.5*	*172,329*	*48.5*	*146,073*	*50.6*	*144,997*	*51.6*
— Portable power amplifier audio chips	*43,841*	*33.6*	*36,266*	*24.1*	*150,579*	*42.4*	*114,687*	*39.7*	*110,458*	*39.3*
Mid/high-power audio chips	3,957	3.0	8,662	5.8	26,707	7.5	23,612	8.1	20,596	7.3
Haptic drivers	—	—	984	0.7	5,332	1.5	4,277	1.5	3,702	1.3
Others[(1)]	—	—	—	—	248	0.1	183	0.1	1,025	0.4
Total	**130,327**	**100.0**	**150,291**	**100.0**	**355,195**	**100.0**	**288,832**	**100.0**	**280,778**	**100.0**

(1) Others primarily represent power management chips.

The following table sets forth our sales volume and ASP information by product line for the years indicated.

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Sales volume	ASP	Sales volume	ASP	Sales volume	ASP	Sales volume	ASP	Sales volume	ASP
	(ASP in RMB; units in thousands for sales volume)									
Low-power audio chips	116,486	1.08	214,323	0.66	451,532	0.72	374,914	0.70	389,128	0.66
— Adaptive power control audio chips	*90,628*	*0.91*	*186,715*	*0.56*	*330,181*	*0.52*	*281,538*	*0.52*	*296,549*	*0.49*
— Portable power amplifier audio chips	*25,858*	*1.70*	*27,608*	*1.31*	*121,351*	*1.24*	*93,376*	*1.23*	*92,580*	*1.19*
Mid/high-power audio chips	1,771	2.23	3,266	2.65	11,739	2.28	10,708	2.21	9,964	2.07
Haptic drivers	—	—	1,006	0.98	5,845	0.91	4,678	0.91	4,173	0.89
Others[(1)]	—	—	—	—	1,026	0.24	726	0.26	1,866	0.55

(1) Others primarily represent power management chips.

See "Financial Information—Key Components of our Consolidated Statements of Profit or Loss—Revenue" for a discussion of the sales volume and ASP of our products.

For illustrative purposes, the following table sets forth the revenue attributable to different types of products during the Track Record Period.

	Year ended December 31,						Ten months ended October 31,	
	2022		2023		2024		2025	
	Amount (RMB in thousands)	Percentage (%)	Amount (RMB in thousands)	Percentage (%)	Amount (RMB in thousands)	Percentage (%)	Amount (RMB in thousands)	Percentage (%)
	(RMB in thousands, except for percentages)							
Product type								
Smartphone	110,759	85.0%	113,143	75.3%	212,583	59.8%	162,738	58.0%
Tablet	14,216	10.9%	14,759	9.8%	87,892	24.7%	82,926	29.5%
Speaker	336	0.3%	—	—	12,427	3.5%	11,896	4.2%
Television	2,897	2.2%	1,230	0.8%	9,992	2.8%	7,505	2.7%
Smartwatch	1,485	1.1%	3,109	2.1%	5,690	1.6%	6,495	2.3%
Vehicle	—	—	—	—	—	—	899	0.3%
PC	159	0.1%	585	0.4%	147	0.0%	80	0.0%
Camera	—	—	—	—	—	—	200	0.1%
Others	475	0.4%	17,465	11.6%	26,464	7.6%	8,039	2.9%
Revenue	**130,327**	**100.0%**	**150,291**	**100.0%**	**355,195**	**100.0%**	**280,778**	**100.0%**

(1): Others primarily includes projectors, dictionary pens, headphones and a small portion of revenue that cannot be accurately classified.

(2): Above are our estimates of our end customers intended applications based on the chip model's specifications. We have no control over, or knowledge of, how end customers ultimately apply these chips.

Low-power audio chips

Low-power audio chips are widely deployed in various consumer devices, including smartphones, tablets, and smart wearables, to maximize sound quality and volume within the constraints of compact speaker designs. These chips employ algorithms to precisely predict or measure a speaker's physical limits, such as real-time power, current/voltage, and voice coil temperature. Their internal signal processing units dynamically adjust output signals to operate the speaker at peak performance, achieving maximum output while preventing damage and ensuring reliability. Furthermore, integrated audio enhancement algorithms and scene-adaptive algorithms significantly elevate the overall audio performance of the host device. Compared to traditional audio systems operating on unidirectional open-loop principles without algorithms, power amplifier audio chips deliver substantially improved audio performance.

Our algorithms extract audio source features and apply machine learning models to form dynamic recognition of sound, enabling chips to automatically identify types of audio sources and eliminate distortion. The process involves real-time audio signal extraction of crucial data including timing and frequency of different audio types, distortion prediction, and dynamic adjustment of gain control or adaptive filtering to preserve clean signals. For instance, noise suppression enabled by our algorithm achieves the elimination of piano-induced distortion during audio playback. Piano signals exhibit highly concentrated signal frequency, making them particularly susceptible to distortion. Leveraging machine learning, our algorithm dynamically analyzes and learns the unique signal characteristics of piano tones. This enables proactive signal processing to identify and mitigate distortion before it occurs, ensuring pristine audio reproduction.

In 2017, we launched China's first ASIC DSP-integrated low-power audio chip product, offering audio processing and protection features. According to the F&S report, this launch effectively filled a critical gap within the domestic market. Our ASIC DSP-integrated products subsequently achieved mass production and were well-received by our customers, as indicated by our cumulative shipments exceeding 200 million units, as of the Latest Practicable Date.

Our low-power audio chips can be classified into two types based on their features, namely adaptive power control audio chips and portable power amplifier audio chips.

- Adaptive power control audio chips employ acoustic chamber structure modeling to analyze customer-specific designs. Their algorithms dynamically adjust input/output signals in real-time to match the acoustic environment, ensuring speakers operate optimally and safely. In addition, integrated audio enhancement algorithms and scene-adaptive algorithms maximize overall system sound quality. Our adaptive power control audio chips primarily serve smartphones, smart wearables, and tablets.
- Compared to the adaptive power control audio chip series, portable power amplifier audio chips incorporate current and voltage sensing. By monitoring speaker current and voltage data in real-time, portable power amplifier audio chips detect and controls the speaker with greater precision, establishing a complete closed-loop system. portable power amplifier audio chips typically deliver higher output power and enhanced analog performance, generally achieving superior audio effects. Our portable power amplifier audio chips primarily serve smartphones, smart wearables, and tablets.

Our adaptive power control audio chips focus on smart power control by dynamically adjusting input and output signals in real time using our algorithms to match acoustic environment. Our portable power amplifier audio chips focus on detecting speaker's current and voltage in real time using our algorithms to control power output. Our low-power audio chips deliver a blend of performance, efficiency, and adaptability across a wide range of applications. As of the Latest Practicable Date, we had three major low-power audio chip series, forming a robust portfolio that addresses diverse market segments. The following table sets forth their product types, features and applications.

Product series	Product types	Features	Applications
FS19	Portable power amplifier audio chips	FS19 targets premium devices with intelligent multi-level boost control, dynamic power rail switching, and ultra-low noise, ensuring high output with real-time speaker protection.	Smartphones, tablets, and wearables
FS18	Adaptive power control audio chips and portable power amplifier audio chips	FS18 balances performance and cost with dual-input flexibility and integrated protection algorithms, ideal for mainstream devices.	Smartphones, tablets, wearables and VR/AR devices
FS15	Adaptive power control audio chips	FS15 offers compact, energy-efficient solutions with unique features like 90° audio channel flipping and non-destructive speaker diagnostics, making it well-suited for space-constrained, multi-speaker products.	Smartphones and wearables

After introducing the first ASIC DSP chip FS1601U in 2017, we continuously iterate and diversify our portable power amplifier audio chips and extended our product offering with adaptive power control audio chips. Below is a detailed timeline of the development of our representative portable power amplifier audio chip products.

Year of commercialization	Product series	Major Improvement/diversification
2017	FS1601U	We launched our first portable power amplifier audio chip product with a voltage boost of 6.0V-9.6V and a chip size of 2.8mm × 2.8mm.
2018	FS1601SU	We increased the maximum voltage boost to 10.0V and achieved a chip size of 2.78mm × 2.78mm.
2019	FS1894 series	We upgraded the FS16 series to a chip size of 2.77mm × 2.77mm using 180nm BCD process technology.
2020	FS1818U	We developed a miniature portable power amplifier audio chip with DSP and a body size of 1.58mm × 1.98mm.
2022	FS1945 series	We introduced our first portable power amplifier audio chip product utilizing 90nm BCD process technology.
2024	FS1999F	We upgraded the FS1894 series as our first portable power amplifier audio chip product implementing 65nm BCD process technology.
Ongoing development .	FS1987U	We are refining achieved product series by continuously reducing its chip size, targeting higher output power and lower noise floor and introducing more advanced process technology.

We are committed to continuously developing our adaptive power control audio chip products. Below is a detailed timeline of the development of our representative adaptive power control audio chip products:

Year of commercialization	Product series	Major improvement/diversification
2019	SPC1910	We launched our first adaptive power control audio chip product
2023	FS1815CN	We introduced our first adaptive power control audio chip product utilizing 65nm BCD process technology.
2024	FS1816N	We reduced the noise floor of the FS1815CN from 10.0μV to 1.0μV.
2025	FS1800N	We developed an innovative dual-channel stereo output solution by combining two FS1815CN chips to achieve higher performance and a smaller body size.

Mid/high-power audio chips

Mid/high-power audio chips, including automotive-grade power amplifier audio chips, amplify and drive audio signals with output power exceeding 10W. They convert audio signals into high-power output to drive speakers by controlling audio processing algorithms, such as dynamic range enhancement, power optimization, and thermal protection, thereby addressing core requirements including high-fidelity playback, low distortion, and high-volume output. They can optimize energy efficiency while maintaining signal integrity across more rigorous operating conditions compared with portable power amplifier audio chips and adaptive power control audio chips, for applications in smart displays, soundbars, speakers and automotive systems. Our product design prioritizes heat dissipation and electromagnetic interference mitigation to ensure sustained performance in compact, power-dense environments. We have significant competitive edge and market presence in certain applications, for instance, we ranked first in the power amplifier audio chip market for use in smart displays in China by delivering more than 10 million chips in 2024, capturing a market share of approximately 23.6%, according to the F&S report.

Our algorithms are implemented to process audio signals, and are optimized for higher power applications. The chips dynamically recognize and classify audio sources, apply distortion suppression through gain control and adaptive filtering, and use the syncing of sound waves for smooth transitions in high-energy audio scenarios due to higher risk of distortion.

We launched China's first mid-power amplifier audio chip, FS2119, in 2021. According to the F&S report, this significant development marks a milestone in breaking the long-standing foreign dominance in this segment and addressed a critical gap in the domestic market. The FS2119 series has since achieved mass production and has been widely adopted in multiple branded televisions and audio systems.

Automotive-grade power amplifier audio chip product series

Automotive-grade power amplifier audio chips are specialized high-power amplification integrated circuits engineered for vehicular operating environments. Within intelligent vehicles, these chips are extensively deployed in intelligent cabins, in-vehicle entertainment systems, AVAS and T-BOX. Automotive-grade power amplifier audio chips require exceptional reliability, fault tolerance, and operational stability, typically requiring AEC-Q100 product certification to satisfy rigorous and demanding automotive environment.

We introduced China's first automotive-grade power amplifier audio chip, the FS5024E, in 2023, which successfully passed AEC-Q100 certification. This series features higher output power and flexibly configurable 2/4-channel output, specifically engineered for demanding vehicular applications. Our automotive-grade products automatically detects the electrical load and irregularities experienced by the chip without external components and is compliant with automotive-grade testing standards.

Specifically, our automotive-grade product series, namely the FS50 series, integrates spread-spectrum technology to minimize electromagnetic interference for reliable performance in automotive electromagnetic environments and simplified EMC compliance, featuring a proprietary low-power, low-noise architecture. Their adaptive thermal management system maintains critical audio output during overheating through intelligent power regulation, ensuring both safety and uninterrupted user experience. For instance, our FS5024E products deliver robust operational stability within the critical automotive temperature range of -40°C to +125°C. Our FS5024E products also feature intelligent thermal protection that dynamically reduces gain during overheating, ensuring continuous audio output and a seamless user experience. Additionally, our FS5024E products introduce low-power and low-noise architecture that delivers superior acoustic clarity in demanding automotive environments.

As of the Latest Practicable Date, we had three major mid/high-power audio chip series, establishing a comprehensive suite targeting multiple industries, such as consumer electronics and intelligent vehicles. The following table sets forth their features and applications.

Product series	Features	Applications
FS21	FS21 utilizes integrated audio processing modules for dynamic range control, intelligent bass enhancement, automatic power and volume control, targeting broad consumer and industrial use cases requiring flexible power and EMI performance.	Tablets, televisions, smart displays, personal computers, and professional audio equipment
FS20	FS20 targets professional audio systems requiring clean, high-output performance with flexible input options.	Audio equipment
FS50	FS50 is designed for high-power, low-noise, and thermally resilient automotive in-cabin audio systems. It features a custom temperature protection algorithm tailored for automotive environments subject to AEC-Q100 certification requirements.	Automotive systems

We expanded our product offerings to support application scenarios with higher output demand. Our mid/high-power audio chip include our automotive-grade power amplifier audio chip products, which are designed for high-output and high-performance scenarios. Below is a detailed timeline of the development of our major mid/high-power audio chip products.

Year of commercialization	Product series	Major improvement/diversification
2021	FS2105E	We launched our first mid/high-power audio chip product.
2023	FS5024E (automotive-grade)	We launched our first automotive-grade power amplifier audio chip product.
2024	FS2104E, FS2103E	We added stereo intelligent bass enhancement technology, and added feature supporting external adaptive mode to reduce power consumption.
2025	FS2180N	We decreased chip size from 9.4mm × 4.4mm to 4.0mm × 3.5mm.
Ongoing development .	FS5010E (automotive-grade)	We plan to diversify Class AB chip product.
	FS5024LE (automotive-grade)	We plan to launch higher performance/price ratio version of FS5024E.

Haptic drivers

Our haptic drivers are chips deployed in smartphones, smart wearables, tablets and portable gaming consoles that operates in reaction to user inputs. When the user operates the device, the haptic driver receives electrical signal inputs including the user's pressing speed and force amplitude and determines the necessary reaction to the user input and converts signal to drive the motor coils which vibrates to return a tactile sensation using our algorithms, enhancing user-device interaction. We integrated technologies including temperature detection, over current protection, short-circuit protection and LRA drive (a drive that uses audio-like waveforms to generate vibration in sync with sound) and diagnostics to protect the motor coil for the longevity of the device. They are integrated into devices such as smartphones, smart wearables, tablets and gaming accessories, enhancing user interactions through context-specific vibrational responses aligned with system inputs. Our haptic drivers can enhance tactile feedback in gaming and other interactive application scenarios through intelligent haptic algorithms and motor protection features. They deploy real-time monitoring, calibration, and rapid-response technology to maintain optimal motor performance and deliver consistent, precise vibration feedback. In addition, haptic drivers are also being integrated into automotive systems, with progressive adoption across the industry, according to the F&S report. In 2024, we delivered more than five million haptic drivers, and ranked fourth in the China haptic driver market in terms of total shipment volume, according to the same source.

To maintain optimal motor performance, our haptic algorithms deploy real-time technologies including (1) LRA consistency calibration, which ensures precise feedback generation while synchronizing with signals; (2) adaptive power amplification that dynamically scales output based on real-time haptic signal analysis to deliver contextually appropriate feedback; (3) auto-brake engines that continuously calculate motor movement to regulate force output with millisecond precision; (4) F0 detection and tracking for continuous input signal analysis to enable frequency-responsive haptic effects; (5) comprehensive overcurrent and overtemperature protection systems that monitor motor voltage parameters and thermal conditions to prevent electrical faults; and (6) impedance sensing technology that dynamically modulates motor resistance to simulate realistic tactile interactions. This integrated suite of technologies ensures reliable, high-fidelity haptic performance across all operating conditions.

As of the Latest Practicable Date, our haptic driver product series, FS30, has been widely adopted in smartphones, smart wearables, tablets and gaming accessories. Our haptic driver series feature, among others, the followings:

- automatically detects motor resonance frequency and precisely matches motor characteristics;
- intelligent start-stop technology with activation/deactivation response;
- ultra-low power architecture featuring 1mA static current consumption;
- adaptive low-voltage algorithm enabling operation in UVLO conditions via low-voltage mode; and
- multi-mode haptic feedback supporting conditional storage, and real-time operation scenarios.

We expanded our product offerings to haptic drivers to allow haptic feedback to enhance user-device interaction. The following table sets forth a detailed timeline of the development of our haptic driver products.

Year of commercialization	Product series	Major improvement/diversification
2023	FS3001U	We launched our first haptic driver product.
2025	FS3002N, FS3003U	We upgraded FS3001U, increased maximum voltage boost from 5.5V to 11.0V, added feature supporting lower working voltage.

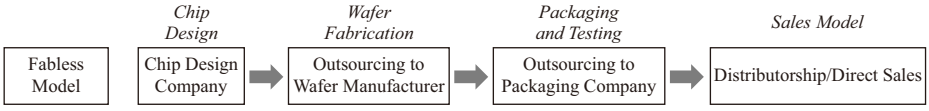
Power management chips

We integrate multiple power management modules for our power amplifier audio chip products. Leveraging our technical reserve to develop standalone power solutions, we have expanded our product portfolio for key applications including smartphones, smart wearables, and tablets. We primarily offer power management chips to our customers as complementary to our power amplifier audio chips for application in smartphones.

OUR BUSINESS MODEL

We operate under the fabless model and focus on the design of chips. We outsource wafer fabrication and chip packaging and testing activities for mass production to third-party business partners. By concentrating our resources on product design and R&D processes, we can swiftly respond to evolving market demands and continuously innovate our product offerings. According to the F&S report, the fabless business model is consistent with the increasing trend of specialized division of labor within the semiconductor industry, allowing fabless companies to focus attention and resources on design and R&D.

The following diagram illustrates our fabless business model.



Commercialization

We primarily engaged in the design and development of semiconductor chips. Our Directors are of the view that, and as advised by Frost & Sullivan, all of our products fall within an acceptable sector of a Specialist Technology Industry as defined under Chapter 18C of the Listing Rules, namely paragraph (b) of the "Advanced hardware and software—Semiconductors" sector as set forth under Chapter 2.5 of the Guide, as we are engaged in the research and development, logic and physical design, validation and verification of our power amplifier audio chips, haptic drivers and power management chips, which are all semiconductor chips. We have adopted a transaction-based model for the sales of our products.

We integrate advanced technology directly into each of our Specialist Technology Products to deliver core functionalities and performance enhancements. This actively applies sophisticated audio processing techniques to digital and analog signals, significantly improving processing efficiency and output accuracy through the use of custom DSP chips (ASIC DSP), high-performance audio converters (DACs and ADCs), and advanced pulse-width modulation (PWM). Furthermore, optimization technology is deployed to actively enhance audio output quality, achieving improvements in clarity, noise suppression, and resistance to electronic interference by utilizing wide frequency response capabilities, dynamic range enhancement ultra-efficient DC-DC power design, and spread-spectrum techniques. Advanced speaker protection algorithms continuously monitor critical speaker operating parameters such as temperature, voltage, and current while simultaneously minimizing power consumption; these algorithms incorporate amplifier protection controls, power management routines, peak current control, ultra-low power circuitry, and predictive temperature modeling. Finally, integrated fault detection technology automatically identifies failures within audio components, including chips and speakers, thereby increasing both the speed and reliability diagnostic process.

Our customers include distributors and direct sales customers, including manufacturers for smartphones, tablets, smart wearables, smart displays and intelligent vehicles. We primarily take into account the product differentiation and the competitive landscape of a particular market such as the pricing of our major competitors in that market in our pricing strategy. We have also adopted tiered pricing strategies based on our product's competitiveness, procurement amount and relationship with specific customers, taking into consideration base factors such as the cost incurred.

The following table illustrates our commercialization timeline, demonstrating our ability to develop and market new products on a continuous basis.

Year	Commercialization
2017	We generated revenue from our low-power audio chips, establishing our market presence
2021	We generated revenue from our mid/high power amplifier audio chips, expanding into premium audio segments
2023	We generated revenue from our haptic drivers, enabling haptic feedback applications
2024	We generated revenue from our automotive-grade power amplifier audio chips, entering into a new industry
	We generated revenue from our power management chips, further strengthening our ecosystem

The following table illustrates our milestone for technology advancement achieved and the respective product(s), demonstrating our ability to advancing technological development on a continuous basis.

Year of commercialization	Product series	Representative Core technologies
2017.	FS1601U	Industry first integration of ASIC DSP algorithms with PA hardware technology and first-generation audio processing and protection algorithms, along with intelligent speaker protection algorithms, enable real-time monitoring of speaker membrane excursion and voice coil temperature.
2018.	FS1601SU	First-generation dynamic range enhancement technology, enables the speaker to monitor output signal amplitude in real time based on power supply voltage levels, dynamically optimizing noise suppression while achieving a signal-to-noise ratio (SNR) of 105dB.

Year of commercialization	Product series	Representative Core technologies
2019.	FS1894U	Second-generation audio processing and protection algorithms, combined with intelligent speaker protection algorithms, enable multi-level (16-step) adaptive boosting, delivering significantly more precise power output.
2021.	FS2105E	First-generation audio processing and protection algorithms implemented in mid-power amplifier audio chips, delivering enhanced performance and reliability.
2022.	FS1945F, FS1815GN, FS1816N, FS2180N	Third-generation intelligent speaker protection algorithm, which includes (1) wider-range multi-level (256-step) adaptive boosting; (2) an optimized DC-DC converter that converts unregulated DC input voltage into stable output voltage required by downstream components.
		Second-generation dynamic range enhancement technology, features increased maximum output power, further reduced noise floor, and improved SNR up to 114dB.
2023.	FS3001U	The ASIC DSP technology, implemented in haptic drivers, with expanded ASIC DSP algorithms tailored to vibration frequency, amplitude, and braking response scenarios.
2024.	FS1999F	Fourth-generation intelligent amplifier protection control circuit and algorithm, including: (1) Brownout Prevention Engine to prevent operational abnormalities or damage to electronic devices caused by instantaneous voltage drops; (2) optimized voltage and power sensors.
2025.	FS1985U	Third-generation wide-frequency response technology, achieves a flatter frequency response within +/– 0.1dB across the full audible spectrum (20Hz-20kHz).
		Third-generation dynamic range enhancement technology, supports higher output power through increased rated voltage.

Our product and technological evolution has enabled us to develop a broader and more advanced portfolio of product models, allowing us to target larger markets. Since our inception, iterative product enhancements have expanded our application reach from mobile phones to a full range of consumer electronics, including smartphones, tablets, wearable devices such as smartwatches and smart glasses, and further into NEVs and IoT applications including smart home displays and speakers. Moreover, the diversification of our chip types allows us to increase sales revenue per end unit.

For our low-power audio chips, our initial products, the FS1601 and FS1601 SU series, were adopted in a limited number of mobile phone models. In 2019, the introduction of the FS1894 series enabled us to expand into the tablet market. The subsequent launch of the FS1818 U in 2020 further extended our reach into the wearable devices market. Since 2019, our adaptive power control audio chip has significantly broadened compatibility with a wider range of smartphone models. Additionally, our FS1945 series, FS1999 F, and the upcoming FS1987 U continue to drive expansion into more smartphone and tablet models.

For our mid/high-power audio chips, in 2021, we developed and launched the FS2015 E series, successfully entering the smart display and speaker markets, complementing our presence in consumer electronics. Our automotive-grade audio chip, one of the first in China to be AEC-Q100 certified, addressed a gap in the automotive market.

For our haptic drivers, in 2023, we expanded beyond audio chips to introduce haptic feedback solutions with the FS3001 U series, and are currently developing the FS3002 N and FS3003 U series. This diversification allows us to increase revenue per end device. For instance, in addition to audio chips, we have achieved synergistic sales of audio and haptic driver chips in end customers for use in smartphones, tablets, and smartwatches.

OUR CORE TECHNOLOGIES

The power amplifier audio chip industry is characterized by rapid technological evolution and intense market competition. Leveraging our strong R&D capabilities, we continuously launch new products while necessitating sustained R&D investments to drive innovation, advancing manufacturing processes, and meeting market demands efficiently. The following paragraphs set forth the details of our core technologies.

Audio Processing and Protection Algorithms

We have established three core algorithm series with respect to audio, namely speaker protection, audio enhancement, and intelligent scene adaptation. These algorithms can be flexibly deployed across diverse application environments and scenarios on end-user devices. They are also compatible with major mobile platforms including Qualcomm, MediaTek, and Unisoc, supporting operating systems such as Android, Linux, and Windows, according to the F&S report. In 2024, over 200 million mobile devices integrated our audio algorithms, according to the same source.

By way of illustration, for instance, in micro-speaker systems where piano tones frequently cause distortions and artifacts, we developed a specialized algorithm that actively identifies piano sounds during audio playback. Through on-chip real-time signal processing, it is able to substantially reduce distortion at the hardware level. Separately, for high-altitude environments where atmospheric pressure induces speaker parameter drift, which could lead to performance anomalies, we engineered an adaptive altitude compensation algorithm. This solution continuously tracks parameter variations and dynamically adjusts operational states, assuring speaker longevity under extreme conditions.

ASIC DSP Technology

Our ASIC DSP architecture enables efficient hardware implementation of algorithms, significantly boosting operational efficiency while reducing power consumption.

The I^2S input, control, and output interface are used for audio signal transmission. Other key components include ADC (analog-to-digital conversion), DAC (digital-to-analog conversion), and envelope tracking boost (adaptive inductive boost for amplified audio output power) are for signal conversion and amplification. Protection mechanisms such as OVP (over-voltage protection), OCP (over-current protection), UVP (under-voltage protection), and LDO (low-dropout regulator) are deployed to safeguard speaker functionality. The processed audio signal then passes through a Noise Gate to eliminate residual noise before final output.

In ASIC DSP technology, we pioneered hardware-implemented PA algorithms, which is the first among power amplifier audio chip providers in China, according to the F&S report. Compared to traditional open-sourced DSP architectures, our ASIC approach delivers lower power consumption, reduced latency, and smaller die size. Our proprietary ASIC DSP architecture is wholly-built upon our self-owned intellectual property rights, simultaneously reducing costs and strengthening supply chain stability. In our flagship ASIC DSP product FS1601, the die size is over 30.0% smaller, and digital power consumption is nearly 50% less than comparable solutions, according to the F&S report. As of the Latest Practicable Date, over 200 million units of our ASIC DSP-enabled power amplifier audio chips had been shipped, according to the same source.

Wide Frequency Response Technology

Our wide frequency response analog circuit architecture delivers an optimized frequency response curve, achieving a flatter profile within +/- 0.1dB and premium linearity performance better than 0.02% within the entire audible frequency band from 20Hz to 20kHz. This advancement significantly enhances bass and treble performance, ensuring superior audio clarity and depth across a broad range of applications, including ultra-sonic sensing in smartphones.

Dynamic Range Enhancement Technology

Dynamic range enhancement technology enables audio amplifiers to monitor output signal amplitude in real time based on supply voltage levels. By dynamically optimizing noise suppression, it achieves an expanded dynamic range and signal-to-noise ratio better than 117dB. This technology ensures superior audio fidelity and delivering enhanced performance across varying power conditions.

Amplifier Protection Control Circuits and Algorithms

Amplifier protection control circuits and algorithms integrate advanced real-time monitoring and protection mechanisms into audio amplifier systems to ensure optimal performance, reliability, and longevity. This technology employs intelligent circuits and adaptive algorithms to continuously track critical parameters such as temperature, current, voltage, and load impedance. By dynamically adjusting operational thresholds and mitigating risks like overheating, overcurrent, or short circuits, it safeguards both the amplifier and connected audio components (e.g., speakers) from damage under extreme conditions.

Power Consumption Reduction Algorithm

Designed to address the challenges of shrinking battery space in many compact devices such as smartphones and smart wearables, our power consumption reduction algorithm optimizes power consumption by dynamically adjusting energy usage without compromising audio quality, it extends battery life while maintaining consistent acoustic performance.

Ultra-low-power Circuits

Ultra-low-power circuits minimizes energy consumption in audio amplifier systems while maintaining robust performance, enabling extended battery life and sustainable operation in power-constrained environments.

Peak Current Control Technology

We have introduced peak current control technology to mitigate sudden high-current spikes triggered during the concurrent activation of multiple audio amplifiers which may result in unexpected shutdowns or operational failures that impair user experience. This technology adaptively regulates the minimum voltage drop under fluctuating battery states, ensuring consistent device functionality while optimizing output efficiency. By dynamically adjusting power distribution, the technology sustains stable operational performance, prevents interruptions, and strengthens system reliability across diverse application scenarios.

Temperature Prediction Technology

Traditional digital audio amplifiers employ current and voltage ("**I/V**") detection interfaces to monitor real-time speaker coil temperatures, mitigating overheating risks. However, these solutions impose higher costs relative to analog amplifiers lacking I/V detection capabilities. To resolve this trade-off, we pioneer a proprietary temperature prediction technology based on advanced feedforward modeling. By integrating this innovation into analog amplifiers without I/V interfaces, the technology ensures robust speaker protection by maintaining safe operating temperatures. This breakthrough eliminates reliance on costly digital components while delivering equivalent reliability, offering a cost-effective and scalable solution for audio systems.

Ultra-High-Efficiency DC-DC Design

A DC-DC converter (Direct Current to Direct Current converter) is a power management integrated circuit that transforms unregulated direct current input voltage into a stabilized, higher or lower output voltage required by downstream components. The DC-DC converter serves as a critical power conversion subsystem within audio systems. It efficiently converts the lithium-ion battery voltage from portable devices (e.g., smartphones, tablets) into the required voltage rails for the audio amplifier.

This converter dynamically adjusts its boost level and operating modes in response to real-time audio volume demands. Its conversion efficiency minimizes power losses while sustaining high peak output power. This results in extended standby time for end-user devices.

Integrated Audio Component Fault Detection Technology

This technology integrates a master control module, driver module, multi-channel current sampling/comparison modules, detection signal generation module, and intelligent algorithms into a unified system, addressing the challenge of detecting operational anomalies in audio components. It automates the entire process, from signal generation and collection to data comparison and result output, achieving fully integrated fault detection. This innovation significantly enhances the speed and reliability of audio component diagnostics.

High-Performance Audio DACs and ADCs

This technology encompasses cutting-edge DACs and ADCs engineered to deliver ultra-precise signal conversion for high-fidelity audio reproduction and capture. The DACs transform digital audio signals into analog outputs with advanced clarity, while the ADCs accurately digitize analog inputs, preserving nuanced details across the entire audio spectrum.

This technology powers premium consumer audio devices, such as smartphones, wireless headphones, and home theater systems, while also enhancing professional audio equipment like studio interfaces and mixing consoles. Automotive infotainment systems leverage these components to deliver studio-grade sound quality for critical applications, including music streaming, voice assistant integration, and immersive surround-sound experiences.

RESEARCH AND DEVELOPMENT

Through years of R&D efforts, we have built expertise in the field of power amplifier audio chips and haptic drivers. We continuously expand our product portfolio, updating existing products and introducing cost-effective new solutions to enhance competitiveness. By intensifying R&D commitments, accelerating market response times, and enhancing operational efficiency, we aim to solidify and extend our competitive edge in the industry.

We have been committed to investing into our R&D talents and initiatives. During the Track Record Period, our research and development costs were RMB48.7 million, RMB59.3 million, RMB68.1 million, RMB55.1 million and RMB55.7 million in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively, representing 57.7%, 60.2%, 62.7%, 61.9% and 53.0% of our total operating expenditure in the same periods, respectively.

We have not in-licensed any material intellectual property rights or outsourced any material research and development processes to third parties. During the Track Record Period and up to the Latest Practicable Date, we performed all material R&D of our products in house. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material legal claims or proceedings that may have an influence on the research and development of our products.

Our Research and Development Team and Core Member

We had assembled a research and development team consisting of 91 members, accounting for 61.1% of our workforce, as of the Latest Practicable Date. We have 50, 64, 67 and 83 research and development personnel, accounted for 50.5%, 54.7%, 57.3% and 61.0% of our total workforce as of December 31, 2022, 2023, 2024 and October 31, 2025, respectively. Core members of our R&D team bring extensive experience from globally leading semiconductor companies, including Texas Instruments and NXP Semiconductors, averaging over 20 years of IC design expertise. They possess an international industry perspective, profound chip design capabilities, and deep technical R&D backgrounds, having pioneered multiple China-first chip products that break technological monopolies,

according to the F&S report. Our dedicated and experienced R&D team is led by Mr. QIAN Shun, who possesses nearly two decades of profound industry experience. The following table sets forth the details of our core research and development members.

Profile of Our Core Research and Development Members

QIAN Shun

Mr. QIAN Shun is our executive Director, vice president and Chief Technology Officer. He holds a bachelor's degree in Electronics Engineering from Southeast University and a master's degree of Engineering (Circuit and System) from Shanghai Jiao Tong University. He joined our Company in 2018 and worked as a key contributor on the architecting and designing of various innovative and successful audio products. Since 2022, he has served as our Chief Technology Officer and managed the R&D initiatives. He is responsible for technology strategy planning, collaboration, communication, R&D team management, talent building and key product development. He has also contributed to the design and application of multiple core patents held by us, including DC-DC converters for power amplifier audio chips and haptics drivers. Prior to joining us in 2018, he worked at several leading semiconductor companies including Texas Instruments Semiconductor Technologies (Shanghai) Co., Ltd., a subsidiary under Texas Instruments Incorporated, whose shares are listed on the NASDAQ Stock Market (stock symbol: TXN).

LIU Baoliang

Mr. LIU Baoliang is our co-founder, executive Director, vice president and director of algorithm applications. He co-founded our Company in 2016 and is the director of algorithm applications and leads the development of our chip software drivers and algorithms. He holds a bachelor's degree in electronics and information technology from China University in Mining and Technology. He participated in the design of several invention patents, including method for mobile phone speaker for testing and tracking, speaker fault detection circuit and method, speaker short-circuit/open-circuit detection method and speaker fault detection system, speaker resonance frequency detection method and device, speaker fault detection system. Prior to joining our Company, Mr. LIU Baoliang worked at NXP Semiconductors (Shanghai) Co., Ltd., a subsidiary under NXP Semiconductors N.V., whose shares are listed on the NASDAQ Stock Market (stock symbol: NXPI), and Integrated Device Technology (Shanghai) Co., Ltd. (currently known as Renesas Integrated Circuit (Shanghai) Co., Ltd.).

ZHU Huaping

Mr. ZHU Huaping is an assistant vice president of our R&D department. He holds a bachelor's degree in industrial automation from Harbin Engineering University and a master's degree in engineering (microelectronics and solid-state electronics) from Shanghai Jiao Tong University. Prior to joining our Company in 2018, he has worked at several leading semiconductor companies, including STMicroelectronics, whose shares are listed on, among others, the New York Stock Exchange (stock symbol: STM), and Integrated Device Technology (Shanghai) Co., Ltd. (currently known as Renesas Integrated Circuit (Shanghai) Co., Ltd.). With over two decades of industry experience in chip design, he has been a key contributor to the development of low-power audio chips and mid/high-power audio chips and has contributed to the development of our FS19, FS21 and FS50 series. He has also contributed to the design and application of multiple core patents held by us, including speaker fault detection circuit and method, speaker short-circuit/open-circuit detection method and speaker fault detection system, and speaker resonance frequency detection method and device, speaker fault detection system.

HE Xiuan

Mr. HE Xiuan is an assistant vice president of our R&D department and is responsible for digital IC development. He holds a master's degree in engineering (circuits and systems) from Shanghai Jiao Tong University. He has joined us since 2016. With over 20 years of experience in chip design, he has

worked at several leading semiconductor companies prior to joining us, including NXP Semiconductors (Shanghai) Co., Ltd., a subsidiary under NXP Semiconductors N.V., whose shares are listed on the NASDAQ Stock Market (stock symbol: NXPI). He established our digital audio IC design team and participated in the design and application of several core patents held by us, including intelligent audio effect amplifier chip and intelligent audio effect switching method, digital amplifier chip with DC protection function and its DC protection method, and variable-frequency automatic gain control device suitable for intelligent amplifier chips.

YANG Xiaoming

Mr. YANG Xiaoming is an assistant vice president of our R&D department. He holds a bachelor's degree in computer science and technology from Shandong University of Technology. With nearly 20 years of experience in the semiconductor industry, he has worked at several leading semiconductor companies prior to joining us, including Qualcomm Incorporated, whose shares are listed on the NASDAQ Stock Market (stock symbol: QCOM). He founded our software driver team and is responsible for software driver development and algorithm design. He also participated in the drafting and application of several core patents held by us, including intelligent audio effect amplifier chip and intelligent audio effect switching method, multi-channel seamless switching method and speaker fault detection circuit and method.

SHI Hongxiao

SHI Hongxiao is a senior design director in our R&D department. As a core technical personnel, he has led the design and development of several industry-leading power amplifier audio chips, automotive-grade power amplifier audio chips and haptic drivers. He holds a bachelor's degree in electronic engineering and a master's degree in information and communication engineering, both from Shanghai Jiao Tong University. He has participated in the drafting and filing of several invention patents, including linear resonant actuator resonance frequency detection method and system and LRA drive pulse waveform design method based on Kaiser window. SHI Hongxiao has over ten years of experience in the chip design industry and previously worked at a leading semiconductor company prior to joining us, including Texas Instruments Semiconductor Technologies (Shanghai) Co., Ltd., a subsidiary under Texas Instruments Incorporated, whose shares are listed on the NASDAQ Stock Market (stock symbol: TXN).

LIU Yanhai

Mr. LIU Yanhai is the director of analog design in our R&D department. He holds a bachelor's degree in semiconductor physics and devices and a master's degree in microelectronics and solid-state electronics from Southeast University. He has over 20 years of experience in chip design and has worked at several leading semiconductor companies, including Integrated Device Technology (Shanghai) Co., Ltd. (currently known as Renesas Integrated Circuit (Shanghai) Co., Ltd.). He has played a pivotal role in the development of power amplifier audio chips and haptic drivers and has contributed to the development of our FS19 and FS30 series. He also participated in the design and application of a number of our core patents, including adaptive control device and method for boost circuits, adaptive boost circuit device suitable for digital audio chips, and linear resonant actuator resonance frequency detection method and system.

We retain key management and technical staff with competitive remuneration packages, welfare benefits and share-based incentivizing arrangements. We also invest in training programs to upskill our key management and technical staff. We also recruit candidates with relevant knowledge and skills by online recruitment, internal referrals and employment agencies, among others, to avoid the negative impact that could be caused by the departure of any key staff. In addition, we maintain effective measures and arrangements to address the departure of key management or technical personnel, ensuring operational continuity and safeguarding intellectual property. We require all key staff to provide at least 30 days' prior written notice of resignation, including reasons for departure. Upon receiving notice, we proactively initiate good-faith negotiations to address the departing employee's

concerns, which may include competitive counter-offers encompassing compensation adjustments, role modifications, or other feasible arrangements. Designated colleagues may also engage with the resigning staff member to reinforce the organization's value proposition and explore potential retention solutions. We retain exclusive ownership of all intellectual property developed by employees, as explicitly stipulated within their executed employment agreements. Furthermore, key personnel must maintain strict confidentiality regarding proprietary information indefinitely following their departure, in accordance with binding confidentiality undertakings. Additionally, standardized non-compete clauses are imposed to restrict key staff from joining competitors or engaging in conflicting activities for a prescribed period post-employment. Collectively, these measures are aimed to reduce the likelihood of departure among our key personnel and the potential adverse impact on our operations.

The salient terms of the agreements with our management and technical staff are set out below.

- *No conflict.* During the employment, the employee shall not engage in any other job, whether full-time or part-time, without our written consent.
- *Non-competition.* We have the right to unilaterally initiate a non-competition period of up to two years following the termination of employment. During the term of employment and the non-competition period initiated by us, the employee shall not engage in any competitive behavior.
- *Non-solicitation.* During the employment and for two years thereafter, the employee shall not, directly or indirectly, solicit or attempt to solicit our current and former employees to leave their employment or solicit or otherwise influence our relationships with our customers or suppliers.
- *Inventions arrangement.* We own all rights, titles and interests (including patent rights, copyrights, trade secret rights and all other intellectual property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), designs, know-how, ideas and information made, conceived or reduced to practice, in whole or in part, by the employee during the term of the employment contract to the fullest extent allowed by applicable laws, and the employee shall promptly disclose all inventions to us.
- *Proprietary information arrangement.* All inventions and all other business, technical and financial information (including, without limitation, the identity of and information relating to customers or employees) the employee develops, learns or obtains during the term of the employment contract that relate to us or our business or demonstrably anticipated business, or that are developed in whole or in part during the employment or using our equipment, supplies, facilities or confidential information, or that are received by or for us in confidence, constitute proprietary information. The employee shall hold in confidence and not disclose or, except within the scope of the employment, use any proprietary information. The employee shall maintain confidentiality obligations indefinitely after the expiration or termination of employment until we declares such information declassified or that such information becomes publicly available. The expiration or termination of the employment agreement shall not release employees from the continued confidentiality obligations.

Our Research and Development Process

Our research and development process involves a framework in which factors such as customers demand, feasibility analysis, technology developments and application scenarios are taken into consideration. We have established a comprehensive process to ensure strict control and oversight of our R&D activities. Our R&D process primarily encompasses the key steps of (1) project initiation, (2) design, (3) verification and (4) pre-mass production, after which we proceed with mass production conducted through trusted third parties.

- At the project initiation stage, we conduct a comprehensive evaluation of new project feasibility from market, technical, operational and financial perspectives. We consider wafer fabrication processes, packaging requirements, and cost parameters, refine product specifications and perform IP searches and analysis to assess potential risks.
- At the design stage, our R&D personnel proceed with chip design which involves technical process node selection, cost-benefit analysis, competitive benchmarking, system architecture design, algorithm development and optimization, analog and digital circuit design and simulation, and physical implementation and verification. At this stage, we focus on optimizing product performance and quality and achieving innovation and improving our product to meet technical and market demands.
- At the verification stage, our supply chain personnel coordinate with the wafer foundry and packaging service providers to produce chip samples. Once the samples are produced, they will go through functional and performance validation to ensure alignment with design expectations. Our personnel will evaluate product's manufacturability and compliance with production requirements.
- Before entering the mass production stage, we provide ongoing technical support and optimization, as well as managing quality control. We also develop specific application solutions aligned with the product characteristics. The product transitions to full-scale mass production only after it is confirmed that the product meets customer needs and the application solutions receive formal customer approval.

Our Pipeline Research and Development Projects

The following sets forth our general plan to continue to advance our technology development:

- **Next-generation low-power audio chips:** continuing our technological iterations based on the existing FS15, FS18, and FS19 series to expand our low-power audio chip product portfolio. We are advancing technological iterations of our existing FS15, FS18, and FS19 series by developing higher-voltage PA models, specifically the 12V-rated FS1985 series and 15V-rated FS1986 series. These iterations enable increased output power beyond our current 6.5V–10V portfolio, allowing us to address broader portable audio applications and expand into new end-product categories requiring enhanced performance.
- **Haptic drivers:** expanding the product lineup beyond the current FS3001 series to provide more solution options for our customers that will be deployed in intelligent cabins. We are expanding our FS3001 series through high-voltage adaptive boost models (FS3002 and FS3003 series). This technological evolution extends our haptic solutions beyond smartphones, smartwatches, and gaming devices into automotive smart cabins, positioning us to capture opportunities in next-generation vehicle human-machine interfaces.
- **Automotive-grade power amplifier audio chips:** building on the FS5024 (Class D) series to develop additional variants, including Class AB audio chips and higher-rated voltage models to meet the rising voltage requirements of renewable energy vehicle infotainment systems. Building on our FS5024 series, we are developing two variants: the FS5024LE model for broader vehicle compatibility and the new Class AB audio chip FS5010 series. These iterations directly address rising voltage requirements in renewable energy vehicle infotainment systems and diversify our product coverage across automotive segments.
- **New products:** developing SAR sensor chips, which are used to measure the distance with human bodies and the electromagnetic energy absorption ratio in smart portable devices such as smartphones to ensure electromagnetic safety. We believe SAR sensors are transitioning from optional to standard components in smartphones and other smart devices, creating a vast market opportunity. We are developing SAR sensor chips to measure human proximity

and electromagnetic absorption ratios in smart portable devices. This initiative targets the transition of SAR sensors from optional to increasingly mandatory components in consumer electronics, establishing our entry into the expanding electromagnetic safety market.

INTELLECTUAL PROPERTY RIGHTS

We believe that our intellectual property rights are critical to our continued success. We have taken the following key measures to protect our intellectual property rights, including (1) establishing a set of internal policies to implement effective management over our intellectual property rights, (2) timely registration, filing and application for the ownership of our intellectual properties, (3) providing trainings to enhance employees' intellectual property right awareness and to ensure our intellectual property protection measures' long-term effectiveness, (4) stipulating and emphasizing the ownership and protection of intellectual properties in the employment agreements and employee handbook.

As of the Latest Practicable Date, we had 32, two and one registered patents in China, the U.S. and Europe, respectively, including 32 invention patents and three utility model patents, and filed 21 patent applications in China and one patent applications in the U.S. which were pending approval. All of our patents are self-owned and not licensed by third-parties.

Examples of patents held by us in connection with our core technologies which we consider to be material to our business include the following:

Patent name	Place of registration	Patent number	Core technology	Major function
Method for Calibrating Speaker Impedance Mismatch (校準喇叭非一致性阻抗的方法)	China	ZL201610626083.4	Temperature Prediction Technology	Provides a method for calibrating speaker impedance variations, enabling accurate measurement of each speaker's coil DC resistance during production. This calibration facilitates dynamic monitoring of coil temperature.
Integrated Device and Method for Micro-Speaker Control and Temperature Measurement (微型揚聲器控制測溫整合裝置及方法)	China	ZL201711080667.7	Amplifier Protection Control Circuits and Algorithms	Provides an integrated control and temperature measurement solution for micro-speakers, precisely measuring coil temperature without compromising audio quality.
Intelligent Audio Effect Amplifier Chip and Intelligent Audio Effect Switching Method (智能音效功放芯片及智能音效切換方法)	China	ZL201711117196.2	High-Performance Audio DACs and ADCs	Enables millisecond-level lossless switching of scene-specific audio effects by pre-storing multiple effect parameter sets in amplifier chip registers, reducing audible artifacts and driver damage risks.
Digital Amplifier Chip with DC Protection Function and Its DC Protection Method (具有直流保護功能的數字功放芯片及其直流保護方法)	China	ZL201811032992.0	Peak Current Control Technology	Addresses limitations in existing digital amplifier chips' data stream processing by optimizing architecture to implement DC protection, safeguarding diaphragms and preventing thermal damage from DC-induced temperature rise.
Adaptive Boost Circuit Device Suitable for Digital Audio Chips (一種適用於數字音頻芯片的自適應Boost電路裝置)	China	ZL201811072193.6	Wide Frequency Response Technology	Provides an adaptive Boost circuit solution for digital audio chips, enhancing power efficiency while preserving audio quality. Controls voltage transition processes to reduce Boost output ripple and improve EMI performance.
Variable-Frequency Automatic Gain Control Device Suitable for Intelligent Amplifier Chips (一種適用於智能功放芯片的變頻自動增益控制裝置)	China	ZL201811257389.2	High-efficiency PWM Modulation	Provides a variable-frequency automatic gain control (AGC) device for smart amplifier chips. It determines whether fast response is required to select the main clock source, reducing power consumption while meeting speaker safety and audio quality requirements, thereby protecting speaker power handling.

Patent name	Place of registration	Patent number	Core technology	Major function
Method for Mobile Phone Speaker f0 Testing and Tracking (一種手機喇叭f0測試和跟踪方法)	China	ZL202010186763.5	Amplifier Protection Control Circuits and Algorithms	Applied in speaker technology, this multi-mode intelligent switching (monitoring/rapid search/precision search) BPF algorithm dynamically optimizes the speed, accuracy, and power consumption balance of speaker f0 testing under streamlined hardware conditions.
Doubler Charge Pump (一種雙倍電荷泵)	China	ZL202010207163.2	Ultra-low-power Circuits	Provides an area-efficient doubler charge pump achieving 20%-60% area reduction compared to conventional designs.
Multi-Channel Seamless Switching Method (多聲道無縫切換方法)	China	ZL202110626730.2	High-Performance Audio DACs and ADCs	Provides a multi-channel seamless switching method. By implementing crossfade algorithms in the chip's input data interface module, it achieves uninterrupted left/right channel switching without output signal interruption.
Adaptive Control Device and Method for Boost Circuits (升壓電路的自適應控制裝置及控制方法)	China	ZL202110727733.5	Amplifier Protection Control Circuits and Algorithms	Provides an adaptive control device and method for boost circuits, enabling dynamic tracking of boost voltage to audio signals. This improves power efficiency while reducing output voltage ripple and mitigating electromagnetic interference (EMI).
Speaker Fault Detection Circuit and Method, Electronic Device (揚聲器故障檢測電路及方法、電子設備)	China	ZL202410176567.8	Integrated Audio Component Fault Detection Technology	Discloses a speaker fault detection circuit, method, and electronic device for accurate and rapid malfunction diagnosis, resolving reliability issues in speaker failure detection results.
Speaker Short-Circuit/Open-Circuit Detection Method and Speaker Fault Detection System (揚聲器短路開路檢測方法和揚聲器故障檢測系統)	China	ZL202410176565.9	Integrated Audio Component Fault Detection Technology	Reveals a speaker short-circuit/open-circuit detection method and fault detection system, delivering a streamlined approach to detect speaker shorts/opens and enhance end-product safety.
Speaker Resonance Frequency Detection Method and Device, Speaker Fault Detection System (揚聲器諧振頻率檢測方法及裝置、揚聲器故障檢測系統)	China	ZL202410176566.3	Integrated Audio Component Fault Detection Technology	Provides a speaker resonance frequency detection method, device, and fault detection system to reduce implementation costs for resonance frequency detection in speaker diagnostic systems.

As advised by our PRC Legal Advisor, pursuant to the Patent Law of the PRC (中華人民共和國專利法), an invention patent registered in China is valid for a term of 20 years from the date of filing of the application for the patent, a utility model patent registered in China is valid for a term of ten years from the date of filing of the application for the patent, and since June 1, 2021, a design patent registered in China is valid for a term of 15 years from the date of filing of the application for the patent if the date of filing is on or after June 1, 2021. Despite our precautions, however, third parties may obtain and use our intellectual property without our consent. Unauthorized use of our intellectual property by third parties and the expenses incurred in protecting our intellectual property rights from such unauthorized use may adversely affect our business and results of operations. See "Risk Factors—Risks Relating to the Research and Development and Intellectual Property Rights of Our Products."

SALES AND MARKETING

Our Sales Network

During the Track Record Period, we sold our products in mainland China and Hong Kong. One of our customers in Hong Kong is a subsidiary of one of the largest consumer electronics multinational corporations headquartered in South Korea. We sold our products primarily through distributors, and, to a much lesser extent, through direct sales. The following table sets forth a breakdown of our revenue by distribution channels for the periods indicated.

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in thousands, except for percentages)									
							(unaudited)			
Distributorship	125,249	96.1	129,558	86.2	324,632	91.4	266,526	92.3%	239,251	85.2%
Direct sales	5,078	3.9	20,733	13.8	30,563	8.6	22,306	7.7%	41,527	14.8%
Total	**130,327**	**100.0**	**150,291**	**100.0**	**355,195**	**100.0**	**288,832**	**100.0%**	**280,778**	**100.0%**

We develop new customers by focusing on specific application scenarios. Our customer acquisition process typically involves four key stages: initial engagement, technical sample validation, small-batch trial supply, and volume production. For most customers, particularly those requiring highly customized products, we generally adopt a distributorship model where we directly engage with the end customers for technical discussions, sample supply and validation, and negotiation of commercial terms such as volume and pricing. Upon confirming customer requirements, we, in consultation with the end customer, supply our products through a distributor. In other cases, we may supply our products to distributors where the end customer typically requests standard, mature product models that require minimal customization and thus do not entail significant customization costs.

The following sets out the rationale for each sales model. A distributor may be engaged for the following reasons:

- ***Delivery efficiency.*** Distributors bridge the operational gap between our long production cycle and our end customers' dynamic, multi-regional production needs. Distributors purchase in more predictable quantities and maintain localized inventory, enabling flexible and timely deliveries.

- ***Credit risk management.*** Distributors assume the credit risk for sales to end customers, allowing us to avoid credit risk exposure and reducing the administrative burden of credit control and collection. Our payment terms with distributors, typically requiring prepayment or offering only short credit periods, also ensure stable and predictable cash flow.

- ***Operational efficiency.*** Distributors manage high-volume order processing (invoicing, reconciliation, packing, shipping) and routine after-sales inquiries, tasks that would otherwise require a substantial customer service team. This allows us to focus our resources on research and development.

The primary functions of our distributors vary depending on the profile of the end customer. For major brand customers, distributors primarily handle logistics and payment settlement on our behalf, which enhances delivery efficiency, reduces our sales-related operational expenses, and shortens our collection cycle. For small and medium-sized brand customers, distributors additionally assist in market promotion by introducing our products and facilitating order acquisition, thereby expanding market coverage.

For direct sales, we fulfill orders directly to the customer following the same initial engagement, technical validation and trial supply process. We engage directly with certain end customers for the following reasons:

- ***Strategic relationship building.*** Direct engagement allows us to build deeper relationships with major industry players, which supports long-term collaboration and helps us stay abreast of evolving market trends.
- ***Technical collaboration.*** Direct interaction with end customers' technical teams enables us to better understand their specific requirements, adapt our algorithms and optimize product performance.
- ***Cross-selling opportunities.*** Our established direct relationships in the smartphone industry, for example, enabled us to successfully cross-sell our haptic driver chips to key accounts following their 2023 launch.
- ***Expansion into new applications.*** When entering new sectors such as the automotive industry, we directly target potential customers and adapt our solutions to their specific requirements throughout the technical validation phase.

Our product requires our sales force to possess domain-specific competencies. We prioritize this requirement during recruitment, for example, by requiring our sales personnel to have relevant academic backgrounds, such as in electronics. We provide regular training sessions to maintain our sales team's technical proficiency and require them to participate in technical discussions alongside engineers to deepen their understanding of our products. To encourage and incentivize our sales force, we have implemented a compensation structure combines a fixed salary with performance-based assessments and special incentives.

Sales through distributors (代理商)

We have adopted a distributorship model for the majority of our sales. The following table sets forth the key metrics of our distributors for the periods indicated.

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
Number of distributors at the beginning of the year/period	5	11	9	9	13
Number of new distributors	7	2	4	4	2
Number of exiting distributors	1	4	0	0	4
Number of distributors at the end of the year/period	11	9	13	13	11
Number of transactions with distributors	580	828	1,607	752	1,389
Average distributor value[(1)] (RMB in thousands)	10,437	14,395	24,972	20,502	21,750
Average transaction value of distributors[(2)] (RMB in thousands)	216	156	202	354	172
Distributor retention rate[(3)]	80.0%	63.6%	100.0%	100.0%	84.6%
Net dollar retention rate of distributors[(4)]	110.7%	99.1%	224.1%	219.0%	85.8%

(1) Calculated by dividing the revenue generated from distributorship in a given year/period by the number of distributors who purchased our products in the same year/period.

(2) Calculated by dividing the revenue generated from distributorship in a given year/period by the number of transactions by our distributors in the same year/period.

(3) Calculated by dividing the number of distributors of both current and previous periods by the number of distributors of the previous period, multiplied by 100%.

(4) Calculated by dividing the revenue of a current period from distributors of both current and previous periods by the revenue of the previous period of such distributors, multiplied by 100%.

According to the F&S report, given the large number of distributors in the market which are often tied to specific end customers and geographic regions, the number of distributors engaged by chip providers may vary year-to-year based on sales conditions. Our average distributor value increased during the Track Record Period as we expanded our business. We recorded a decrease in the average transaction value of distributors in 2023 as the number of transactions outpaced the increase in revenue which is not indicative of our business performance or relationship with the distributors.

Our historical sales through distributors were generally recurring, except for circumstances where we terminated our relationship with certain distributors. During the Track Record Period and up to the Latest Practicable Date, we did not experience material breach of distribution agreements that had a significant impact on our business, nor did we have any material disputes with or experience any material return or exchange of products from our distributors that had a material adverse effect on our business.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our distributors were independent third parties. To the best of our knowledge, except for the business relationship with us pursuant to the distribution arrangements, there is no other relationship between the distributors and each of our Company, our subsidiaries, our Shareholders who own 5% or more of our total issued Shares, Directors or senior management or any of their respective associates.

Principal terms of distribution agreements

We typically enter into distribution agreements with our distributors. The following paragraphs set forth a summary of the salient terms of our arrangements with distributors.

- ***Term***. The term of the distribution agreement is typically one to two years. Upon expiration of the prior term, we will renegotiate with distributors.
- ***Payment term***. We generally require prepayments from our distributors before delivery, while we may grant credit term to certain distributors with good credit profile and/or collaborative relationship with us, with a credit term of typically two months.
- ***Sales amount and sales target***. The distributors confirm the purchase amount with us in written purchase orders specifying product model, specifications, quantity and total amount. We do not set sales target for distributors.
- ***Sub-distribution***. Our distributors are not allowed to sub-distribute our products to other parties without our prior consent.
- ***Return and exchange***. We allow returns and/or exchanges only under limited circumstances as specified in the agreement. We may allow return and/or exchange and bear associated transportation costs upon distributors' timely notification of any discrepancy in product specifications, or compromised packaging rendering products commercially unusable at delivery, or quality defects verified by a mutually recognized third-party inspection agency.

Distributor management

We have implemented certain measures to monitor and manage our distributors, including those on distributor selection, distributor training, authorized scope on geographical territories and product lines, restrictions on transfer, IP protection and measures on competition.

- ***Distributor selection measures and criteria***. We adopt a multi-stage distributor selection process to ensure that they align with our strategic objectives and comply with certain industry standards. We first identify potential distributors based on operational requirements, including technical capabilities, cost efficiency and quality benchmarks, followed by a review of technical, commercial, and quality documentation.
- ***Authorized scope on geographical territories and product lines***. We unequivocally define each distributors' permitted geographic territories and product lines in contractual agreements, and distributors are not allowed to conduct business beyond the scope.
- ***Transfer restrictions***. We prohibit distributors from transferring, assigning, or delegating distribution rights to third parties without our prior written consent.
- ***IP protection.*** We refrain distributors from reproducing and modifying our products, as well as reverse-engineering or infringing our intellectual property.
- ***Measures on competition.*** We restrict distributors from representing competing or substantially similar products, or disclosing our product information or technical specifications to our competitors.

Direct sales

We sell directly to certain end customers to a lesser extent. The following table sets forth key metrics of our direct sale customers for the periods indicated.

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
Number of direct sale customers	2	2	3	3	4
Number of new direct sale customers	2	0	1	1	1
Number of transactions with direct sale customers	28	112	149	97	264
Average direct sale customer value[(1)] (RMB in thousands)	2,539	10,366	10,188	7,436	10,382
Average transaction value of direct sale customers[(2)] (RMB in thousands)	181	185	205	230	157
Direct sale customer retention rate[(3)]	—	100.0%	100.0%	100.0%	100.0%
Net dollar retention rate of direct sale customers[(4)]	—	408.3%	121.7%	95.5%	145.2%

(1) Calculated by dividing the revenue generated from direct sales in a given year/period by the number of direct sale customers who purchased our products in the same year/period.

(2) Calculated by dividing the revenue generated from direct sales in a given year/period by the number of transactions by our direct sales customers in the same year/period.

(3) Calculated by dividing the number of direct sale customers of both current and previous periods by the number of direct sale customers of the previous period, multiplied by 100%.

(4) Calculated by dividing the revenue of a current period from direct sale customers of both current and previous periods by the revenue of the previous period of such direct sale customers, multiplied by 100%.

We typically enter into purchase and sales agreements with certain of our customers through direct sales. Salient terms of our arrangements for direct sales includes: (1) price shall be negotiated in good faith and shall not increase unless mutually agreed, (2) buyers shall pay the undisputed amount typically within 45 to 90 days, (3) we are contractually obligated to fulfill product supply in quantities specified under purchase orders, with formal order acknowledgment issued within five business days of receipt, (4) products shall be packed and marked so as to reasonably ensure that the products reach our customers in a secure fashion, or otherwise instructed or requested by our customers, and (5) licensed software is strictly operated within authorized scopes, while open-source software deployment remains expressly prohibited without prior written customer approval.

Marketing

We have adopted a systematic marketing strategy. In the product planning and development process, we communicate with our customers on a continuous basis to identify their needs and pain points. This enables us to address challenges involved in the product design. Upon successful tape-out of new products, we conduct targeted promotions to highlight product features, with a specific emphasis on demonstrating how these features resolve identified customer pain points. We also provide training programs for our sales and marketing personnel on product features, including cost structure, target applications, software integration and advantages over legacy products.

We employ multiple marketing approaches, primarily including on-site visits, telemarketing, client referrals, and participation in competitive bidding processes. We also engage with the technical and project personnel of our customers to ensure seamless collaboration and enhance customer relationship. During such process, we identify and address evolving customer needs and pain points, which provides critical insights to support our new product development while simultaneously enhancing customer stickiness.

We have established sales and marketing team in South Korea and China. As of October 31, 2025, our sales and marketing team consisted of 26 members. We solicit regular feedback from our customers to assess our sales and marketing team's responsiveness and technical capabilities.

To further enhance our visibility and customer engagement, we actively share updates through our official communication channels, including our websites and social media accounts. These platforms serve as key tools to demonstrate the capabilities of our products, share technical insights, and build connections with our end customers.

CUSTOMERS

Our customers include distributors and direct sales customers, including manufacturers for mobile phones, tablets, wearables, televisions, automotive electronics and vehicles. In 2022, 2023, 2024 and the ten months ended October 31, 2025, revenue generated from our top five customers for each period during the Track Record Period accounted for 93.0%, 78.6%, 83.0% and 88.2% of our total revenue of such period, respectively, and revenue generated from our largest customer for each period during the Track Record Period accounted for 32.7%, 23.7%, 30.3% and 30.5% of our total revenue in the same periods, respectively. We typically settle payments with our top five customers by bank transfer.

The following tables set forth the details of the five largest customers in each year during the Track Record Period.

Customer	Revenue amount	Percentage of revenue contribution	Commencement of collaboration	Credit period	Customer background	Products provided by us
	(RMB in thousands)	*(%)*				
For the year ended December 31, 2022						
Customer A . . .	42,552	32.7	2022	Prepayment/ 60 days	A group distributing semiconductor and other consumer products	Low-power audio chips
Customer B . . .	29,726	22.8	2018	60 days	A group distributing electronic and semiconductor products	Low-power audio chips
Customer C . . .	25,924	19.9	2021	Prepayment	A group distributing semiconductor products	Low-power audio chips and mid/high-power audio chips
Customer D . . .	14,984	11.5	2019	60 days	A group distributing electronic products, sensors, and chips	Low-power audio chips and mid/high-power audio chips
Customer E . . .	7,998	6.1	2021	Prepayment	A group distributing semiconductor products	Low-power audio chips
Total	**121,184**	**93.0**				

Customer	Revenue amount	Percentage of revenue contribution	Commencement of collaboration	Credit period	Customer background	Products provided by us
	(RMB in thousands)	*(%)*				
For the year ended December 31, 2023						
Customer A . . .	35,618	23.7	2022	Prepayment/ 60 days	A group distributing semiconductor and other consumer products	Low-power audio chips
Customer F . . .	23,341	15.5	2022	60 days	A group distributing chips, computer hardware, and software	Low-power audio chips and haptic drivers
Customer D . . .	21,369	14.2	2019	60 days	A group distributing electronic products, sensors, and chips	Low-power audio chips and mid/high-power audio chips,
Customer B . . .	20,655	13.7	2018	60 days	A group distributing electronic and semiconductor products	Low-power audio chips
Customer E . . .	17,274	11.5	2021	Prepayment	A group distributing semiconductor products	Low-power audio chips, mid/high-power audio chips and haptic drivers
Total	**118,257**	**78.6**				

Customer	Revenue amount	Percentage of revenue contribution	Commencement of collaboration	Credit period	Customer background	Products provided by us
	(RMB in thousands)	*(%)*				
For the year ended December 31, 2024						
Customer D . . .	107,685	30.3	2019	60 days	A group distributing electronic products, sensors, and chips	Low-power audio chips, mid/high-power audio chips and haptic drivers
Customer E . . .	67,442	19.0	2021	Prepayment	A group distributing semiconductor products	Low-power audio chips and mid/high-power audio chips
Customer G . . .	66,342	18.7	2023	Prepayment/ 60 days	A group distributing electronic products and chips	Low-power audio chips and haptic drivers
Customer F . . .	29,206	8.2	2022	60 days	A group distributing chips, computer hardware, and software	Low-power audio chips and haptic drivers
Customer B . . .	24,253	6.8	2018	60 days	A group distributing electronic and semiconductor products	Low-power audio chips and haptic drivers
Total	**294,928**	**83.0**				

Customer	Revenue amount	Percentage of revenue contribution	Commencement of collaboration	Credit period	Customer background	Products provided by us
	(RMB in thousands)	*(%)*				
For the ten months ended October 31, 2025						
Customer D . . .	85,586	30.5	2022	Prepayment	A group distributing chips and electronic products	Low-power audio chips, mid/high-power audio chips and haptic drivers
Customer H . . .	72,594	25.9	2019	60 days	A group distributing electronic products, sensors, and chips	Low-power audio chips, mid/high-power audio chips and haptic drivers
Customer E . . .	40,245	14.3	2021	Prepayment	A group distributing semiconductor products	Low-power audio chips and mid/high-power audio chips
Customer F . . .	27,714	9.9	2022	60 days	A group distributing chips, computer hardware, and software	Low-power audio chips and haptic drivers
Customer I	21,359	7.6	2022	60 days	A group manufacturing electronic products	Low-power audio chips
Total	**247,498**	**88.2**				

— Customer A is a group distributing semiconductor products and other consumer products. Customer A is located in Hong Kong.

— Customer B is a group distributing semiconductor products and other electronic products. Customer B is located in Suzhou with a registered capital of RMB6.3 million.

— Customer C is a group distributing semiconductor products and product customization services. Customer C is located in Shanghai with a registered capital of USD1.0 million.

— Customer D is a group distributing semiconductor products and other electronic products. Customer D is located in Shenzhen with a registered capital of RMB5.0 million.

— Customer E is a group distributing semiconductor products. Customer E is located in Shanghai.

— Customer F is a group distributing semiconductor products and provides research and development supports. Customer F is located in Shenzhen with a registered capital of RMB5.0 million.

— Customer G is a group distributing semiconductor products and other electronic products. Customer G is located in Shenzhen with a registered capital of RMB21.4 million.

— Customer H is a group distributing chips and electronics. Customer H is located in Zhangzhou, Fujian, with a registered capital of RMB218.3 million.

— Customer I is a group manufacturing electronic products. Customer I is located in Hong Kong and was founded in 1988, and is a subsidiary of one of the largest consumer electronics multinational corporations headquartered in South Korea.

To the best of our knowledge, all of our five largest customers in each year during the Track Record Period were independent third parties and except for the sales of chips disclosed in this prospectus, there are no past or present relationships, including without limitation, business, employment, family, trust, financing, shareholding or otherwise between our Company and the said customers, their respective shareholders, directors or senior management, or any of their respective associates. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of our Directors owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year/period during the Track Record Period.

Concentration with major customers

During the Track Record Period, we primarily sold our products to our five largest customers, which are distributors based in China. We have commenced our business relationship with each of them from two to seven years. According to Frost & Sullivan, it is in line with industry practice for fabless chip design companies to distribute their products through distributors to manage the credit period, logistics and market promotions.

In 2022, 2023, 2024 and the ten months ended October 31, 2025, our revenue from our largest five customers were RMB121.2 million, RMB118.3 million, RMB294.9 million and RMB247.5 million, respectively, representing 93.0%, 78.6%, 83.0% and 88.2%, respectively, of our total revenue for the same periods.

We have continued to expand our sales network to reach out to more customers and deployed different marketing strategies to enlarge our customer base. We also believe that our products are customized for specific customer segments which has increased customer stickiness. Our Directors are of the view that our relationship with our largest five customers is unlikely to materially and adversely change or terminate because we have maintained a long-term and stable business relationship with them. In the unlikely event that our relationship is terminated, interrupted or modified in any way adverse to us, there may be material interruptions to our operations and business. See "Risk Factor—Risks Relating to Our General Operations and Industry—If we fail to attract new customers and/or retain existing customers, our business, financial conditions and results of operation may be adversely affected."

SUPPLIERS

Our Procurement Model and Management

Under our fabless model, we outsource wafer fabrication, chip packaging and all testing activities for mass production to third-party business partners. Our primary procurement include (1) wafers from wafer foundry located in China, Japan and South Korea, and (2) chip packaging and testing services located in China. To a much lesser extent, we also procure certain equipment, such as testing equipment, and research materials, as well as other services that facilitate the design of our products, such as tape-out and multi-project wafer services.

We have established a procurement team to arrange and place orders for our major procurements. For the procurement of wafers and chip packaging and testing services, we also involve our vice president of operations in making final procurement decisions and our engineering department to evaluate the procurement from technical perspectives, to ensure our procurement can meet the needs of our business operations and align with our strategic objectives.

We have adopted a prudent approach to process selection, which prioritizes mature process, to optimize the cost structure of our products. We have also implemented systematic supplier management procedures. We generally procure from top suppliers in relevant categories to ensure that they can address our and our customers' requirements, prioritizing procurement from suppliers located in China. We will evaluate supplier candidates based on their technical standards and on-site review results, with which we are able to maintain a list of qualified suppliers.

Major Suppliers

Our suppliers primarily consist of (1) foundries and (2) chip packaging and testing service providers. In 2022, 2023, 2024 and the ten months ended October 31, 2025, purchases from our top five suppliers for each period during the Track Record Period accounted for 89.1%, 91.9%, 93.9% and 93.5% of our total purchase amount of such period, respectively, and the purchase from our largest supplier for each period during the Track Record Period accounted for 31.5%, 62.0%, 52.7% and 33.7% of our total purchase amount in the same periods, respectively. We typically settle payments with our top five suppliers by bank transfer.

The following tables set forth the details of our top five suppliers in each year during the Track Record Period.

Supplier	Purchase amount	Percentage of purchase contribution	Commencement of collaboration	Payment term	Supplier background	Products and/or services purchased
	(RMB in thousands)	*(%)*				
For the year ended December 31, 2022						
Supplier A . .	52,103	31.5	2020	30 days	A company specializes in IC foundry services and semiconductor manufacturing	Wafer
Supplier B . .	51,458	31.1	2016	Prepayment	A company specializes in IC foundry services and chip design services	Wafer
Supplier C . .	17,440	10.5	2022	Prepayment	A company that specializes in IC foundry services and testing equipment rental services	Wafer
Supplier D . .	15,777	9.5	2020	30 days	A company that specializes in chip packaging and testing services	IC packaging and testing services
Supplier E . .	10,636	6.4	2019	30 days	A company that provides semiconductor research and development services and technical support	IC packaging and testing services
Total.	**147,414**	**89.1**				

Supplier	Purchase amount	Percentage of purchase contribution	Commencement of collaboration	Payment term	Supplier background	Products and/or services purchased
	(RMB in thousands)	*(%)*				
For the year ended December 31, 2023						
Supplier A . .	89,557	62.0	2020	30 days	A company specializes in IC foundry services and semiconductor manufacturing	Wafer
Supplier E . .	13,935	9.6	2019	30 days	A company that provides semiconductor research and development services and technical support	IC packaging and testing services
Supplier D . .	13,234	9.2	2020	30 days	A company that specializes in chip packaging and testing services	IC packaging and testing services
Supplier F. . .	10,622	7.3	2022	30 days	A company that provides research and development services and IC foundry services	IC packaging and testing services
Supplier B . .	5,463	3.8	2016	Prepayment	A company specializes in IC foundry services and chip design services	Wafer
Total.	**132,811**	**91.9**				

Supplier	Purchase amount	Percentage of purchase contribution	Commencement of collaboration	Payment term	Supplier background	Products and/or services purchased
	(RMB in thousands)	*(%)*				
For the year ended December 31, 2024						
Supplier A . .	183,545	52.7	2020	30 days	A company specializes in IC foundry services and semiconductor manufacturing	Wafer
Supplier F. . .	47,532	13.6	2022	30 days	A company that provides research and development services and IC foundry services	IC packaging and testing services
Supplier G . .	47,264	13.6	2023	30 days	A company that specializes in IC foundry services and provides research and development platforms	Wafer
Supplier E . .	38,646	11.1	2019	30 days	A company that provides semiconductor research and development services and technical support	IC packaging and testing services
Supplier D . .	10,180	2.9	2020	30 days	A company that specializes in chip packaging and testing services	IC packaging and testing services
Total.	**327,167**	**93.9**				

Supplier	Purchase amount	Percentage of purchase contribution	Commencement of collaboration	Payment term	Supplier background	Products and/or services purchased
	(RMB in thousands)	*(%)*				
For the ten months ended October 31, 2025						
Supplier G . .	79,638	33.7	2023	30 days	A company that specializes in IC foundry services and provides research and development platforms	Wafer
Supplier A . .	71,103	30.1	2020	30 days	A company specializes in IC foundry services and semiconductor manufacturing	Wafer
Supplier E . .	34,502	14.6	2019	30 days	A company that provides semiconductor research and development services and technical support	IC packaging and testing services
Supplier F. . .	24,202	10.3	2022	30 days	A company that provides research and development services and IC foundry services	IC packaging and testing services
Supplier H . .	11,256	4.8	2016	Prepayment	A company specializes in IC foundry services and chip design services	Wafer
Total.	**220,701**	**93.5**				

— Supplier A is a company specializing in IC foundry services and semiconductor manufacturing. Supplier A is located in Shanghai with a share capital of USD55,902.0 million.

— Supplier B was a Korean company specializing in semiconductor manufacturing and design. Supplier B was founded in 1997.

— Supplier C is a company specializing in IC foundry services and rental services for semiconductor testing devices. Supplier C is located in Xiamen with a registered capital of RMB320.0 million.

— Supplier D is a company specializing in chip packaging and semiconductor testing services. Supplier D is located in Chengdu with a registered capital of RMB770.0 million.

— Supplier E is a company specializing in chip packaging and semiconductor testing services. Supplier E is located in Nantong with a registered capital of RMB1,517.6 million.

— Supplier F is a company specializing in semiconductor testing and designing services, research and development services and sales of semiconductor manufacturing hardware. Supplier F is located in Jiangsu with a registered capital of RMB950.0 million.

— Supplier G is a company specializing in IC foundry services and a provider of research and development platforms. Supplier G is located in Israel.

— Supplier H is a company specializing in semiconductor testing and designing services, research and development services and sales of semiconductor manufacturing hardware. Supplier H is located in Zhejiang with a registered capital of RMB12.0 million.

To the best of our knowledge, all of our five largest suppliers in each year/period during the Track Record Period were independent third parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of our Directors owned more than 5% of our issued share capital) had any interest in any of our top five suppliers in each year/period during the Track Record Period.

We enter into framework agreements with our major suppliers and place purchase orders on case-by-case basis. The following paragraphs set forth a summary of the salient terms of our framework agreements with suppliers.

- *Term.* The framework agreement is usually one-year or on an open-ended term.
- *Prices.* The agreements generally do not specify quantity and price, which we set out in separate purchase orders.
- *Payments.* The purchase orders set out specific payment terms depending on the type of products and/or services to be procured.
- *Principal obligations.* Suppliers are normally responsible for timely delivery and quality assurance of products or services. Generally, our suppliers are required to meet our specified quality requirements and are responsible for defects resulting from suppliers' conduct.
- *Termination*. Either party may terminate with 30 days' written notice. Active purchase orders remain valid until fulfillment.

In addition, we enter into quality assurance agreements with certain suppliers to reinforce our quality control. Our Directors confirm that we had not experienced any material fluctuations in prices set by our suppliers, material breach of contract on the part of our suppliers or material delay in delivery of our orders from our suppliers during the Track Record Period and up to the Latest Practicable Date.

Concentration with Supplier A

During the Track Record Period, we primarily procured foundry-manufactured wafers from Supplier A. Supplier A is a semiconductor manufacturer based in Shanghai, China. We commenced our business relationship with Supplier A in 2020. According to Frost & Sullivan, it is in line with industry practice for fabless chip design companies to rely on a limited number of foundry partners to ensure consistently quality products and centralize management of manufacturing demands.

In 2022, 2023, 2024 and the ten months ended October 31, 2025, our purchases from Supplier A were RMB52.1 million, RMB89.6 million, RMB183.5 million and RMB71.1 million, respectively, representing 31.5%, 62.0%, 52.7% and 30.1%, respectively, of our total purchases for the same periods.

We have expanded our procurement network to include more wafer manufacturers. There are additional alternative suppliers with similar level of technical knowledge to produce products as currently supplied by Supplier A with certain variations in prices and specifications to achieve similar functions under reasonable commercial terms. Our Directors are of the view that we are able to procure wafers from alternative suppliers with similar level of technical knowledge at comparable terms as compared to those offered by Supplier A. Our Directors are of the view that our relationship with Supplier A is unlikely to materially and adversely change or terminate because we have maintained a long-term and stable business relationship with Supplier A since we commenced collaboration in 2020. In the unlikely event that our relationship with Supplier A is terminated, interrupted or modified in any way adverse to us, there may be material interruptions to our operations and business. See "Risk Factor—Risks Relating to Our General Operations and Industry—We are exposed to supplier concentration risk due to our reliance on certain major suppliers."

INVENTORY AND LOGISTICS

We do not have any warehouses, and we implement a vendor-managed inventory, storing all of our inventories at the facilities of our suppliers. Our inventory consists of raw materials, work-in-progress items and finished goods. In addition, we typically maintain safety stock of one month. We also regularly review our inventory health, including having our operations personnel evaluate the status of our raw materials aging over three and six months. Inventories exceeding three or six months trigger targeted destocking operations.

We partner with qualified third-party logistics providers to deliver all finished goods from the locations of our suppliers directly to our or our customers' specified locations. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any significant delay or inappropriate handling of goods that materially and adversely affected our business operations.

QUALITY CONTROL

Product Quality and Standards

We are committed to maintaining high level of quality for our products. We have designed and implemented monitoring and quality control systems to manage our operation activities. Our quality control system encompasses critical aspects of our operations, including product design and development, procurement, packaging, delivery and supporting services. Our products comply with the number of industry standards and quality requirements. We have also engaged independent product testing and certification organizations to test and certify our products on the relevant standards in certain target markets.

We have established a rigorous and well-structured quality management system that integrates standards to ensure product reliability and customer satisfaction. As a fabless power amplifier audio chip company specializing in high-reliability chip design, we implement an end-to-end "Design-in Quality" system aligned with ISO 9001 requirements across the entire product lifecycle, from architectural design and wafer fabrication to assembly and testing.

Prior to shipment, we conduct rigorous outgoing inspections aligned with our product quality standards and require suppliers to perform pre-shipment verifications, including sampling inspections and examinations. We implement a defective product handling process that handles defective products based on defect types and confirms the risk exposure of relevant batches. We also adopt a test management system to monitor testing status of our finished products, and a production yield monitoring system to validate manufacturing data.

Supply Chain Quality Control

As a fabless company, we work alongside established foundries and packaging and testing partners for the manufacturing of our chips. Our supply chain team, in coordination with our quality center and R&D center, conducts thorough evaluations of suppliers based on factors such as their technical expertise and compliance with quality standards.

We have established supplier qualification procedures. Prior to establishing a partnership, our Company conducts detailed investigations, including background checks, on-site factory audits, and sample evaluations. To ensure ongoing quality control during mass production, our suppliers are required to provide monthly reports to our quality center, including wafer, packaging, and testing yield reports. Should the yield fall below our control requirements, the supplier must submit an abnormal analysis report to our quality department. We have also implemented a tiered evaluation system based on supplier ratings. In principle, we conduct regular on-site evaluations for packaging and testing partners annually, and for wafer foundries every three years. Our supply chain and engineering departments conduct these evaluations and assign ratings to facilitate tiered management.

Product Warranty and Returns

Our warranty term is typically 24 months, generally in line with the industry norm, according to the F&S report. We maintain proactive communication with our customers after sales and diligently collaborate with them to resolve any quality concerns. In case of product failure within the warranty period, we will arrange for repair or replacement of products and/or services without extra charge. See "—Sales and Marketing—Our Sales Network—Sales through distributors" for details of our product return and exchange policies with distributors.

During the Track Record Period and up to the Latest Practicable Date, we had not received any material complaints relating to product quality; and we had not experienced any material product returns, refunds or recalls.

BUSINESS SUSTAINABILITY AND PATH TO PROFITABILITY

Since our inception, we have developed a comprehensive portfolio of low-power audio chips, mid/high-power audio chips, and haptic drivers, enhanced by proprietary algorithms and customized application solutions to ensure optimal chip performance, which have been widely adopted across downstream sectors with strong demand. During the Track Record Period, we achieved continuous revenue growth through successful product development and launch, with our proactive efforts in product commercialization and market expansion significantly contributing to increased sales volume and revenue. Our revenue increased from RMB130.3 million in 2022 to RMB150.3 million in 2023, and further to RMB355.2 million in 2024. Our revenue remained relatively stable at RMB288.8 million for the ten months ended October 31, 2024 and RMB280.8 million for the ten months ended October 31, 2025.

According to the F&S report, in terms of total shipment volume in 2024, we ranked second among power amplifier audio chip providers in China and third among power amplifier audio chip providers globally. During the Track Record Period, we had actively expanded our market reach and customer base through product commercialization and market expansion, driving growth in sales volume and revenue. We aim to further strengthen our market position by continuing to develop cutting-edge technologies, enhance customer experience, implement effective commercialization strategies, and successfully market new products in emerging application scenarios.

During the Track Record Period, we recorded net losses of RMB65.9 million, RMB94.1 million, RMB56.8 million, RMB46.9 million and RMB51.8 million in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively, primarily due to our substantial R&D and sales and marketing expenses invested in product development, market presence enhancement, and brand visibility. In 2023, we recorded a gross loss of RMB0.1 million, primarily attributable to our strategy to accelerate market share growth through a more competitive strategy in response to the intensifying competition. Although we may continue to incur net losses in the short term, we are optimistic about achieving profitability through business scale expansion and operational efficiency improvements. Our cash and cash equivalents was RMB182.9 million, RMB105.3 million, RMB66.1 million and RMB73.5 million as of December 31, 2022, 2023, 2024 and October 31, 2025, respectively, primarily used to fund our working capital requirements and other recurring expenses. During the Track Record Period, we financed our capital expenditures and working capital requirements principally with funds from capital contribution from our Shareholders, cash generated from our operations and bank borrowings. As of December 31, 2022, 2023, 2024 and October 31, 2025, our available bank facilities were nil, RMB65.0 million, RMB90.0 million and RMB170.0 million, respectively, with utilized facilities of nil, RMB36.6 million, RMB59.7 million and RMB99.9 million, respectively. Our Directors confirm that we have sufficient working capital to meet current and next 12 months' requirements based on our financial resources including cash reserves, future operating cash flow, financial assets, available credit lines, and estimated proceeds from the Listing.

Recognizing the increasing prevalence of power amplifier audio chips, we have strategically focused on expanding our sales network and enhancing R&D rather than pursuing immediate profitability, laying a solid foundation to capture future market opportunities. We have established sales and service teams in Shanghai, Shenzhen, Beijing, Xi'an, and South Korea to accelerate revenue growth. This multi-center operational structure enhanced operational efficiency, market penetration and client service efficiency, driving higher revenue. In addition, we have been continuously expanding our customer base into new sectors. With respect to low-power audio chips, we evolve from our initial focus on the mobile phone market to penetrate emerging segments such as tablets, smart watches, smart glasses, portable gaming devices, action cameras, and beyond. Further, through the launch of mid/high power amplifier audio chips, we have further expanded into the smart display market and automotive markets. We target to further diversify our market reach into robotics. On the other hand, we also established multi-product bundling services for our portable power amplifier audio chips, adaptive power control audio chips, mid/high-power audio chips and haptic drivers to our customers to integrate our products in their ecosystems. According to the F&S report, China's power amplifier audio chip

market reached RMB41.6 billion in 2024 and is expected to reach RMB48.2 billion in 2025, and further to RMB87.0 billion by 2029, at a CAGR of 15.9%. As we broaden our product offerings and scale our operations, we anticipate progressive profitability improvements are committed to achieving sustainable growth and profitability through (1) maintaining our market position through our growth strategies to address growing market demand in emerging industries, and (2) improving cost efficiency to enhance net profit margins.

Effectiveness of strategies

Our strategies have demonstrated clear effectiveness, which we quantify through our financial performance, market share growth, and specific technical advancements.

The expansion of our application scenarios has directly increased our revenue and gross profit margin. Our revenue grew from RMB130.3 million in 2022 to RMB355.2 million in 2024, and further to RMB280.8 million for the ten months ended October 31, 2025. Our gross profit margin (before impairment losses on inventories) increased from 7.3% in 2022 to 13.1% in 2024 and reached 20.0% for the ten months ended October 31, 2025. The expansion of our chip types has proven successful. In its second year of launch, our haptic driver generated sales revenue exceeding RMB5.0 million from multiple KA customers, achieving a gross profit margin of over 50%.

Our audio chip technology iterations are measured by specific technical parameter improvements. For our low-power audio chips, we increased the signal-to-noise ratio from 105dB (FS1601 series) to 119dB (FS1999 series). We expanded the boost voltage range from 6.0V–9.6V to 10V (FS1987 series) and 15V (FS1986 series). We reduced the chip area from 2.8mm × 2.8mm to 1.58mm × 1.98mm. We lowered the noise floor from 15μV–34μV to 7μV (FS1816 series).

These technological advancements directly drove our market share growth. Our global market share for audio chips increased from 1.9% in 2022 to 4.1% in 2024. Our market share in China increased from 4.2% in 2022 to 8.5% in 2024. This expansion was supported by our technical upgrades in custom products like the FS1816 series, which improved the signal-to-noise ratio to 116 dB, boost voltage to 6.5V, noise floor to 7μV, and output power to 2.4W, compared to the previous generation.

Maintaining our market position through our growth strategies

We will strengthen our position in power amplifier audio chips through R&D investment, product diversification, supply chain optimization, global expansion, and strategic partnerships. We also intend to establish a dedicated R&D center with an automotive-grade laboratory featuring testing equipment, expanding our technical team, and investing in EDA tools and hardware infrastructure to accelerate innovation.

We aim to expand our product portfolio with differentiated solutions to address different emerging opportunities across consumer electronics, intelligent vehicles, and robotics applications. In consumer electronics, we will continue to capitalize on the growing AI adoption in electronic devices, in intelligent vehicles, we will advance intelligent cabin technologies, and in robotics, we will leverage our audio chip expertise to meet evolving voice interaction and entertainment demands.

To ensure quality and supply chain resilience, we will build an in-house ATE testing platform with specialized equipment, talent, and systems integration to reduce reliance on third-party testing, improve yield rates, and accelerate time-to-market. Our global sales strategy will focus on strengthening overseas teams and establishing localized centers in key markets such as the U.S. and South Korea. We will develop customized solutions, enhance local marketing efforts, and invest in talent development to improve customer experience and market penetration.

Improving cost efficiency to enhance net profit margins

Achieving long-term profitability hinges on our continuous efforts to improve net profit margin, which we aim to accomplish through multiple strategic initiatives. We anticipate significant cost reductions as economies of scale take effect with growing product demand. To enhance efficiency, we will streamline supply chain management to maintain control over raw material expenses and ensure the quality of key components. In addition, we will boost customer acquisition through strengthened brand and product loyalty across distributorship and direct sales channels, optimize sales and marketing costs, enhance marketing precision, and deepen collaboration with current distributors. Additionally, stable general and administrative expenses relative to revenue growth, as a result of the economies of scale, should reinforce our financial position, collectively paving the way toward sustained profitability. Furthermore, we have implemented Office Automation (OA) administrative system, online working system and adopted paperless and other working policies to increase administrative efficiency to ensure revenue growth and the decrease of administrative expenses.

Our implementation of the OA administrative system has significantly enhanced our operational efficiency across several key areas. The system has streamlined our process transmission and approval, particularly improving the efficiency of cross-regional collaboration. It eliminates the need for frequent business travel or physical document transfers for administrative procedures, thereby substantially reducing processing and review times. Furthermore, the OA system has established a centralized database. This database aggregates price quotations from various suppliers, enabling our employees to conduct comparative analysis when initiating new procurement and selecting vendors. This functionality directly assists us in securing the most favorable supplier quotes. Additionally, the system enables mobile office capabilities for our staff. It allows employees to initiate and handle administrative workflows directly from their mobile devices, ensuring operational continuity and responsiveness regardless of their physical location.

In 2022, 2023, 2024 and the ten months ended October 31, 2025, our administrative expenses were 14.0%, 13.6%, 5.5% and 7.2% of our revenue for the same periods, respectively, with listing expenses excluded.

Expanding customer base and commercialization of new products

We have successfully expanded our customer base and commercialized our products across a broadening range of sectors. Our journey began with low-power audio chips for the mobile phone market. Since our inception, we have grown into new applications, including tablets and smart watches in 2018, speakers in 2020, televisions in 2021, AR glasses in 2022, as well as NEVs and action cameras in 2025.

A significant portion of our revenue is now derived from several of these early expansions which have reached mass production. Specifically, our products for tablets, smart watches, televisions, and audio speakers have become substantial contributors, generating over RMB71.0 million and accounting for over 40% of our total revenue for the ten months ended October 31, 2025. Revenue from these applications has grown rapidly during the Track Record Period, effectively supporting our overall revenue growth. The revenue and gross profit margin for these applications are set out in the following table.

	Year ended December 31,									Ten months ended October 31,		
	2022			2023			2024			2025		
Product Category	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin	Revenue	Gross profit	Gross profit margin
	(RMB in thousands, except for percentages)											
Mobile phone	110,759	18,204	16.4%	113,143	5,006	4.4%	212,583	33,197	15.6%	162,738	31,796	19.5%
Tablet	14,216	3,031	21.3%	14,759	1,234	8.4%	87,892	7,911	9.0%	82,926	15,913	19.2%
Speaker	336	127	37.8%	—	—	—	12,427	4,116	33.1%	11,896	3,596	30.2%
Television	2,897	(252)	(8.7%)	1,230	175	14.3%	9,992	854	8.5%	7,505	1,183	15.8%
Smart watch	1,485	372	25.1%	3,109	522	16.8%	5,690	1,183	20.8%	6,495	2,522	38.8%
Vehicle	—	—	—	—	—	—	—	—	—	899	426	47.4%
Camera	—	—	—	—	—	—	—	—	—	200	56	28.0%
All-in-one PC	159	(118)	(74.1%)	585	145	24.7%	147	40	27.1%	80	25	31.3%
Others	475	133	27.8%	17,465	631	3.6%	26,464	1,887	7.1%	8,039	2,125	26.4%
Allowance for impairment		(12,018)			(7,837)			(2,632)			(1,585)	
Total	130,327	9,479	7.3%	150,291	(124)	(0.1%)	355,195	46,556	13.1%	280,778	56,057	20.0%

(1): Others primarily includes projectors, dictionary pens, headphones and a small portion of revenue that cannot be accurately classified.

(2): Above are our estimates of our end customers intended applications based on the chip model's specifications. We have no control over, or knowledge of, how end customers ultimately apply these chips.

We are advancing our commercialization in newer applications, having commenced small-batch deliveries with orders pending mass production ramp-up.

- In the NEV market, we recognized revenue of RMB1.2 million from deliveries in 2025. We expect to recognize revenue of approximately RMB0.6 million to RMB1.3 million in the first quarter of 2026. Furthermore, we have begun supplying to a major automotive electronics supplier with over RMB10 billion in revenue in 2024, a global battery and automotive electronics provider, and other NEV component manufacturers since October 2025. We are also in preliminary pricing discussions with a large state-owned automobile manufacturer and have provided samples to another for product evaluation, with their mass production projects anticipated in 2026.
- For action cameras, we have partnered with a company in the global panoramic camera market. We recognized revenue of approximately RMB0.6 million from this application in 2025, with a gross profit margin of 27.8%. Furthermore, we have secured indicative orders totaling approximately RMB1.1 million for delivery in the first half of 2026.

We are also making progress in applications where specific order quantities are still under discussion following successful supplier onboarding.

For drones and walkie-talkies, we have completed the supplier onboarding process with an enterprise in the global consumer drone market and a major global provider of walkie-talkies for business and industry, respectively. No specific order quantities or values have been secured as of the Latest Practicable Date.

We continue to target further diversification of our market reach into areas such as robotics. On the other hand, we also established multi-product bundling services for our portable power amplifier audio chips, adaptive power control audio chips, mid/high-power audio chips and haptic drivers to our customers to integrate our products in their ecosystems. Furthermore, we are progressively filling product gaps in niche markets. For example, the new-generation 12W portable power amplifier audio chip FS1897U addresses the gap in the high-voltage portable power amplifier audio chip segment, and the new-generation 30-40W audio chip FS2125N for audio systems addresses the gap in the 30-40W audio market.

Improving profitability through product diversification and structural optimization

We are diversifying our product portfolio to expand revenue scale and optimize our revenue structure by increasing the proportion of products with higher ASPs and gross margins. For instance, revenue from portable power amplifier audio chips, which have higher ASPs and gross margins compared to adaptive power control audio chips, was RMB43.8 million, RMB36.3 million, RMB150.6 million and RMB110.5 million for each year/period during the Track Record Period, representing 34.7%, 25.8%, 46.6%, and 43.2% of total revenue, respectively.

Furthermore, revenue from mid/high-power audio chips and haptic drivers, which also have relatively high ASPs and gross margins, has grown steadily. Revenue from mid/high-power audio chips was RMB4.0 million, RMB8.7 million, RMB26.7 million, and RMB20.6 million for each year/period during the Track Record Period, representing 3.0%, 5.8%, 7.5%, and 7.3% of total revenue, respectively. Revenue from haptic drivers, commercialized in 2023, was RMB1.0 million, RMB5.3 million, and RMB3.7 million for 2023, 2024, and the ten months ended October 31, 2025, representing 0.7%, 1.5%, and 1.3% of total revenue, respectively.

Key account customers expansion

We define key account ("**KA**") customers as important industry players, typically ranked within the top 10 in their respective sectors by revenue. Our strategy focuses on serving these top customers, as their large business scale and operational stability enable us to achieve: (1) rapid revenue growth due to their significant individual procurement volumes; (2) stable revenue streams due to their consistent operations and ongoing product purchases; and (3) enhanced industry recognition, as partnerships with such players naturally elevate our market profile. We access and sell our products to our KA customers via our direct sales force and distributor network. Key account customers comprise both own-brand customers and ODM customers. Own-brand KA customers typically benefit from higher brand premiums, allowing us to achieve higher gross margins on sales to them. Major KA own-brand customers contributing significantly to revenue.

We typically initiate direct engagement with potential KA customers, which involves technical discussions, sample supply and validation, and negotiation of commercial terms such as volume and pricing. Upon confirming customer requirements, we, in consultation with the KA customer, determine the appropriate sales model, either direct supply or distribution through a distributor.

Key account customers carry significance to our business operations.

The revenue and gross profit contributions from key account customers are significant to our operations. During the Track Record Period, key account customers accounted for over 85% of our total revenue, contributing the substantial majority of our income. Within this, the revenue proportion from key account own-brand customers increased from 39.5% in 2022 to 42.8% in the ten months ended October 31, 2025. These customers generally provide higher average selling prices and gross margins, which contributed to the overall increase in our gross profit margin.

We maintained a 100.0% retention rate for our key account customers from 2022 to 2024. The high stability of these key account customers, with no loss of any key account, provides a foundation for the stability of our revenue. In addition, substantially all of our key account customers are listed companies, further underpinning the stability of our operations.

Since we access and sell our products to our KA customers via our direct sales force and distributor network, we do not have access to the full set of sales data of our distributors in respect of their sales of our products to such KA customers. We prepared the revenue breakdown based on the sales information collected by our sales representatives from the distributors and the relevant KA

customers. The following table sets forth our revenue and revenue percentage, and number of key account brand customers and key account ODM customers during the Track Record Period:

	2022			2023			2024			Ten months ended October 31, 2025		
	Number	Revenue (RMB in thousands)	Percentage	Number	Revenue (RMB in thousands)	Percentage	Number	Revenue (RMB in thousands)	Percentage	Number	Revenue (RMB in thousands)	Percentage
Key account brand customer	7	52,040	39.5%	10	67,519	44.4%	15	143,296	40.3%	16	120,269	42.8%
Key account ODM customer	3	78,256	59.5%	3	74,882	49.2%	3	180,197	50.7%	4	115,086	41.0%
Others		1,287	1.0%		9,736	6.4%		32,245	9.1%		45,423	16.2%
Total		131,583	100.0%		152,137	100.0%		355,739	100.0%		280,778	100.0%

We continue to make progress in securing such industry customers. In the consumer electronics sector, since becoming a supplier to a major global technology company in 2022, our revenue from this customer has increased rapidly, from an annual average of approximately RMB5.2 million between 2022 and 2024 to RMB21.4 million in the ten months ended October 31, 2025. For this KA customer, we recorded gross loss margin of 40.2% and 23.3% in 2022 and 2023, respectively, we recorded gross profit margin of 34.8% and 42.8% in 2024 and the ten months ended October 31, 2025. Furthermore, in 2025, we completed supplier onboarding for several companies, including an enterprise in the global consumer drone market, a company in the global panoramic camera market and a major global provider of walkie-talkies for business and industry, respectively.

In the smart display market, we completed supplier qualification for two of the top five global television manufacturers in 2025. In the NEV sector, we have recorded initial small-scale sales revenue to two major automotive manufacturers, one listed on the H-share market and the other on the A-share market, and secured an indicative order exceeding RMB37.2 million from a A-share listed electric vehicle maker. We are also conducting sample testing and order discussions with other potential automotive customers.

KA Customers' ASP and gross profit margin

Our KA brand customers generally exhibit higher average selling prices and gross profit margins compared to our KA ODM customers and other customers, based on available data for 2024 and ten months ended October 31, 2025.

The following table sets forth the gross profit margin and average selling price for KA customers and other customers.

	2024		Ten months ended October 31, 2025	
	Gross profit margin	ASP	Gross profit margin	ASP
		(RMB, except for percentages)		
KA brand customer	17.6%	0.90	25.0%	0.79
KA ODM customer	9.0%	0.68	17.4%	0.65
Other customers	14.3%	0.69	16.6%	0.59

Specific strategies and initiatives for acquiring key account customers

To secure key account customers, we adopt a dual strategy of new customer promotion and cross-selling to existing customers. Associated personnel and travel expenses are recorded as sales and marketing expenses. For new application scenarios, we primarily focus on promoting to new customers.

For instance, for the smart home product market addressed by our mid/high-power audio chips, we began engaging with smart display manufacturers, as well as top speaker manufacturers from 2022. These manufacturers have now become our important customers.

Our current and potential orders

As of January 31, 2026, we currently hold orders on hand totaling approximately RMB171.0 million, which comprises approximately RMB46.1 million supported by confirmed customer orders and approximately RMB124.9 million supported by potential customer demand. We expect to complete delivery and recognize revenue related to these orders by the end of July 2026.

In the NEV sector, we have engaged in business cooperation with the world's largest seller of NEVs in 2024. In September 2025, we recorded revenue of RMB663.7 thousand from this customer, with the remaining RMB1.54 million expected to be recognized between the fourth quarter of 2025 and the first quarter of 2026. Furthermore, we have secured aggregate indicative orders of RMB37.2 million from this customer, which are expected to be formally placed progressively in early 2026 based on the customer's production schedule, with corresponding revenue recognition anticipated within 2026. In addition, we have secured aggregate indicative orders amounting to RMB1.1 million from several automotive component manufacturers specializing in smart cabin solutions. Delivery and revenue recognition for these orders are projected to take place between the fourth quarter of 2025 and the first quarter of 2026.

Gross profit margin and ASP for orders from the world's largest seller of NEVs in 2024

The automotive-grade power amplifier audio chips supplied by our Company to the world's largest seller of NEVs in 2024 have an average selling price of approximately RMB10.68. As the supply volume remains at a minimal scale, a stabilized gross profit margin has not yet been established. However, based on gross profit margins of comparable products in the industry, such as the 36.1% comprehensive gross margin reported by our competitor in China and the 50%–60% gross margin for analog chips reported by our other global competitor, we anticipate achieving a gross profit margin in the range of 35% to 40% for these products. Given the significantly higher ASP and anticipated gross profit margin compared to our historical average, the successful ramp-up of these orders is expected to contribute positively to the uplift of our overall gross profit margin.

Enhanced R&D efficiency

As our R&D team expands and gains valuable industry experience, we continue to improve our R&D efficiency. For example, in 2022, 2023, 2024 and the ten months ended October 31, 2025, the number of new IC design projects that completed tape-out are 15 projects, 18 projects, 24 projects and 19 projects, respectively, and we believe that we will continue to witness the increase in R&D productivity.

Cost optimization through scale expansion and technological advancement

As our business operations and procurement scale continue to expand, we gained procurement leverage and minimized costs. During the year ended December 31, 2022, 2023, 2024 and the ten months ended October 31, 2025, per unit costs of our chips were RMB1.02, RMB0.69, RMB0.66, and RMB0.55 respectively.

We have consistently reduced our per-unit chip cost through technological iteration and supply chain optimization. The cost per chip decreased from RMB1.02 in 2022 to RMB0.69 in 2023, RMB0.66 in 2024, and RMB0.55 in the ten months ended October 31, 2025, representing an overall reduction of over 46%. The cost optimization measures implemented include: (1) we continuously reduce the chip die size through R&D and process iteration. The size has evolved from 2.8mm × 2.8mm for the first-generation portable power amplifier audio chip to the current 1.58mm × 1.98mm. Concurrently, we adopt new chip fabrication processes, transitioning from the initial 180nm BCD process to 90nm BCD, and to the latest 65nm process adopted in 2024, leading to continuous optimization of the per-unit chip

cost; and (2) as the primary components of cost of sales are wafers, chip packaging, and testing, we optimize our supply chain by selecting suppliers based on quality, market position, and price. With expanding procurement scale, we have recently obtained quotations from a new wafer fab and a new packaging/testing supplier, which are approximately 35% and 10% lower, respectively, than quotations from existing suppliers.

We have achieved a consistent reduction in our per-chip production cost through continuous improvements in our fabrication process. We have accomplished such cost reduction primarily by advancing our chip technology node and reducing the physical chip area. For instance, by migrating from 180nm to 90nm and subsequently to 65nm process nodes, we have significantly reduced the size of our chips. In our PA audio chip product line, the chip area has been reduced by 61%. This allows us to produce approximately 20,000 chips from a single 12-inch wafer, compared to only about 7,500 chips previously, dramatically lowering the cost per chip. Furthermore, we have updated our wafer processing technology by reducing the number of required mask layers. While our average selling prices have remained relatively stable, the consistent reduction in per-unit cost has directly contributed to the improvement in our gross profit margin. As a direct result of these process optimizations, our average cost per chip has decreased from RMB1.02 in 2022 to RMB0.59 in the first half of 2025. We expect these fabrication advancements to continue to support our improving gross margin going forward.

Efficient sales organization brings breakthroughs in our commercialization progress and robust potential orders

We established sales and service teams in Shanghai (Headquarters), Shenzhen, Beijing, Xi'an, and South Korea to accelerate revenue growth. This multi-center operational structure enhanced operational efficiency, market penetration and client service efficiency, driving higher revenue. Our sales teams cover specific geographic regions, including South Korea, Northern China, the Pearl River Delta, and Northwestern China, enabling direct engagement with customers and potential customers to identify market opportunities and secure new orders. They also provide timely commercial and technical support, ensuring rapid response to customer needs and enhancing customer retention. For example, we set up the sales center in South Korea in 2021 to promote the foreign market, and successfully acquired a key international KA customer with revenue reaching more than RMB400 billion in the third quarter of 2025 as a direct customer since 2022, with revenue from this customer growing from RMB5.0 million in 2022 to RMB21.4 million for the ten months ended October 31, 2025. Similarly, our sales team in Shenzhen expanded to seven members in 2021, secured another key KA client, contributing to revenue growth from RMB0.02 million in 2022 to RMB17.1 million for the ten months ended October 31, 2025. Besides, the international multi-center operational structure reduced selling and marketing expenses as a percentage of revenue to 13.4% in 2022, 12.6% in 2023, 5.9% in 2024, and 6.0% for the ten months ended October 31, 2025.

In addition, we have rapidly advanced our commercialization efforts and holds a substantial order backlog. The number of chips shipped increased from 118.3 million in 2022 to 470.1 million in 2024, with 405.1 million chips shipped in the ten months ended October 31, 2025. In the NEV market, we have secured an indicative order exceeding RMB37.2 million from the world's largest seller of NEVs in 2024.

Efficient administrative operations

We implemented OA administrative system, online working system and adopted paperless and other working policies to increase administrative efficiency to ensure revenue growth and the decrease of administrative expenses. In 2022, 2023, 2024 and the ten months ended October 31, 2025, our administrative expenses were 14.0%, 13.6%, 5.5% and 7.2% of our revenue for the same periods, respectively, with listing expenses excluded.

Development of products

We have consistently focused on technological iterations of our power amplifier audio chips to enhance their performance. Our advancements are demonstrated through key technical parameter improvements.

For our low-power audio chips, we have upgraded the signal-to-noise ratio from 105 dB in the initial FS1601 series to 119 dB in the latest FS1999 series. We have expanded the boost voltage range from 6.0V-9.6V to 10V in the FS1987 series and 15V in the FS1986 series. We have reduced the chip area from 2.8mm × 2.8mm to 1.58mm × 1.98mm. We have lowered the noise floor from 15μV-34μV to 7μV in the FS1816 series.

These upgrades enable our chips to deliver higher audio quality and efficiency. For example, in customized products like the FS1816 series for a South Korea technology company with revenue reaching more than RMB400 billion in the third quarter of 2025, we increased the signal-to-noise ratio to 116 dB, expanded the boost voltage to 6.5V, reduced the noise floor to 7μV, and raised the output power to 2.4W, while incorporating an advanced power function to lower energy consumption. This progress supports the integration of our chips into broader applications and improves their competitiveness.

Specific initiatives for gross profit margin improvement

During the Track Record Period, excluding the industry-wide impact in 2023, our gross profit per chip, calculated as the selling price per chip minus the cost per chip, increased steadily. It rose from RMB0.08 per chip in 2022 to RMB0.10 per chip in 2024 and further to RMB0.14 per chip in the ten months ended October 31, 2025. This represents an increase of 23.5% in 2024 compared to 2022 and a further increase of 39.7% in the ten months ended October 31, 2025 compared to the full year 2024. This trend drove the overall recovery of our gross profit margin. We expect the gross profit per chip to continue increasing, supported by the optimization of our revenue structure, cost reduction initiatives, and improvements in operational efficiency.

Concurrently, and synergistic with the increase in gross profit per chip, our chip shipment volume grew period-on-period during the Track Record Period. Shipments increased from 118.3 million chips in 2022 to 470.1 million chips in 2024, with 405.1 million chips shipped in the ten months ended October 31, 2025. The simultaneous growth in shipment volume and gross profit per chip is expected to drive a further increase in our total gross profit.

During the Track Record Period, the growth rates of our revenue and chip shipment volume significantly outpaced the growth rate of our cost of sales, excluding the industry-wide impact in 2023. This reflects our improving profitability, driven by our expanding operational scale, optimized revenue mix, and technological iterations.

EMPLOYEES

As of the Latest Practicable Date, we had 141 employees, among them, 134 employees held a bachelor's degree or above, accounting for 95.0% of our total employees, and 68 employees held a master's degree of above, accounting for 48.2% of our total employees. Most of our employees are based in China, primarily located at our headquarters in Shanghai. The following table sets forth a breakdown of our employees by function as of the Latest Practicable Date.

	Number of employees
Research and development	88
General administration and management	16
Sales and marketing	26
Procurement, delivery and quality control	11
Total	**141**

Our success deeply rests with our ability to attract, retain and motivate qualified talents, with the belief that our high-quality talent pool is one of our core strengths and competitive advantages. We recruit talents, with high standards and rigorous procedures and through various methods, including online recruitment, internal referrals, and third-party recruiters, to select the best-fit personnel for the corresponding positions in response to various talent demands. We offer competitive remuneration package to our employees, which are generally based on their qualifications, industry experience, position and performance. We regularly evaluate the performance of our employees and reward well-performing employees with bonus and promotion. In addition, we provide training programs to our employees, including corporate-wide and department-specific trainings to improve their professional knowledge and management skills, and keep them abreast with market developments.

As required under PRC labor laws, we enter into individual employment contracts with our employees covering matters such as wages, bonuses, employee benefits, workplace safety, non-compete arrangements, and grounds for termination. In addition, we generally enter into standard confidentiality agreements with our key employees. As required under PRC laws and regulations, we participate in and make contributions to social insurance, including pension, medical, maternity, work-related injury and unemployment, and housing provident fund. During the Track Record Period, we did not make adequate contributions to the social insurance and housing provident funds with respect to certain of our employees as required by the relevant PRC laws and regulations. Furthermore, during the Track Record Period, instead of making the contributions to the social insurance and housing provident funds on our own for certain employees, we engaged third-party agencies to make such contributions, which was not in strict compliance with applicable PRC laws and regulations. See "Risk Factors—Risks Relating to Our General Operations and Industry—We may be required to make additional contributions of social insurance fund and/or housing provident fund and late payments and fines under PRC laws and regulations."

We did not make full contributions to the social insurance and housing provident fund for the relevant employees primarily because (1) many of our employees were not willing to bear the costs associated with social insurance and housing provident funds and (2) some non-local employees chose not to participate due to their short-term residency and the difficulty of transferring benefits between cities. Our Directors believe that the incident described above would not have a material adverse effect on our business and results of operations, considering that (1) we have obtained written confirmations issued by certain relevant local social insurance and housing provident funds authorities that as of the Latest Practicable Date, we were not subject to any administrative action or penalty imposed by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions; (2) as of the Latest Practicable Date, we had not received any notification from the relevant PRC regulatory authorities requiring us to settle the deficit amount with respect to social insurance and housing provident funds; (3) during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any administrative penalties, litigations and legal proceeding, nor were we aware of any employee complaints or involved in any labor disputes with our employees, with respect to social insurance and housing provident funds; and (4) we undertake to make full contributions or to pay the shortfall within a prescribed time period if and when requested by the competent government authorities. Furthermore, as advised by our PRC Legal Advisor, the risk is remote that relevant local social insurance and housing provident funds authorities will impose administrative penalty on us, and such that the incident described above would not have a material adverse effect on our business and results of operations.

None of our employees are currently represented by labor unions. We believe that we maintain a good working relationship with our employees, and we had not experienced any material labor dispute or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

INSURANCE

We consider our insurance coverage to be adequate as we have in place all the mandatory insurance policies required by PRC laws and regulations and in accordance with the commercial practice in our industry. Our employee-related insurance includes the social insurance and housing provident fund as required by PRC laws and regulations.

However, in line with general market practice, we do not maintain any business interruption insurance or keyman life insurance, which are not mandatory under PRC laws. We do not maintain insurance policies covering damages to our products or our technological infrastructure. We provide supplemental commercial insurance to our employees, such as accidental injury protection, medical expense reimbursement, comprehensive maternity care, death benefits for disease-related fatalities, and transportation accident coverage. During the Track Record Period and up to the Latest Practicable Date, we had not made or been the subject of any material insurance claims. Any uninsured occurrence of business disruption, litigation or natural disaster, or significant damages to our uninsured infrastructure or facilities could have a material adverse effect on our results of operations. See "Risk Factors—Risks Relating to Our General Operations and Industry— We may be required to make additional contributions of social insurance fund and/or housing provident fund and late payments and fines under PRC laws and regulations."

PROPERTIES

As of the Latest Practicable Date, we operated our businesses through seven domestic leased properties in Shanghai, Beijing, Xi'an and Shenzhen, with a total gross floor area of approximately 2,862.8 square meters. We also operated our overseas business through one leased property, with a gross floor area of approximately 87.4 square meters, in Seongnam City, South Korea. All such properties have been used for non-property activities as defined under Rule 5.01(2) of the Listing Rules and are primarily used as office premises for our business operations. Our key lease agreements generally have expiration dates ranging from July 2025 to July 2026. We plan to renew our leases or negotiate new terms when the existing leases expire. All lessors are independent third parties. We did not experience material difficulties in negotiating renewal of our leases with our landlords during the Track Record Period and up to the Latest Practicable Date.

As of the Latest Practicable Date, none of the properties leased or owned by us had a carrying amount of 15% or more of our consolidated total assets. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 32L of the Laws of Hong Kong), this prospectus is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all our Group's interests in land or buildings.

Pursuant to the applicable PRC laws and regulations, property lease agreements must be registered with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部). The registration of such leases will require the cooperation of our lessors. As of the Latest Practicable Date, we had not obtained lease registration for seven of our leased properties in China, primarily due to the difficulty of procuring our lessors' cooperation to register such leases. We will take all practicable and reasonable steps to ensure that such leases are registered. As advised by our PRC Legal Advisor, the lack of the abovementioned registration of the lease agreements will not affect the validity of such lease agreements, according to applicable PRC laws and regulations as of the Latest Practicable Date. According to the relevant PRC laws and regulations, we may be ordered by the relevant government authorities to register the relevant lease agreements within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease. As of the Latest Practicable Date, we had not received any such request

or suffered any such fine from the relevant government authorities. We undertake to cooperate fully to facilitate the registration of lease agreements once we receive any requirements from relevant government authorities.

LICENSES, APPROVALS AND PERMITS

We are required to maintain various licenses, permits and approvals in order to operate our business. We continually monitor our compliance with the requirements related to licenses, permits and approvals in order to ensure that we have all such licenses, permits and approvals which are necessary to operate our business. Our PRC Legal Advisors have advised us that during the Track Record Period and up to the Latest Practicable Date, we had obtained all licenses, permits and approvals necessary to conduct our operations in all material respects from the relevant government authorities in China, and such licenses, permits and approvals remained in full effect.

The following table sets out a list of material licenses, permits and approvals currently held by us.

License/permit/approval	Holder	Granting authority	Grant date	Expiry date
Consignor and Consignee of Import and Export Goods . .	Our Company	Yangshan Customs	29 September 2016	Long-term
Consignor and Consignee of Import and Export Goods . .	Shanghai FourSemi	Huxu Customs	26 August 2016	Long-term
Consignor and Consignee of Import and Export Goods . .	Shenzhen FourSemi	Fuzhong Customs	19 July 2024	Long-term

AWARDS AND RECOGNITIONS

During the Track Record Period and up to the Latest Practicable Date, we received a number of awards and recognitions in connection with our business. Some of the significant awards and recognitions we have received are set forth below.

Awards and Recognition	Awarding Parties	Year of Award
High-tech Enterprise (高新技術企業).	Shanghai Municipal Science and Technology Commission (上海市科學技術委員會), State Taxation Administration Shanghai Municipal Office (國家税務總局上海市税務局)，Shanghai Municipal Finance Bureau (上海市财政局)	2022
2022 Annual Pudong New Area Innovation and Entrepreneurship Award (2022年度浦東新區創新創業獎)	Shanghai Pudong New Area Government (上海浦東新區人民政府)	2022
China IC Power List Annual Award for Emerging Companies (中國IC風雲榜年度新銳公司獎)	China Semiconductor Investment Alliance (中國半導體投資聯盟)	2022
Deep Tech Sector in Venture Capital Venture 50 (投資界硬科技Venture 50)	Zero2IPO Group (清科創業), PEdaily.cn (投資界)	2023

Awards and Recognition	Awarding Parties	Year of Award
National Specialty and New Little Giant Enterprise (國家級專精特新小巨人企業)	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)	2023
Shanghai Specialized, Refined, Distinctive and Innovative Enterprise (上海市專精特新企業)	Shanghai Municipal Commission of Economy and Informatization (上海市經濟和信息化委員會)	2023
Annual Automotive-Grade Chip Technology Breakthrough Award (年度車規芯片技術突破獎)	Semiconductor Investment Alliance (半導體投資聯盟), Ijiwei (愛集微)	2024

TRANSFER PRICING

We have engaged in material cross-border related-party transactions during the Track Record Period, according to the transfer pricing analysis report. Specifically, our Company and Fourier Technology conducted recurring transactions involving: (1) sales of wafers and chips from our Company to Fourier Technology, priced either at cost (for wafers) or approximately the final third-party customer selling price (for chips); and (2) sales of processed chips from Fourier Technology to our Company under specific circumstances, priced at the cost of wafers plus service fees paid by Fourier Technology to subcontractors on behalf of our Company.

Our Company performs the core value-creating functions, including research and development, production oversight, quality control, and sales negotiations, and consequently bears the significant risks and owns the key intangibles. Fourier Technology performs limited functions, acting as a nominal contracting party with customers and certain subcontractors, and providing after-sales services, and bears minimal risk. The pricing of these transactions reflects these functional and risk profiles. Sales of wafers from our Company to Fourier Technology are priced at cost, while sales of chips are priced at approximately the final third-party customer selling price, with our Company retaining the substantive profit or loss from the ultimate sale. Sales of processed chips from Fourier Technology back to our Company are priced at the cost of wafers plus the service fees paid by Fourier Technology to subcontractors on our Company's behalf.

These transactions represented significant revenue streams. In 2022, 2023, 2024 and the ten months ended October 31, 2025, wafer sales from our Company to Fourier Technology were RMB37.9 million, RMB27.2 million, RMB19.3 million and RMB10.2 million, respectively, and chip sales amounted to RMB59.0 million, RMB83.7 million, RMB222.6 million and RMB190.9 million in the same periods, and sales from Fourier Technology back to our Company of processed chips under specific arrangements amounted to RMB9.1 million, RMB24.9 million, RMB21.0 million and RMB16.3 million in the same periods.

Our transfer pricing advisor is of the view that the risk of these arrangements in violating the arm's length principle under Hong Kong and PRC transfer pricing rules is remote, and that the transfer pricing arrangements fundamentally comply with the arm's length principle, in accordance with the below basis.

In accordance with the transfer pricing analysis prepared by our transfer pricing advisor, the transactional net margin method was selected as the most appropriate transfer pricing method and the full cost mark-up ratio ("**FCMU ratio**") were selected as the most appropriate profit level indicator, respectively, to assess if the related-party transactions conducted between the relevant companies are carried out on an arm's length basis. A set of samples with population size of 16 comparable companies were selected from OSIRIS database, a database generally accepted by tax authorities, and was adopted for the transfer pricing benchmarking analysis from 2022 to 2024. The sample size and benchmarking

analysis were generically in line with standard procedures accredited by tax authorities of relevant jurisdictions. Of these 16 selected comparable companies, 5,10 and 11 companies were loss-making in 2022, 2023 and 2024 respectively. Our transfer pricing advisor specifically reiterate that profitability or operating performance is not the selection criteria in all dimensions. Based on the benchmarking analysis performed, (1) the FCMU ratio of our Company computed in 2022 and 2023 were -28% and -36% respectively, which were below the minimum of the average FCMU ratio for the comparable independent third parties; and (2) the FCMU ratio of our Company computed in 2024 was -11%, which was below the lower range, but above the minimum of the average FCMU ratio for the comparable independent third parties. Having said, our Company bears the (1) core functions in respect of the transaction, including R&D, production oversight, quality control, sales negotiation, and (2) significant risks, including R&D failure, quality, inventory, and our Company owns key intangibles. While Fourier Technology performs limited functions, such as nominal contracting, after-sales service, and bears minimal risk. Consequently, the pricing model, where our Company records substantial profit or loss on ultimate sales for the Track Record Period via our transactions with Fourier Technology, aligns with the economic substance and value creation within our Company. The synchronized losses recorded by both entities stem directly from actual and genuine economic losses on underlying end-customer sales instead of any purposefully profit-shifting strategies to be combated by Hong Kong and PRC transfer pricing rules, and the underlying transfer pricing arrangements are neither tax driven nor for the purpose of obtaining any tax benefit.

Crucially, however, comparable independent third parties data revealed the entire semiconductor industry in comparable jurisdictions generally experienced widespread losses from 2022 to 2024, with the benchmarked average FCMU showing negative values from 2022 to 2024 at the minimum, lower quartile, and median levels. These overall loss-making industrial contexts critically provide an impartial and reasonable commercial explanation for our Company's performance, which was substantially attributable to high R&D costs, indirect operating expenses, and intense price competition inherent in our business operations.

Our Company's losses reflect genuine market conditions and our operational reality rather than being comprehended as any strategies of shifting any profits to any lower-tax jurisdictions for obtaining advantage from any tax perspectives. The risk of tax authorities making significant transfer pricing adjustments to the profits or losses from 2022 to 2024 of either our Company or Fourier Technology based on these transactions is remote.

In addition, transfer pricing analysis is not applicable for the ten months ended October 31, 2024 and 2025, since (1) the relevant tax authorities generically conduct investigations and impose tax adjustments, if applicable, on a taxpayer in response to its transfer pricing matters on a yearly basis, and (2) there might be seasonal fluctuations that could affect the financial performance of Fourier Technology for the ten months ended October 31, 2024 and 2025, as compared to its full year financial performance, and thus it would therefore be inappropriate to conduct a formal transfer pricing benchmark study for Fourier Technology for the subject periods by using data of the comparable companies which are obtained on a yearly basis.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We have been and may from time to time continue to be, a party to various legal, arbitration or administrative proceedings arising in the ordinary course of our business.

Our patent infringement lawsuit

We are currently defending a patent infringement lawsuit initiated by a competitor in the semiconductor industry. The lawsuit concerns the competitor's invention patent titled "Open-Loop Charge Pump". On August 22, 2023, the plaintiff filed a lawsuit with the Shanghai Intellectual Property Court against our Company, alleging that three of our chip models—FS1512N-M, FS1512N, and

FS1512GN—infringe its patent rights. The plaintiff sought a declaration of infringement, an injunction to cease manufacturing, selling and offering for sale the allegedly infringing products, monetary damages of RMB10 million, and reimbursement of legal fees and expenses of RMB0.5 million. The plaintiff voluntarily withdrew this lawsuit on its own initiative. We did not negotiate with the plaintiff or enter into any settlement agreement regarding this matter. On July 28, 2025, the plaintiff recommenced legal proceedings against our Company. Under PRC law, because the plaintiff withdrew the original case before any court judgment, the plaintiff is permitted to file a new lawsuit on the same matter. The grounds for the plaintiff's claim in the new case remain substantially the same, alleging that the same chip models infringe its patent ZL201810038898.X and seeking similar relief, including an injunction, monetary damages of RMB10 million, and reimbursement of legal fees and expenses of RMB0.5 million. The court has scheduled the first hearing of the new case on April 27, 2026.

As part of our litigation strategy, we filed an invalidation request against the plaintiff's patent with the China National Intellectual Property Administration ("**CNIPA**"). CNIPA issued a decision maintaining the patent's validity. On March 5, 2025, we initiated an administrative litigation before the Beijing Intellectual Property Court seeking to overturn CNIPA's decision. On December 24, 2025, the court served us its administrative judgment, which upheld CNIPA's decision. On January 7, 2026, we appealed this first-instance judgment to the Supreme People's Court, reiterating our position that the patent should be invalidated.

The three implicated chip models (FS1512N-M, FS1512N and FS1512GN) are charge pump chips launched during our early stage and are not our core products. We do not expect to generate significant future revenue or gross profit from these products, as they are not core products and their gross margins during the Track Record Period were relatively low. For 2022, 2023, 2024 and the ten months ended October 31, 2025, revenue generated from these products amounted to RMB11.4 million, RMB14.6 million, RMB32.0 million and RMB10.4 million, respectively, representing 8.7%, 9.6%, 9.0% and 3.7% of our total revenue for the respective periods. Gross profit contribution from these products for the same periods was RMB1.6 million, RMB0.1 million, RMB3.2 million and RMB0.5 million, respectively, representing 7.2%, 1.7%, 6.4% and 1.0% of our total gross profit for the respective periods. Given the rapid performance iteration of audio chips in consumer electronics applications, sales volume of these specific models peaked in 2024 and has since declined rapidly as market demand has shifted to newly iterated products.

We have also obtained an appraisal report issued by a qualified judicial appraisal center, which concludes that the technical features of our implicated products are neither identical nor equivalent to those covered by the plaintiff's patent. Material technical differences exist between our products' technical solutions and the patented claims. In particular, when the output voltage exceeds a threshold voltage, our accused chips enter a high-impedance mode, which is functionally distinct from the "charging phase" described in the patent claims. In addition, our products utilize a single reference voltage and do not incorporate the "upper threshold voltage" or "lower threshold voltage" as defined in the patent. A critical difference also exists in the peak current limiting mechanism, as the function in our chips is an inherent characteristic of the circuit switches and operates independently, unlike the patent's described method which involves a control circuit based on an over-voltage protection signal to activate a peak current control circuit that only limits current during a single pulse signal period. Our litigation advisor, Fangda Partners, is of the view that, based on the evidence currently submitted by the parties and information confirmed by us, they have reasonable grounds to believe the accused products do not fall within the scope of protection of the plaintiff's patent, so that the likelihood of our non-infringement defense against the claim is high.

Based on the technical information, our own technical analysis, the conclusions of the appraisal report, and the advice of our litigation advisor, we believe that the technical solutions of our implicated products are neither identical nor equivalent to the patented claims, and that we have not infringed the plaintiff's intellectual property rights. However, we cannot provide assurance regarding the final judgment of the court. Based on the claims in the plaintiff's complaint, the maximum amount we may be liable for is RMB10.5 million, comprising RMB10.0 million for monetary damage and RMB0.5

million for reasonable expenses. In a worst-case scenario where our defense is unsuccessful, we would be subject to a permanent injunction preventing the manufacture, sale and offer for sale of the three specific chip models implicated in the litigation. Given the minimal contribution of these early-stage products to our total revenue and gross profit, we believe this outcome would not materially affect our overall business or financial condition.

Compliance

We are subject to a number of regulatory requirements and guidelines issued by the regulatory authorities in China. During the Track Record Period and up to the Latest Practicable Date, we did not commit any material non-compliance of the laws and regulations, or experience any systemic non-compliance incident which, taken as a whole, in the opinion of our Directors, is likely to have a material adverse effect on our business, results of operations and financial condition. As advised by our PRC Legal Advisors, during the Track Record Period and up to the Latest Practicable Date, we had complied with the relevant PRC laws and regulations in all material respects.

Social Insurance and Housing Provident Fund

As required under PRC laws and regulations, we participate in and make contributions to social insurance, including pension, medical, maternity, work-related injury and unemployment, and housing provident fund. During the Track Record Period, we did not make adequate contributions to the social insurance and housing provident funds with respect to certain of our employees as required by the relevant PRC laws and regulations. We estimate that the shortfall of social insurance and housing provident fund contributions as of December 31, 2022, 2023, 2024 and October 31, 2025 was approximately RMB3.7 million, RMB3.8 million, RMB3.6 million and RMB3.0 million, respectively, which we believe would not have a material adverse effect on our business. Failure to pay the outstanding social insurance contributions and late payment surcharges as required by the relevant government authorities within the prescribed time limit may subject us to a maximum fine of three times the amount in arrears. However, if we are instructed by the competent authorities to make such payments, we will comply within three months or a shorter term specified by competent authorities and do not expect to incur any additional penalties. As a result, our Directors are of the view that the non-compliance in connection with the inadequate contributions to the social insurance and housing provident fund would not have a material adverse impact on our business, financial condition or results of operations.

Furthermore, during the Track Record Period, instead of making the contributions to the social insurance and housing provident funds on our own for certain employees, we engaged third-party agencies to make such contributions, which was not in strict compliance with applicable PRC laws and regulations. We made such arrangement primarily because these employees preferred to have their social insurance and housing provident fund contributions made in their cities of habitual residence, which are different from the cities where our operating entities are registered. As of the latest practicable date, we have, through these third-party agencies, made full and timely social insurance and housing provident fund payments for these employees in compliance with applicable PRC laws and regulations during the track record period. If the relevant government authorities determine that the use of third-party agencies for making these contributions is non-compliant, or if such an agency fails to make the payments in accordance with PRC laws and regulations, we may be held liable for failing to fulfill our statutory contribution obligations as an employer. This could result in regulatory orders to make retroactive payments, late payment surcharges, and administrative fines. Should the competent authorities require us to rectify the situation within a specified period, we would promptly do so and we do not anticipate incurring material additional penalties.

To monitor our compliance with relevant laws and regulations in respect of social insurance and housing provident fund contributions, we have taken and will take the following internal control measures and actions to rectify the non-compliance:

- we will immediately provide training to our human resources department to not enter into any arrangements with our employees for the waiver of social insurance contributions; and
- we will immediately designated our human resources department to review and monitor the reporting and contributions of social insurance and housing provident funds; and
- we will consult our PRC Legal Advisor on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant PRC laws and regulatory developments, including but not limited to PRC laws and regulations in relation to social insurance and housing provident funds, and will provide relevant employees with legal compliance trainings relating to the same; and
- in the event that competent government authorities require us to make the contributions to the social insurance and housing provident funds within a stipulated time period or make supplementary contributions and late fees, we will duly comply in a timely manner.

As advised by our PRC Legal Advisor, with the current policies, provided that there are no material changes to the regulatory landscape and enforcement practices of local governments, and under the circumstances that neither our Company nor our domestic subsidiaries are subject to employee complaints or reports regarding such matters, the risks of our Company and our domestic subsidiaries being subject to large-scale retroactive collection or penalties by relevant authorities for underpayment of social insurance and housing provident fund contributions, as well as third-party payment arrangements, are remote. Based on the foregoing, our Directors are of the view that no contingent liabilities have been recognized.

In addition, as advised by our PRC Legal Advisor, we confirm that the Interpretation II by the Supreme People's Court of the PRC on Legal Issues in the Trial of Labor Dispute Cases, which took effect on 1 September 2025, does not impose material obligations on our Company. It reinforces the existing mandatory requirements under the PRC Labor Law and Social Insurance Law by declaring any agreement or commitment to waive social insurance contributions as invalid. This interpretation aims to standardize judicial practice and does not alter the current regulatory framework or local enforcement priorities.

Our Company and our PRC subsidiaries consistently adhere to applicable laws and regulations. Given the absence of significant changes in policies or enforcement, and no employee complaints regarding social insurance or housing fund contributions, we assess the risk of concentrated retroactive collection or penalties for underpayment or third-party payment of social insurance as low. According to the opinion of our PRC Legal Advisor, our Reporting Accountant is of the view that the Interpretation will not lead to the creation of a provision or an increase in our maximum exposure.

International Sanctions

Based on the facts and information provided by us, our Sanction Counsel is of the view that, as of the Latest Practicable Date, we have not engaged in any activities that, to their knowledge and based on their assessment, would constitute a violation of applicable U.S. primary or secondary sanctions laws, or comparable international sanctions regimes. We do not operate in, or maintain direct customer relationships with parties located in, or affiliated with, comprehensively sanctioned jurisdictions such as Iran, North Korea, or Russia.

In addition, our Sanction Counsel is of the view that, while certain affiliates of Semiconductor Manufacturing International Corporation ("SMIC") are subject to U.S. sanctions and export control restrictions, against this broader sanctions compliance background, our Sanction Counsel has also considered whether our historical and ongoing transactions involving certain affiliates of SMIC could give rise to sanctions or export control risks. Certain SMIC affiliates have been included on (1) the Bureau of Industry and Security of the U.S. Department of Commerce ("BIS") Entity List with Footnote 5 (FN5) designation, (2) the U.S. Department of Defense (now Department of War) List

pursuant to section 1260H of the National Defense Authorization Act (the "1260H List"), and (3) the U.S. Treasury's Non-SDN Chinese Military-Industrial Complex Companies List (the "CMIC List"), and are therefore subject to specific U.S. sanctions and export control restrictions. The relevant transactions between us and SMIC or its affiliates, as suppliers to provide wafer to us, are not, under the current laws and regulations, prohibited, primarily because (1) such transactions do not involve U.S. Department of Defense procurement, nor do they fall under restrictions associated with the CMIC List or Section 1260H of the U.S. National Defense Authorization Act; (2) the design files (in GDSII format) provided by us were developed entirely within mainland China, without the use of U.S.-origin controlled items or software, and are therefore not considered subject to the U.S. Export Administration Regulations ("EAR") under current interpretations; and (3) to the best of our knowledge, the resulting mature-node wafers (180nm–90nm) produced by SMIC can be classified as EAR99 and not intended for any prohibited end-users or end-uses under applicable export control laws.

Entity List FN5

Entity List FN5 designated parties are subject to restrictions on the receipt of item that are subject to the U.S. Export Administration Regulations ("**EAR**"). In this context, our Sanctions Counsel has assessed the relevant transactions between us and SMIC or its affiliates, which act as wafer foundry suppliers to us. Based on the information provided, such transactions are not prohibited under current U.S. laws and regulations.

The conclusion is primarily based on the fact that the design files (in GDSII format) provided by us were developed entirely within mainland China, without the use of U.S.-origin controlled technology or software, and therefore are not considered items "subject to the EAR" under prevailing regulatory interpretations. To the best of our knowledge, the resulting mature-node wafers (180nm–90nm) manufactured by SMIC are classifiable as EAR99 and are not intended for any prohibited end-users or end-uses under applicable export control laws.

FN5 Foreign Direct Product Rule and SME Foreign Direct Product Rule

Further, our Sanctions Counsel has considered the potential applicability of the FN5 Foreign Direct Product Rule and the Semiconductor Manufacturing Equipment ("**SME**") Foreign Direct Product Rule. These rules target certain foreign-produced commodities specified under ECCN Category 3B, namely "test," "inspection," and "production" equipment.

A GDSII file is a standardized data file format that serves as a digital blueprint for integrated circuit design and does not constitute "equipment," nor does it fall within the scope of ECCN Category 3B as defined under either the FN5 FDP Rule or the SME FDP Rule. Accordingly, our Sanctions Counsel is of the view that the provision of such design files does not fall within the scope of the controlled items covered by these rules.

1260H List and CMIC List

In addition, our Sanctions Counsel has assessed the implications of the 1260H List and the CMIC List. The 1260H List imposes restrictions on U.S. Department of Defense (now Department of War) procurement from listed entities, with direct and indirect prohibitions becoming effective on June 30, 2026 and June 30, 2027, respectively. Separately, U.S. persons are restricted from making certain investments in entities designated on the CMIC List.

Our transactions with SMIC do not involve U.S. Department of Defense procurement, U.S. persons, or U.S. person investment activities, nor do they otherwise fall within the prohibitions associated with the 1260H List or the CMIC List.

In light of the foregoing, and based on current applicable laws, regulations and publicly available guidance, our Sanctions Counsel is of the view that we are not subject to any material sanctions or export control risks arising from our transactions with certain affiliates of SMIC.

Our Sanction Counsel is of the view that, based on their review of our representations and supporting materials, the design files delivered by us are not subject to the EAR because (1) they were entirely designed in mainland China; (2) they do not incorporate, commingle with, or bundle any U.S.-origin IP or controlled content; (3) they are not subject to ECCN classification nor any EAR Foreign Direct Product (FDP) rules, including those under Footnote 5 or the SME FDP rule.

In conclusion, based on the foregoing and the current applicable laws and guidance, our Sanction Counsel is of the view that no EAR filings are required in respect of the delivery of such files, and that there is no known penalty risk arising from such transactions under the EAR as currently enforced.

Annual Related Party Transaction Reports

We engaged professional transfer pricing expert to conduct a comprehensive review of our tax compliance and related party transaction matters, during which we identified that the relevant related party transaction report had not been submitted in a timely manner. Our administrative staff in the PRC unintentionally failed to submit our annual related party transactions reports for the years 2022, 2023 and 2024 by the statutory deadlines due to a misunderstanding of the relevant legal requirements and insufficient staff training, as the relevant personnel were not fully aware of the filing obligation until advised by the expert. According to our PRC Legal Advisor, the maximum potential administrative penalty for such late filing is RMB10,000 per report under the EIT Laws and the Law of the PRC on the Administration of Tax Collection. Consequently, the aggregate potential maximum financial penalty for this non-compliance during the Track Record Period is RMB30,000.

We have subsequently taken remedial action to rectify this oversight. The annual related party transactions report for the year 2024 was submitted to the relevant PRC tax authority on August 25, 2025, and the outstanding reports for the years 2022 and 2023 were submitted on November 18, 2025. As confirmed by our Directors, as of the Latest Practicable Date, no administrative action or penalty has been imposed, demanded, or is pending against our Company by any regulatory authority in relation to these late filings.

Given that the late filings were unintentional, all outstanding reports have been retrospectively submitted, the potential financial penalty is not substantial in the context of our overall financial condition and operations, and no penalties have been levied to date, we consider this to be an immaterial non-compliance matter.

To ensure ongoing compliance with the applicable transfer pricing regulations, we have adopted the following measures to ensure ongoing compliance with the relevant transfer pricing laws and regulations in Hong Kong and the PRC:

(i) we shall maintain the engagement of an external tax adviser to advise us on transfer pricing matters annually. The most appropriate transfer pricing method and price and profit level indicator should be selected according to analysis prepared by the external tax adviser.

(ii) training will be provided to our senior management relating to updates on relevant transfer pricing laws and regulations in the relevant jurisdictions;

(iii) our financial manager and financial controller should review all reporting forms before submitting to the relevant tax authority;

(iv) our Directors and financial controller will make sure the transfer pricing arrangement is aligned with each party's value contribution;

(v) our Directors and financial controller will review the terms of the material inter-company transactions and regularly monitor our transfer pricing policy to ensure the transactions are carried out on arm's length basis; and

(vi) our financial manager and financial controller will document and file relevant supporting documents of value contribution of each party for risk management, including but not limited to responsibilities planning, correspondences, performance and outcome assessment of relevant work.

In addition, we have already formulated the Connected Transaction System, which establishes procedural standards including the definition of connected persons, the definition and management of connected transactions, as well as the decision-making and disclosure of connected transactions. We also regulate the management procedures for the ongoing connected transactions and the newly occurring connected transactions. Our internal control consultant is of the view these internal control measures are effective.

DATA SECURITY AND PRIVACY

In the course of our business, we collect, store and process business data and transaction data. We were not involved in any cross-border transmission of data or provision of data to third parties. As we only make transactions with enterprises, we do not collect or process personal data. We believe that the confidentiality, integrity, and availability of data are vital to our business operations. To mitigate data security risks, we have implemented a comprehensive approach that includes data encryption, secure data storage protocols, and strict transmission policies to ensure the confidentiality and integrity of sensitive information.

Our internal data protection framework is designed to manage and control access to confidential information effectively. We have established clear and detailed protocols that govern the use, storage, and sharing of corporate data, ensuring that only employees with the appropriate authorization can access sensitive information on a need-to-know basis. Employees are granted access to data strictly according to their roles and are required to use this data solely for the performance of their job duties.

We implement specific measures to monitor and prevent unauthorized data access or leakage. We apply data encryption across all systems and storage facilities to achieve strict control over sensitive information and restrict access solely to authorized personnel. Our IT department configures automatic encryption settings on all office computers, and as a result, employees can only access or edit files using these secured devices, and any file transmission externally requires explicit managerial approval. In addition, we conduct regular employee training sessions to enhance data privacy awareness.

Our employees are required to sign confidentiality agreements as part of their employment, which strictly prohibit the unauthorized disclosure of any company-related confidential information. This policy ensures that our employees understand the critical nature of safeguarding company data and are held accountable for maintaining confidentiality.

To safeguard against data loss, we have implemented a robust backup system. We ensure that backup copies are stored both locally and remotely, and regularly test our data restoration processes to ensure the reliability of our backup system. In addition, we have established a disaster recovery protocol to protect against potential system failures or catastrophic events. Multiple backup copies of data are stored, ensuring that data can be quickly restored in the event of any technical issues, natural disasters, or unforeseen circumstances.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material data leakage or data loss, nor did we experience any material unauthorized use of customers' or distributors' information. Our PRC Legal Advisor is of the view that we have complied, in all material aspects, with the relevant PRC laws and regulations in respect of data security and privacy during the Track Record Period and up to the Latest Practicable Date. In addition, we exclusively focus our use of AI on algorithm optimization. This application excludes any involvement of third-party data. Our PRC Legal Advisor is of the view that we have complied, in all material aspects, with all relevant laws and regulations for our use of AI.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

We are dedicated to fostering long-term positive impacts on the environment, society, and governance ("**ESG**") for our stakeholders, including customers, suppliers and the communities influenced by our operations. Our Board of Directors oversees the ESG strategy, ensuring that we operate ethically, responsibly and in compliance with all applicable laws. Following the Listing, we will comply with the requirements of ESG reporting and publish ESG report on an annual basis in accordance with the requirements of Appendix C2 to the Listing Rules. We will focus on ESG matters, risk management and key performance indicators that have a significant impact on our business operations as set out in Appendix C2 to the Listing Rules.

In line with global sustainable development trends, we are committed to creating a comprehensive ESG governance framework. We integrate ESG factors into our overall strategy, long-term plans, key decisions, and daily operations. We aim to generate economic value while fulfilling our social responsibilities, protecting the environment, and ensuring our business growth aligns with sustainable development goals. We firmly believe that robust ESG governance strengthens our corporate reputation and market competitiveness, delivers long-term stakeholder value, and creates positive societal and environmental impact. Through targeted initiatives, we seek to elevate employee environmental engagement and advance our enterprise-wide contributions to conservation and decarbonization objectives.

We accord strategic priority to employee professional advancement, delivering multifaceted professional development pathways. We cultivate a diversely skilled workforce and instill an intentionally inclusive corporate culture designed to foster synergistic collaboration and innovation among cross-functional stakeholders.

We have enacted internal control frameworks and compliance architectures to fortify governance transparency. Concurrently, we sustain proactive and open dialog with employees, customers, suppliers, investors, and community constituents through deliberative feedback channels, enabling continuous strategic recalibration of our ESG strategies.

ESG Governance Structure

We implemented a comprehensive formal ESG governance framework to ensure systematic oversight, strategic alignment, and effective operational execution. Under this structure:

- We established an integrated ESG management system to provide structured governance, informed decision-making, and coordinated implementation of relevant work. Our Board serves as the ultimate leadership and decision-making body for ESG matters. Our ESG team is responsible for the day-to-day management, coordination, and advancement of ESG initiatives. All employees are required to implement ESG-related tasks within their functions.
- The specific responsibilities of the relevant parties are as follows:
  - (1) Our Board is responsible for reviewing, approving, and overseeing our ESG management policies and approving our final ESG reports;
  - (2) Our ESG team is responsible for incorporating the directives and guidance of our Board, facilitating internal and external collaboration, researching material topics, managing the daily execution of ESG initiatives, and coordinating the preparation of ESG reports; and
  - (3) All employees are responsible for implementing ESG tasks within their respective scope in accordance with our overall plan and providing regular updates on progress.
- When necessary, we may engage specialized consultants or professional parties in relevant fields to provide expert recommendations for advancing our ESG initiatives.
- Our Directors are empowered to provide opinions and suggestions regarding the fulfillment of our ESG responsibilities. Our ESG team shall consolidate such feedback and submit actionable resolutions to our Board for deliberation.
- We integrate ESG responsibilities into the management and decision-making processes. For major investment decisions, robust social impact assessments serve as an integral component of the decision-making framework for our Board.
- We plan to establish structured feedback mechanisms to ensure open and transparent dialogue with our Shareholders prior to the Listing. Where necessary, specific feedback and suggestions from our Shareholders may be collected through interviews, meetings, or surveys to facilitate and enable continuous improvement in our ESG performance.

Potential Impacts of ESG-related Risks

Given the nature of our business, we do not produce any material generation of emissions and wastes and cause severe pollution. However, we continuously monitor environmental and climate-related risks that may impact our business, strategy and financial performance. Our Board and team closely monitor and remain vigilant to identify any ESG-related risks in the short, medium and long term. We seek to incorporate all relevant ESG related issues into the planning process of our business and strategies.

We regularly check and analyze the carbon dioxide as a result of our business operations and we strive to reduce our emissions to achieve a carbon neutral business. As a fabless company, we record relatively low carbon emissions and no hazardous waste relating in our business operations. Our major source of carbon emissions is caused by the chip design activities, corporate office and employee operations and transportation. We strictly comply with laws and regulations, including the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法), as well

as other applicable requirements. If we fail to fulfill the aforementioned regulation and other related policies, we may face legal, financial, operational and reputational consequences and as a result our business will be affected negatively.

Strategies for Addressing ESG-related Risks

We have adopted various strategies and measures to identify, assess, manage and mitigate ESG and climate-related risks, including but not limited to:

- reviewing and evaluating ESG reports of our company and comparable companies to identify potential ESG-related risks in a timely manner.
- hosting meetings with our management team regularly to identify and report relevant ESG materials.
- setting up warning systems for ESG-related risks, including the monitoring of threshold numbers in relation to carbon emissions

The following sets forth our ESG-related measures to mitigate negative impact on our business, strategy and financial planning:

- To mitigate the negative impact of our suppliers' business operations, we enforce environmental standards through binding supplier environmental agreements, requiring suppliers to restrict hazardous substances in all delivered products, remove banned chemicals from packaging materials, and prohibit controlled additives in manufacturing processes. We believe such requirements ensure full compliance with the latest environmental regulations in all of our target markets.
- To mitigate the negative impact of our suppliers' business operations, we verify environmental compliance by requiring accredited laboratory test reports for all supplier-manufactured products. These reports must verify the absence of (1) prohibited metals, including cadmium (Cd), lead (Pb), mercury (Hg) and hexavalent chromium (Hex-Cr), (2) restricted halogens, including bromine (Br) and chlorine (Cl), and volatile organic compounds. This protocol ensures full compliance with environmental protection standards.
- To mitigate the negative impact of our corporate office and employee operations, we implement active operational measures to reduce emissions, including (1) encouraging and enforcing paperless operations, (2) auditing electronics shutdown for unused devices, and (3) keeping the office temperature within the energy-saving range. In addition, we embed environmental training into employee onboarding to drive ESG awareness. We plan to hold information sessions with our employees to promote environmental awareness.

Metrics and Targets

We are committed to minimizing the environmental impact of our operations. Responsible environmental management can lead to economic and environmental coexistence. Our Board holds accountability for monitoring and assessing environmental, social, and climate-related risks and opportunities. It is responsible for setting and approving our ESG policy and targets, conducting annual performance reviews against these goals, and adjusting ESG strategies if significant deviations are detected.

Our core business involves the R&D, design and sales of chips under a fabless model. The primary raw materials we procure are wafers, and we outsource related packaging and testing processes to external professional processing service providers. Neither our Company nor our subsidiaries are directly engaged in manufacturing activities.

The following table sets forth metrics on our electricity consumption during the Track Record Period:

Metrics		2022	2023	2024	Ten months ended October 31, 2025
Electricity consumption	Total electricity consumption (kWh)	128,572	212,099	244,356	224,008
	Electricity consumption per unit of revenue (kWh per million RMB)	986	1411	688	798
Paper Consumption	Total paper consumption *(kg)*	4,629.4	4,273.2	8,115.5	4,541.9
	Paper consumption per unit of revenue *(kg per million RMB)*	35.5	28.4	22.8	16.2

We are committed to implementing green and energy-saving practices and improving energy efficiency. Based on our data for electricity and paper consumption in 2024, we plan to reduce our electricity consumption per unit of revenue by 5% by 2027.

We perform a comprehensive corporate risk assessment at least annually, evaluating current and emerging risks, including but not limited to ESG and strategic risks arising from disruptive factors such as climate change. Risk mitigation decisions, whether through reduction, transfer, acceptance, or control, are influenced by multiple considerations. Climate-related factors, including physical and transition risks, will be integrated into our risk assessment framework and risk appetite determination.

Material risks and opportunities will be factored into our strategic and financial planning processes. Following an annual review of environmental, social, and climate-related risks, as well as our performance in addressing them, we may refine our ESG strategies and corporate governance policies as necessary.

Energy Conservation Initiatives

We actively engage in energy conservation initiatives as part of our commitment to contributing to societal environmental preservation efforts. Our initiatives include:

- *Product Efficiency*: we aim to design energy-efficient products to reduce overall power consumption during use;
- *Water Conservation*: we enhance water conservation practices by promoting responsible usage;
- *Electricity saving*: in the workplace, we implement the principle of "lights off when not in use" to minimize unnecessary electricity consumption during operations;

- *Paper saving*: we promote paper-saving practices by adopting electronic office processes to reduce paper usage and ensure proper paper recycling;
- *Green commuting*: we encourage employees to adopt green and low-carbon commuting practices, such as using public transportation; and
- *Facility Optimization*: we regulate air-conditioning temperatures in our office space to minimize energy waste and improve operational efficiency.

Corporate Social Responsibility

We are committed to being responsible corporate citizens, continuously fulfilling corporate social responsibility. We recognize the size and influence of our company and seek to utilize our influence in a socially responsible manner. We actively encourage and support socially responsible initiatives and promote the concept of corporate social responsibility throughout our company.

We are committed to giving back to society in various ways and contributing positively to the community. We place great importance on talent development and have collaborated with universities to establish talent training bases, providing practical opportunities for students to inspire their interest and enthusiasm for technological innovation while nurturing more industry talent for society.

We actively recruit fresh graduates and assign them one-on-one mentors during the onboarding process. Experienced employees are encouraged to offer guidance and support to new recruits, providing the next generation of R&D talent with greater opportunities for learning and growth.

Supplier Management

We enforce rigorous and quantifiable environmental standards across our supply chain through a binding Supplier Environmental Agreement. This agreement mandates that all supplier provided materials, components, and finished products fully comply with the latest international environmental regulations.

We require suppliers to adhere to clearly defined substance restriction thresholds, such as cadmium not exceeding 20 ppm in organic materials and 70 ppm in inorganic materials, lead not exceeding 100 ppm in organic materials and 800 ppm in inorganic materials, and mercury limited to 500 ppm. Additionally, all packaging materials must maintain total concentrations of lead, cadmium, hexavalent chromium, and mercury below 80 ppm in accordance with EU Packaging Directive 94/62/EC.

To verify compliance, we mandate that suppliers submit third-party accredited laboratory test reports for each product prior to sample approval, with each report valid for one year from the date of issue. We perform routine screening analyzes based on predefined thresholds, for instance, 50 ppm for cadmium in organic materials and 70 ppm in inorganic materials, to ensure ongoing adherence. Should any non-conforming products be identified after delivery, suppliers must notify us within 24 hours and undertake corrective actions within an agreed timeframe.

We maintain the right to conduct random sampling and testing. In cases of non-compliance, we enforce predefined financial penalties, ranging from RMB1 million to RMB10 million depending on the severity of the environmental breach, and may suspend procurement until full remediation is achieved. These measures ensure quantifiable, auditable, and continuous alignment with our ESG objectives and regulatory requirements across all operational and supply chain activities.

Employee Well-being

Our employees are integral to our success. We are committed to providing a safe, inclusive, and empowering workplace. We comply with laws and regulations in relation to labor employment in all material aspects. We have also formulated internal management systems that stipulate provisions for employee onboarding, attendance, transfer, performance appraisal, promotion, remuneration, incentives, benefits and allowances.

We recruit talent based on the needs identified by our human resources department. We adhere to the principles of openness, fairness, impartiality and transparency in our recruitment process. Through various channels such as headhunters, online recruitment platforms and campus recruitment, we conduct comprehensive evaluations of candidates based on their character, qualifications, abilities, experience and educational background and select the best candidates.

We provide employees with competitive compensation and offer distinct career advancement paths for technical and functional staff. We implement a performance evaluation system and motivate employees through various measures, including salary adjustments, performance bonuses and equity incentive plans.

We place great importance on employee feedback and have established a platform to collect and process employee suggestions. Feedback is gathered and centrally coordinated by the human resources administration center.

We have a diverse employee composition, and we prohibit any discrimination against employees based on factors such as gender, age or educational background during the recruitment, employment, and management processes. The table below sets forth our employee composition as of the October 31, 2025, in terms of gender, age and education level.

	Percentage of employees
By gender	
Male	78.7%
Female	21.3%
By age group	
35 and above	50.7%
Below 35	49.3%
By education level	
Masters	46.3%
Undergraduates	48.5%
Below Undergraduates	5.1%
Total	**100.0**

We actively monitor evolving social expectations regarding workforce diversity and inclusion. Our current employee profile includes a female representation of approximately 21.3% across the workforce. The Board of Directors also incorporates gender diversity, featuring two female members. Management also includes two female executives. We maintain a stable and experienced workforce, with employees aged 35 years and above constituting 50.7% of the total as of October 31, 2025. We acknowledge increasing social awareness and stakeholder focus on these demographic factors within corporate ESG frameworks. We continue to assess these social trends and evaluate their potential influence on talent acquisition, retention strategies, and workplace culture. We are committed to aligning our human capital management practices with developing market expectations while leveraging the experience within our existing workforce.

IMPACT OF COVID-19

Our Directors are of the view that our business operations and financial performance were unaffected by the COVID-19 outbreak during the Track Record Period. Our fabless operating model insulated us from pandemic impacts as we do not manage manufacturing facilities or production processes.

INTERNAL CONTROL AND RISK MANAGEMENT

Internal Control

We have designated responsible personnel in our Company to monitor the ongoing compliance by our Company with the relevant PRC laws and regulations that govern our business operations and oversee the implementation of necessary measures. We have adopted internal rules and policies governing various aspects of our business operations and management, such as our sales practices, R&D management, outsourced production, information system, legal compliance, investment and financing, financial reporting and human resources.

We have engaged an independent internal control consultant to review our risk management and perform an initial review in May 2025 in selected areas of our internal controls, including, among others, financial reporting and disclosure controls, sales, accounts receivable and collection, procurement, accounts payable and payment, cash and treasury management, assets management, research and development, information technology general controls and compliance management. Our internal control consultant put forward recommendations based on such review. We have implemented rectification and improvement measures, as the case may be, in response to their findings and recommendations. The internal control consultant performed follow-up procedures on our remedial measures in June 2025 and did not identify any material deficiency in our internal control system. Having considered the report prepared by our internal control consultant, our Directors confirmed that all of the major recommendations provided by the internal control consultant have been followed and corrective actions were taken accordingly to address our internal control deficiencies and weaknesses. Our Directors are of the view that our enhanced internal control measures are adequate and effective to ensure compliance with relevant laws and regulations going forward.

Internal control policies relating to intellectual property

We have established and maintained a robust system of enhanced internal control measures designed to proactively prevent the infringement of intellectual property rights. Our practices are formalized under our internal policies, including the Intellectual Property Management Procedures and the Trademark Management Procedures.

At the outset of any new product research and development project, we implement a thorough front-end screening process. We conduct comprehensive analyzes of competing technologies in the market and perform detailed intellectual property searches. These steps allow us to compare our proposed technical approaches and core performance indicators against existing patented technologies to ensure our development work remains distinct and does not infringe upon the protected scope of others' rights. Furthermore, in our recruitment process for technical staff, especially for key R&D positions, we carry out independent background verifications to confirm that new hires are not subject to any non-compete obligations that could pose an infringement risk to our Company.

Our Intellectual Property Management Procedures institutionalize these preventive measures. They mandate that prior to any significant technological innovation activity, such as the development of new technologies, processes, or products, our legal department must collaborate with the relevant business units to conduct or commission professional novelty searches and IP screenings. This process is designed to align our activities with our intellectual property strategy, avoid redundant development, and prevent potential infringement disputes. Based on the results of these searches and our internal IP layout analysis, the responsible departments perform an infringement risk assessment to form an early

warning. All technical solutions are subject to internal review by our Technical Committee, which meets bi-monthly in patent deliberation sessions to decide on which inventions to submit to external patent agents for filing.

Separately, our Trademark Management Procedures define clear responsibilities and a controlled process for trademark management. The Marketing Department is responsible for initiatives related to trademarks, including design and use; the Legal Department oversees normative usage, protection strategies, and dispute resolution; and the Human Resources & Administration Department manages all trademark filings and records. Any application for registration, renewal, or modification of a trademark is initiated by the Marketing Department with assistance from the Legal Department, and all usage must be strictly compliant to prevent unauthorized alterations or overreach.

Risk Management

We are exposed to various risks in the ordinary course of our business operations. Key operational risks faced by us include, among others, our ability to respond to technological changes, competition in the relevant industries, our ability to retain and grow our customer base and usage, our ability to enhance or upgrade our existing solutions and introduce new ones, our ability to maintain and expand our sales and distribution network, and our ability to successfully expand to and develop market recognition in various industry sectors. See "Risk Factors" for disclosures on various risks we face. In addition, we also face certain market risks, such as credit risk, liquidity risk and interest rate risk related to our financials. See "Financial Information—Quantitative and Qualitative Disclosure of Market Risks" for details. We have implemented policies and procedures for risk management in each aspect of our operations, including administration of daily operations, data security, financial reporting procedures, employee conduct and legal compliance. Our Board oversees and manages the overall risks associated with our operations. We have established an Audit Committee to review and supervise the financial reporting process and internal control system of our Group. See "Directors and Senior Management—Board Committees—Audit Committee" for the qualifications and experience of these committee members as well as a detailed description of the responsibility of our Audit Committee.

OVERVIEW

As of the Latest Practicable Date, (1) Mr. Xu controlled 32.76% of the voting power at the general meetings of our Company, comprising (i) 8.86% beneficially owned by him directly, (ii) 12.62% beneficially owned by Shanghai FourSemi Management, where Mr. Xu acted as its general partner, (iii) 7.07% beneficially owned by Xiamen FourSemi Management, where Mr. Xu acted as its general partner, and (iv) 4.21% beneficially owned by Xiamen FourSemi Chuangke, where Mr. Xu acted as its general partner; and (2) Mr. Liu controlled 2.52% of the voting power at the general meetings of our Company through the interests beneficially owned by him directly. Pursuant to the Concert Party Agreement, Mr. Liu irrevocably agreed to, among others, act in concert with Mr. Xu and follow his instructions in exercising his vote at the general meetings of our Company. Upon the Listing, Mr. Xu and Mr. Liu will control 31.50% of the voting power at the general meetings of our Company (assuming the Over-allotment Option is not exercised). Accordingly, Mr. Xu and Mr. Liu, together with Shanghai FourSemi Management, Xiamen FourSemi Management and Xiamen FourSemi Chuangke will be our controlling shareholders upon the Listing.

NO COMPETITION AND CLEAR DELINEATION OF BUSINESS

Our Controlling Shareholders have confirmed that as of the Latest Practicable Date, none of them or any of their respective close associates had any interest in a business that competes or is likely to compete, either directly or indirectly, with our business, which is subject to disclosure pursuant to Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Management Independence

Our business is primarily managed and conducted by our Board and senior management. Upon the completion of the Listing, our Board will comprise of four executive Directors, two non-executive Directors and three independent non-executive Directors. See "Directors and Senior Management" for more information.

Our Directors believe that our Board and senior management is able to manage our business and function independently from our Controlling Shareholders based on the following reasons:

(1) each of our Directors is aware of his/her fiduciary duties as a Director of our Company which require, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interest;

(2) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Directors shall abstain from voting at the relevant board meetings of our Company in respect of such transactions and shall not be counted in the quorum;

(3) we have three independent non-executive Directors, who have extensive experience in different areas and have been appointed to ensure that the decisions of our Board are made after due consideration of independent and impartial opinions. Certain matters of our Company must always be referred to the independent non-executive Directors for review in accordance with the Listing Rules, the applicable laws and our Articles of Association and internal policies;

(4) our daily management and operations are carried out by our senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interest of our Group;

(5) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. See "—Corporate Governance."

Operation Independence

We have established our own organizational structure comprised of individual departments, each with specific areas of responsibilities. We have also established various internal controls procedures to facilitate the effective operation of our business. Our Group is not operationally dependent on our Controlling Shareholders. Our Company (through our subsidiaries) holds or enjoys the benefit of all relevant licenses and owns all relevant intellectual property and R&D facilities necessary to carry on our business. We have sufficient capital, facilities, equipment and employees to operate our business independently from our Controlling Shareholders. We also have independent access to our customers and suppliers.

Based on the above, our Directors believe that we are capable of carrying on our business independently of our Controlling Shareholders and their close associates.

Financial Independence

We have an independent financial system. Our Group's accounting and finance functions are independent of our Controlling Shareholders and their close associates. Our Group makes financial decisions according to our own business needs. Our Group's major finance operations are handled by our financial management department, which operates independently from our Controlling Shareholders and their close associates. We do not share any other functions or resources with any of our Controlling Shareholders or their close associates.

During the Track Record Period, we primarily financed our business operations through cash generated from our business activities and equity financing activities. As of the Latest Practicable Date, we did not have any outstanding borrowings or guarantees from our Controlling Shareholders or any of their respective close associates.

Based on the above, our Directors believe that our Group is able to operate with financial independence from our Controlling Shareholders and their close associates.

CORPORATE GOVERNANCE

We have put in place sufficient corporate governance measures to manage the conflict of interest and potential competition from our Controlling Shareholders and safeguard the interest of our Shareholders, including:

(1) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their close associates has a material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

(2) our Company has established internal control mechanism to identify connected transactions. After the Listing, our Company will comply with the requirements in connection with connected transactions under the Listing Rules;

(3) where our Directors reasonably request the advice of independent professionals, such as independent financial advisors, the appointment of such independent professional will be made at our Company's expense;

(4) we have appointed Orient Capital (Hong Kong) Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance;

(5) we have established the Audit Committee, Remuneration and Appraisal Committee and Nomination Committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code;

(6) our Controlling Shareholders will confirm the status of their non-competing interest on an annual basis and to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by our Company; and

(7) our Company will disclose decisions (with basis), if any, on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements.

Our Directors consider that the above corporate governance measures are sufficient to manage any potential conflict of interests between our Controlling Shareholders and their respective close associates and our Group and to protect the interests of our Shareholders, in particular, the minority Shareholders.

*You should read the following discussion and analysis in conjunction with our audited consolidated financial statements, including the notes thereto included in the Accountants' Report set out in Appendix I to this prospectus. You should read the entire Accountants' Report in Appendix I to this prospectus and not rely merely on the information contained in this section. The Accountants' Report has been prepared in accordance with the International Financial Reporting Standards ("**IFRS Accounting Standards**"), which may differ in material aspects from generally accepted accounting principles in other jurisdictions.*

Our historical results do not necessarily indicate results expected for any future periods. The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in the sections headed "Forward-looking Statements" and "Risk Factors" in this prospectus.

OVERVIEW

We are a provider of power amplifier audio chips and haptic drivers in China. We specialize in the design of low-power audio chips, mid/high-power audio chips and haptic drivers under a fabless model to offer a wide array of solutions for emerging application scenarios. According to the F&S report, we ranked (1) first among power amplifier audio chip providers in China in terms of total shipment volume in 2024 of power amplifier audio chips for use in smart displays, (2) second among power amplifier audio chip providers in China, and third among power amplifier audio chip providers globally, in terms of total shipment volume of power amplifier audio chips in 2024, and (3) fourth among haptic driver providers in China in terms of total shipment volume of haptic drivers in 2024. As a fabless company developing and designing power amplifier audio chips and haptic drivers, we offer a comprehensive portfolio of high-performance and reliable products and solutions for application sectors such as consumer electronics and intelligent vehicles. During the Track Record Period, we primarily offer three core product categories: low-power audio chips, mid/high-power audio chips and haptic drivers.

Our revenue was RMB130.3 million, RMB150.3 million, RMB355.2 million, RMB288.8 million and RMB280.8 million in 2022, 2023 and 2024 and the ten months ended October 31, 2024 and 2025, respectively. We recorded gross profit of RMB9.5 million in 2022 and RMB46.6 million in 2024 and RMB38.8 million in the ten months ended October 31, 2024 and RMB56.1 million in the ten months ended October 31, 2025, and a gross loss of RMB0.1 million in 2023, and loss for the year of RMB65.9 million, RMB94.1 million, RMB56.8 million, RMB46.9 million and RMB51.8 million in 2022, 2023 and 2024 and the ten months ended October 31, 2024 and 2025, respectively.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe that the most significant factors affecting our results of operations and financial condition include the following.

Development of the Power Amplifier Audio Chip Industry and Changes in Downstream Demand

We operate in the rapidly growing power amplifier audio chip market. Our business, financial performance, results of operations and future growth are in turn affected by the development of the power amplifier audio chip industry, including the general factors affecting the global power amplifier audio chip market, the global economic conditions and regulatory environment, as well as the market acceptance, adoption and demand of power amplifier audio chip products and related services. According to the F&S report, China's power amplifier audio chip industry in terms of revenue increased

from RMB2.4 billion in 2020 to RMB4.1 billion in 2024, at a CAGR of 14.9%, and is expected to reach RMB87.0 billion in 2029 at a CAGR of 19.4% from 2024 to 2029. Furthermore, the power amplifier audio chip industry in China is experiencing trends such as increasing domestic substitution, higher integration level and development towards more intelligent products. We believe that we are well-positioned to capture such market opportunities with our power amplifier audio chip product portfolio that covers the most extensive selections.

In particular, our business performance is in turn affected by the downstream market size and customer demand for more advanced and effective power amplifier audio chip products. The overall growth of global and China's power amplifier audio chip market is mainly driven by growing downstream industries, the escalating demand for high-efficiency solutions in audio systems for consumer electronics, such as smartphones, smart wearables and smart displays, and intelligent vehicles, as well as customized power amplifier audio chip with advanced algorithms. Downstream market demand could be affected by a number of factors including macroeconomic conditions, technological advancements and the evolving needs of end customers across various sectors. For instance, according to the F&S report, benefiting from the booming development of consumer electronics and the rapid growth in demand for power amplifier audio, the global market total shipment of power amplifier audio chips for smart displays reached approximately 90.0 million in 2024, and is expected to further increase to approximately 160.0 million by 2029, with a CAGR of 12.0%. In the China-manufactured power amplifier audio chip market for smart displays, the total shipment reached approximately 45.0 million in 2024, and is expected to further increase to approximately 90.5 million, with a CAGR of 15.0%, according to the same source. Our future performance hinges on our capacity to innovate and develop products that match latest technological trends and evolving customer preferences in these downstream sectors.

Our Ability to Enhance and Develop Our Product Portfolio

Our chip products are subject to diversifying application scenarios and rapidly evolving customer demands, and the global power amplifier audio chip industry that we operate in is characterized by constant advancements in technology advancements and product innovations. To ensure that we can maintain our position as a major market player in the power amplifier audio chip market and achieve sustainable growth, our chip products must keep pace with these changes in a timely and effective manner. To that end, our ability to efficiently develop and launch new chip products and enhance our existing chip products is critical to our growth prospects.

We aim to further actively enrich our product portfolio, broaden our customer base and improve our focus on high-margin product categories. Through ongoing product portfolio optimization and technological innovation, we are dedicated to achieving robust financial performance and driving long-term growth. However, fluctuations in product demand, shifts in market dynamics and evolving competitive pressures may impact our financial performance. Our financial performance could be affected by fluctuations in product demand, shifts in market dynamics and evolving competitive pressures.

During the Track Record Period, we primarily generated revenue from the sales of low-power audio chips and mid/high-power audio chips and to a much lesser extent, from the sales of haptic drivers. The gross profit margins of different products tend to vary, and the gross profit margins of our products could change along with competitive landscape, technology, product and manufacturing upgrades and pricing factors, and, therefore, our product portfolio has an impact on our overall gross profit margin. For instance, revenue from low-power audio chips accounted for 97.0%, 93.5%, 90.9%, 90.3% and 91.0% of our total revenue in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively, and revenue from mid/high-power audio chips accounted for 3.0%, 5.8%, 7.5%, 8.1% and 7.3% of our total revenue in the same periods, respectively. We recorded gross profit of RMB21.5 million, RMB3.9 million, RMB40.9 million, RMB32.3 million and RMB50.0 million with gross profit margin of 17.0%, 2.7%, 12.7%, 12.4% and 19.6% in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively, for low-power audio chips, while we recognized a gross

loss of RMB29 thousand in 2022 and gross profit of RMB3.3 million, RMB4.8 million, RMB6.2 million and RMB4.7 million with gross profit margin of 38.5%, 18.1%, 26.1% and 22.6% in 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively, for mid/high-power audio chips.

As we launch new automotive-grade power amplifier audio chip products, upgrade our power amplifier audio chip product matrix and adjust our market outreach in the future, we may experience further fluctuations in the sales contribution of different product lines, which may have an impact on our results of operations.

Our Research and Development Capabilities

Our research and development capabilities are the foundation of our ability to enhance and develop our product portfolio and customized solutions to address diverse customer demands. Our ability to continue R&D activities, develop new technologies, design new products and enhance existing products is critical to our success. We have invested and expect to continue to invest significant resources into our research and development efforts.

During the Track Record Period, our research and development costs were RMB48.7 million, RMB59.3 million, RMB68.1 million, RMB55.1 million and RMB55.7 million in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively, representing 57.7%, 60.2%, 62.7%, 61.9% and 53.0% of our total operating expenditure in the same periods, respectively. Specifically, the progress of our technology and product development depends largely on our R&D talents. As of the Latest Practicable Date, our R&D team consisted of 91 members, representing 61.1% of total employees as of the same date. Our market success and financial performance hinge on maintaining technological capabilities. Therefore, we will continue investing in proprietary technology development and innovation to strengthen our competitive advantage against peers.

In addition, while we strive to achieve efficiency with our research and development efforts, as similar initiatives in the power amplifier audio chip industry are usually associated with uncertainties in the process and outcome, we may experience fluctuations in research and development costs and we may not be able to predict the results of and return on such investment, which may in turn affect our results of operations.

Our Ability to Manage Our Costs and Achieve Operational Efficiency

Our ability to achieve profitability and sustainable growth depends significantly on our management of cost of sales. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, our cost of sales was RMB120.8 million, RMB150.4 million, RMB308.6 million, RMB250.0 million and RMB224.7 million respectively, representing 92.7%, 100.1%, 86.9%, 86.6% and 80.0% of our revenue for the same periods, respectively. Our cost of sales primarily consists of material and processing costs, transportation fees and impairment losses on inventories. Changes in any major component of our cost of sales and our overall cost structure could have an impact on our gross profit and gross profit margin. For instance, our material and processing costs accounted for 87.4%, 92.6%, 97.8%, 98.4% and 98.6% of our total cost of sales in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively. The materials and processing cost such as costs for wafer, chip packaging and testing may fluctuate due to a number of factors beyond our control, such as supply chain disruptions and inflation, and we are susceptible to significant changes in the availability, price and standard of critical raw materials and chip packaging and testing. We have implemented risk management measures against such potential disruptions to our supply chain. In addition, our cost of sales and gross margin are also affected by the impairment losses of inventories. See "—Key Components of Our Consolidated Statements of Profit or Loss—Cost of Sales."

Our business and results of operations are also affected in part by our operating expenses, which primarily comprised research and development costs, and, to a lesser extent, our administrative expenses and selling and marketing expenses during the Track Record Period. The absolute amount of our research and development costs may continue to increase and account for a significant portion of

our total operating expenses. See also "—Key Factors Affecting Our Results of Operations—Our Sales and Marketing Capabilities and Ability to Price Effectively" and "—Key Factors Affecting Our Results of Operations—Our Ability to Enhance and Develop Our Product Portfolio." We may also incur greater selling and marketing expenses and administrative expenses in the future along with the growing needs of our business operations, and our cost and expense structure could further evolve along with our business expansion. See "Business—Business Sustainability and Path to Profitability" for further details of our measures to improve management of costs and expenses.

Our Sales and Marketing Capabilities and Ability to Price Effectively

We have made proactive efforts in product commercialization and market expansion, which has contributed significantly to the expansion of our market reach and customer base, and, as a result, the growth of our sales volume and revenue. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, we recognized revenue from distributors of RMB125.2 million, RMB129.6 million, RMB324.6 million, RMB266.5 million and RMB239.3 million, respectively, representing 96.1%, 86.2%, 91.4%, 92.3% and 85.2% of our total revenue in the same periods. We recognized revenue from direct sale customers of RMB5.1 million, RMB20.7 million, RMB30.6 million, RMB22.3 million and RMB41.5 million in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively, accounted for 3.9%, 13.8%, 8.6%, 7.7% and 14.8% of our total revenue in the same periods. We believe that our dual approach to sales has enabled us to tap into both the benefits of direct sales in customer engagement and product enhancements, and the benefits of distributorship in market outreach, logistics arrangement and delivery.

Our ability to strengthen our customer base, expand market reach, generate sales, and achieve business growth in the future will continue to rely on the efficiency and breadth of our sales network. During the Track Record Period, our selling and marketing expenses were RMB17.4 million, RMB18.9 million, RMB20.8 million, RMB17.5 million and RMB16.8 million in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, representing 13.4%, 12.6%, 5.9%, 6.1% and 6.0% of our total revenue in the same periods, respectively. We have devoted, and expect to continue to devote, substantial resources to our sales and marketing initiatives to deepen our penetration and achieve higher market recognition. As we continue to scale up our business operations and enhanced brand recognition, we expect to achieve greater cost efficiency with our sales and marketing initiatives.

Moreover, our ability to price our products effectively in light of our cost of sales and competitive landscape is critical to our profit generation. In 2022, 2024 and the ten months ended October 31, 2024 and 2025, We recorded gross profits of RMB9.5 million, RMB46.6 million, RMB38.8 million and RMB56.1 million, with our gross profit margin of 7.3%, 13.1%, 13.4% and 20.0%, respectively. We recorded a gross loss of RMB0.1 million in 2023, primarily attributable to the implementation of a strategic initiative to accelerate market share growth through a more competitive pricing strategy in response to intensifying competition in the power amplifier audio chip sector. While the pricing adjustment temporarily impacted our gross margin, it significantly reinforced our competitive positioning and strengthened our market presence, as evidenced by our notable increase in sales volume, particularly for our low-power audio chips in 2024.

BASIS OF PREPARATION

For ordinary shares issued to certain pre-IPO investors, pursuant to the supplemental agreements entered into between the Company and such pre-IPO investors in relation to the termination of redemption rights granted by the Company, which are void ab initio as described in note 28 to this report, having taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplementary agreements, the directors considered that it is appropriate to present such pre-IPO investments as equity throughout the Relevant Periods. For the details of financial impacts, see note 28 to the Historical Financial Information.

The historical financial information has been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**"), which comprise all standards and interpretations approved by the IASB. All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by us in the preparation of the historical financial information throughout the Track Record Period.

The historical financial information has been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value.

MATERIAL ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and operational results. Results may differ from these estimates under different assumptions and conditions.

Our management continually evaluates such estimates, assumptions and judgments based on historical experience and other assumptions which our management believes to be reasonable under the circumstances.

We set forth below accounting policies that we believe involve the most significant estimates, assumptions and judgments used in the preparation of our financial statements. Our material accounting policies, as well as our key source of estimation uncertainties, which are important for understanding our financial condition and results of operations, are set forth in notes 2.3 and 3 to the Accountants' Report in Appendix I to this prospectus.

Revenue Recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of goods is transferred to the customers at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which we will be entitled in exchange for transferring the goods 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 recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

There are no significant variable consideration and financing component for our revenue from contracts with customers.

Revenue from the sale of power amplifier audio chips and other chip products

We provide low-power audio chips, mid/high-power audio chips, and haptic drivers, as well as power management chips. Revenue from the sale of products is recognized at the point in time when control of the products is transferred to the customer, generally on delivery to the specific locations in accordance with the contracts, the risks of obsolescence and loss have been transferred to the customer, and when the customer confirmed the acceptance of the products.

Other income

Interest income is recognized on an accrual basis using the effective interest 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.

Inventories

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

Impairment of non-financial assets (other than goodwill)

We assess whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

We assess whether there is any indication of impairment for all non-financial assets (including PPE, ROU assets and intangible assets) at the end of each reporting period in accordance with IAS 36 Impairment of Assets. Given that we sustained losses throughout the Track Record Period as we were still in the stage of expanding our business and operations in the rapidly growing perceptual-intelligence chips market, and we are continuously investing in research and development, indicating potential impairment of our non-financial assets (including PPE, ROU assets and intangible assets), we diligently carried out impairment testing at the end of each reporting period.

For the purpose of impairment review, the carrying amount of non-financial assets were compared to the corresponding recoverable amount, which were based predominantly on value-in-use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. Since the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Our management estimated the expected future cash flows from the cash-generating unit and selected the suitable discount rate in order to calculate the present value of those cash flows. Our management engaged an independent external valuer to assess the recoverable amount of the CGU and leveraged our management's extensive experiences in the perceptual-intelligence chips industry and provided forecast based on past performance and our expectation of future business plans and market developments. Based on the assessment result, value in use is greater than carrying amounts of PPE, ROU and intangible assets, hence, no impairment was recognized.

The following table sets out the key assumptions adopted by management in the impairment assessment:

	As of December 31,			As of October 31,
	2022	2023	2024	2025
Gross margin rate	5.5%–36.6%	14.4%–36.6%	13.1%–36.6%	20.1%–37.1%
Annual revenue growth rate . .	11%–136%	11%–136%	11%–57%	4%–55%
Discount rate (before tax). . . .	17.7%	18.1%	18.2%	18.4%

The forecasted gross margin rate and forecasted annual revenue growth rate used in the impairment testing were determined by management based on past performance and its expectation for market development. Discount rates reflect market assessments of the time value and the specific risks relating to the industry. These estimates and judgments may be affected by unexpected changes in the future market or economic conditions. The directors of the Company have considered the reasonably possible changes to the key assumptions as adopted in the impairment assessments and considered will not result in any impairment charge to be recognized.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as payables, as appropriate.

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

Our financial liabilities include trade payables, other payables and accruals, redemption liabilities and interest-bearing bank borrowings.

Subsequent measurement

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

Financial liabilities at amortized cost (trade and other payables and borrowings)

After initial recognition, financial liabilities are subsequently measured at amortized 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 recognized in the statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized 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 amortization is included in finance costs in the statement of profit or loss.

Redemption liabilities

A contract that contains an obligation to purchase our equity instruments for cash or another financial asset gives rise to a financial liability for the redemption amount, even if our obligations to purchase is conditional on the counterparty exercising a right to redeem. The redemption liability is initially measured at the carrying amount of the redemption amount and subsequently measured at amortized cost with interest expense being included in change in the carrying amounts of redemption liabilities.

The redemption liabilities were classified as current liabilities as certain redemption events could occur anytime. The carrying amount of the redemption liabilities will be reclassified to equity upon a termination of the counterparty's redemption right.

RESULTS OF OPERATIONS

The following table sets forth a summary of our consolidated statements of profit or loss items for the periods indicated.

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
	(RMB in thousands, except for percentages)									
							(unaudited)			
Revenue	**130,327**	**100.0**	**150,291**	**100.0**	**355,195**	**100.0**	**288,832**	**100.0**	**280,778**	**100.0**
Cost of sales	(120,848)	(92.7)	(150,415)	(100.1)	(308,639)	(86.9)	(250,011)	(86.6)	(224,721)	(80.0)
Gross profit/(loss)	**9,479**	**7.3**	**(124)**	**(0.1)**	**46,556**	**13.1**	**38,821**	**13.4**	**56,057**	**20.0**
Other income and gains	10,133	7.8	7,973	5.3	9,582	2.7	6,844	2.4	3,798	1.4
Selling and marketing expenses	(17,405)	(13.4)	(18,869)	(12.6)	(20,847)	(5.9)	(17,500)	(6.1)	(16,800)	(6.0)
Administrative expenses	(18,279)	(14.0)	(20,382)	(13.6)	(19,673)	(5.5)	(16,434)	(5.7)	(32,629)	(11.6)
Research and development costs	(48,708)	(37.4)	(59,271)	(39.5)	(68,060)	(19.2)	(55,134)	(19.1)	(55,690)	(19.8)
Impairment loss on financial assets, net	(125)	(0.1)	(165)	(0.1)	(116)	(0.0)	(136)	(0.0)	(59)	(0.0)
Other expenses	(10)	(0.0)	(1)	(0.0)	(226)	(0.1)	—	—	(1,928)	(0.7)
Finance costs	(209)	(0.2)	(822)	(0.5)	(1,393)	(0.4)	(1,129)	(0.4)	(2,155)	(0.8)
Changes in the carrying amounts of redemption liabilities	(775)	(0.6)	(2,469)	(1.7)	(2,667)	(0.8)	(2,208)	(0.8)	(2,370)	(0.8)
Loss before tax	**(65,899)**	**(50.6)**	**(94,130)**	**(62.6)**	**(56,844)**	**(16.0)**	**(46,876)**	**(16.2)**	**(51,776)**	**(18.4)**
Income tax expense	(3)	(0.0)	—	—	—	—	—	—	—	—
Loss for the year/period	**(65,902)**	**(50.6)**	**(94,130)**	**(62.6)**	**(56,844)**	**(16.0)**	**(46,876)**	**(16.2)**	**(51,776)**	**(18.4)**

For details on the accounting treatment of redemption rights of pre-IPO investments, see "— Share Capital and Total Equity" below and note 26 to the Accountants' Report set out in Appendix I to this prospectus. See note 28 to the Accountants' Report in Appendix I to this prospectus for further details of the financial impacts.

NON-IFRS MEASURE

To supplement our consolidated financial statements, which are presented in accordance with IFRSs, we also use adjusted loss (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRSs.

We define adjusted loss (non-IFRS measure) as loss, excluding share-based payments and listing expenses. We have made the following adjustment consistently during the Track Record Period.

- Share-based payments represent the non-cash employee benefit expenses incurred in connection with our award to key employees. Such expenses in any specific period are not expected to result in future cash payments.
- Listing expenses represent the costs incurred in connection with our initial public offering on the Hong Kong Stock Exchange. Such expenses in any specific period are not expected to result in future cash payments after completion of the listing process.

The following table reconciles our loss for the year/period presented in accordance with IFRSs to adjusted loss (non-IFRS measure).

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
			(RMB in thousands)		
				(unaudited)	
Loss for the year/period	(65,902)	(94,130)	(56,844)	(46,876)	(51,776)
Add:					
Share-based payments	7,824	7,843	7,843	6,536	6,079
Listing expenses	—	—	—	—	12,529
Adjusted loss (non-IFRS measure)	**(58,078)**	**(86,287)**	**(49,001)**	**(40,340)**	**(33,168)**

We believe that the adjusted loss (non-IFRS measure) would provide useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our non-IFRS measure does not have a standardized meaning prescribed by IFRS Accounting Standards, and our presentation of adjusted loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of adjusted loss (non-IFRS measure) has limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

KEY COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Revenue

During the Track Record Period, we primarily generated revenue from the sales of low-power audio chips and mid/high-power audio chips, and to a much lesser extent, from the sales of haptic drivers. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, our revenue was RMB130.3 million, RMB150.3 million, RMB355.2 million, RMB288.8 million and RMB280.8 million, respectively. The following table sets forth a breakdown of our revenue by product line and the sales volume and average selling price of our low-power audio chips, mid/high-power audio chips, haptic drivers and power management chips during the Track Record Period.

	Year ended December 31,												Ten months ended October 31,							
	2022				2023				2024				2024				2025			
	Revenue	%	Sales volume	ASP	Revenue	%	Sales volume	ASP	Revenue	%	Sales volume	ASP	Revenue	%	Sales volume	ASP	Revenue	%	Sales volume	ASP
	(RMB in thousands for revenue, except for percentage and ASP; RMB for ASP; units in thousands for sales volume)																			
													(unaudited)							
Low-power audio chips	126,370	97.0	116,486	1.08	140,645	93.5	214,323	0.66	322,908	90.9	451,532	0.72	260,760	90.3	374,914	0.70	255,455	91.0	389,128	0.66
— Adaptive power control audio chips	*82,529*	*63.3*	*90,628*	*0.91*	*104,379*	*69.5*	*186,715*	*0.56*	*172,329*	*48.5*	*330,181*	*0.52*	*146,073*	*50.6*	*281,538*	*0.52*	*144,997*	*51.6*	*296,549*	*0.49*
— Portable power amplifier audio chips	*43,841*	*33.6*	*25,858*	*1.70*	*36,266*	*24.1*	*27,608*	*1.31*	*150,579*	*42.4*	*121,351*	*1.24*	*114,687*	*39.7*	*93,376*	*1.23*	*110,458*	*39.3*	*92,580*	*1.19*
Mid/high-power audio chips	3,957	3.0	1,771	2.23	8,662	5.8	3,266	2.65	26,707	7.5	11,739	2.28	23,612	8.1	10,708	2.21	20,596	7.3	9,964	2.07
Haptic drivers	—	—	—	—	984	0.7	1,006	0.98	5,332	1.5	5,845	0.91	4,277	1.5	4,678	0.91	3,702	1.3	4,173	0.89
Others[1]	—	—	—	—	—	—	—	—	248	0.1	1,026	0.24	183	0.1	726	0.26	1,025	0.4	1,866	0.55
Total	**130,327**	**100.0**			**150,291**	**100.0**			**355,195**	**100.0**			**288,832**	**100.0**			**280,778**	**100.0**		

(1) Others primarily represent power management chips.

The average selling price of our low-power audio chips, including adaptive power control audio chips and portable power amplifier audio chips, decreased in 2023, primarily attributable to (1) the rapid increase in sales volume of adaptive power control audio chips, which generally have a lower average selling price compared to portable power amplifier audio chips, thereby pulling down the overall average selling price of low-power audio chips; and (2) the adoption of a relatively more competitive pricing strategy in response to heightened competition, which, while impacting average selling price in the short time, is expected to strengthen our long-term market presence and customer base. The average selling price for mid/high-power audio chips increased from RMB2.23 per unit in 2022 to RMB2.65 per unit in 2023, primarily due to significantly increased customer demand for certain models of the FS21 series in 2023, which compared to other models, had a higher per unit price. The average selling price for mid/high-power audio chips decreased from RMB2.65 per unit in 2023 to RMB2.28 per unit in 2024, primarily because the demand for other models of lower per unit price increased and hence our average selling price for this product line experienced a decrease.

For illustrative purposes, the following table sets forth the revenue attributable to different types of products during the Track Record Period.

	Year ended December 31,						Ten months ended October 31,	
	2022		2023		2024		2025	
	Amount (RMB in thousands)	Percentage (%)	Amount (RMB in thousands)	Percentage (%)	Amount (RMB in thousands)	Percentage (%)	Amount (RMB in thousands)	Percentage (%)
	(RMB in thousands, except for percentages)							
Product type								
Smartphone	110,759	85.0%	113,143	75.3%	212,583	59.8%	162,738	58.0%
Tablet	14,216	10.9%	14,759	9.8%	87,892	24.7%	82,926	29.5%
Speaker	336	0.3%	—	—	12,427	3.5%	11,896	4.2%
Television	2,897	2.2%	1,230	0.8%	9,992	2.8%	7,505	2.7%
Smartwatch	1,485	1.1%	3,109	2.1%	5,690	1.6%	6,495	2.3%
Vehicle	—	—	—	—	—	—	899	0.3%
PC	159	0.1%	585	0.4%	147	0.0%	80	0.0%
Camera	—	—	—	—	—	—	200	0.1%
Others	475	0.4%	17,465	11.6%	26,464	7.6%	8,039	2.9%
Revenue	**130,327**	**100.0%**	**150,291**	**100.0%**	**355,195**	**100.0%**	**280,778**	**100.0%**

(1): Others primarily includes projectors, dictionary pens, headphones and a small portion of revenue that cannot be accurately classified.

(2): Above are our estimates of our end customers intended applications based on the chip model's specifications. We have no control over, or knowledge of, how end customers ultimately apply these chips.

Cost of Sales

In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, our cost of sales was RMB120.8 million, RMB150.4 million, RMB308.6 million, RMB250.0 million and RMB224.7 million, respectively, representing 92.7%, 100.1%, 86.9%, 86.6% and 80.0% of our revenue for the same periods, respectively. As a fabless company, our cost of sales primarily consists of (1) materials and processing cost; (2) transportation costs; (3) provisions; and (4) impairment losses on inventories. The following table sets forth a breakdown of our cost of sales by nature for the periods indicated.

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
	(RMB in thousands, except for percentages)									
							(unaudited)			
Costs of sales of goods										
Materials and processing cost	105,640	87.4	139,295	92.6	302,001	97.8	245,966	98.4%	221,499	98.6%
Transportation costs	1,397	1.2	2,065	1.4	1,593	0.5	1,201	0.4%	883	0.4%
Provisions	1,793	1.5	1,218	0.8	2,413	0.8	335	0.1%	754	0.3%
Subtotal	**108,830**	**90.1**	**142,578**	**94.8**	**306,007**	**99.1**	**247,502**	**99.0%**	**223,136**	**99.3%**
Impairment losses on inventories	12,018	9.9	7,837	5.2	2,632	0.9	2,509	1.0%	1,585	0.7%
Total	**120,848**	**100.0**	**150,415**	**100.0**	**308,639**	**100.0**	**250,011**	**100.0%**	**224,721**	**100.0%**

Gross Profit and Gross Profit Margin

In 2022, 2024 and the ten months ended October 31, 2024 and 2025, our gross profit was RMB9.5 million, RMB46.6 million, RMB38.8 million and RMB56.1 million, representing gross profit margin of 7.3%, 13.1%, 13.4% and 20.0%, respectively. The following table sets forth a breakdown of our gross profit and gross profit/(loss) margin by product type for the periods indicated.

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	Gross profit/(loss) margin (%)	Amount	Gross profit/(loss) margin (%)	Amount	Gross profit margin (%)	Amount	Gross profit margin (%)	Amount	Gross profit margin (%)
	(RMB in thousands, except for percentages)									
							(unaudited)			
Before impairment loss of inventories										
Low-power audio chips	21,526	17.0	3,859	2.7	40,869	12.7	32,342	12.4	49,967	19.6
— Adaptive power control audio chips	*15,651*	*19.0*	*1,546*	*1.5*	*18,979*	*11.0*	*12,482*	*8.5*	*25,799*	*17.8*
— Portable power amplifier audio chips	*5,875*	*13.4*	*2,313*	*6.4*	*21,890*	*14.5*	*19,860*	*17.3*	*24,168*	*21.9*
Mid/high-power audio chips	(29)	(0.7)	3,336	38.5	4,832	18.1	6,167	26.1	4,664	22.6
Haptic drivers	—	—	518	52.6	3,448	64.7	2,789	65.2	2,323	62.7
Others	—	—	—	—	39	15.7	32	17.5	688	67.1
Subtotal	**21,497**	**16.5**	**7,713**	**5.1**	**49,188**	**13.8**	**41,330**	**14.3**	**57,642**	**20.5**
Less: impairment losses on inventories	(12,018)		(7,837)		(2,632)		(2,509)		(1,585)	
Total	**9,479**	**7.3**	**(124)**	**(0.1)**	**46,556**	**13.1**	**38,821**	**13.4**	**56,057**	**20.0**

Note:

(1) We present impairment losses on inventories as a separate line item to provide a clearer view of our gross profit margin by product type. Inventories are stated at the lower of cost and net realizable value. Net realizable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal. Management estimates the net realizable value for such inventories based primarily on the latest invoice prices and current market conditions. The impairment losses on inventories requires the use of estimates. Where the expectation is different from the original estimate, such difference will have an impact on the carrying value of inventories and the write-down of inventory amount in the year in which such estimates have been changed. By separating impairment losses, we differentiate the impact of these inventory valuation adjustments—which are estimates inherently subject to market volatility and may not reflect actual future outcomes—from the underlying operational profitability of our products.

Other Income and Gains

We recorded other income and gains of RMB10.1 million, RMB8.0 million, RMB9.6 million, RMB6.8 million and RMB3.8 million in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively. Other income and gains primarily consist of foreign exchange gains, bank interest income, unconditional government grants, and investment income from structured deposits. The following table sets forth a breakdown of our other income and gains for the periods indicated.

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
			(RMB in thousands)		
				(unaudited)	
Other income					
Bank interest income	2,850	5,273	4,044	3,526	1,481
Government grants	51	1,201	723	211	2,280
Investment income from structured deposits	2,524	79	2	2	—
Others[(1)]	9	25	—	—	37
Gains					
Foreign exchange gains, net	4,699	1,395	4,813	3,105	—
Total	**10,133**	**7,973**	**9,582**	**6,844**	**3,798**

(1) Others primarily include non-recurring penalties we received from counterparties arising from their breach of contracts.

Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of (1) employee benefit expenses including primarily the salaries, wages and bonuses for our selling and marketing personnel; (2) business development and traveling expenses; (3) share-based payments; and (4) depreciation and amortization expenses, which were primarily related to our right-of-use assets representing our office leases. The following table sets forth a breakdown of our selling and marketing expenses for the periods indicated.

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
					(RMB in thousands, except for percentages)					
							(unaudited)			
Employee benefit expenses	13,470	77.4	13,969	74.0	16,165	77.5	13,757	78.6	12,823	76.3
Business development and traveling expenses	1,478	8.5	2,469	13.1	2,341	11.2	1,869	10.7	2,064	12.3
Share-based payments	1,573	9.0	1,578	8.4	1,548	7.4	1,290	7.4	1,165	6.9
Depreciation and amortization	694	4.0	701	3.7	585	2.8	463	2.6	545	3.2
Others[(1)]	190	1.1	152	0.8	208	1.1	121	0.7	203	1.3
Total	**17,405**	**100.0**	**18,869**	**100.0**	**20,847**	**100.0**	**17,500**	**100.0**	**16,800**	**100.0**

(1) Others primarily include utilities and office expenses and communications and courier fees associated with our sales and marketing initiatives.

Administrative Expenses

Our administrative expenses primarily consist of (1) listing expenses; (2) employee benefit expenses including primarily the salaries, wages and bonuses for our administrative personnel; (3) share-based payments; (4) traveling expenses; (5) professional service fees, primarily including recruitment fees, audit fees, consulting service fees, agency fees and legal fees; (6) depreciation and

amortization expenses, which were primarily related to our property, plant and equipment and right-of-use assets representing our office leases; and (7) rental expenses which primarily consist of property management fees and short-term office rent fees. The following table sets forth a breakdown of our administrative expenses for the periods indicated.

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
	(RMB in thousands, except for percentages)									
							(unaudited)			
Listing expenses	—	—	—	—	—	—	—	—	12,529	38.4
Employee benefit expenses	9,607	52.6	11,526	56.5	12,078	61.4	9,974	60.7	11,354	34.8
Share-based payments	1,974	10.8	1,974	9.7	1,974	10.0	1,645	10.0	1,239	3.8
Traveling expenses	1,207	6.6	2,132	10.5	1,594	8.1	1,330	8.1	1,409	4.3
Professional service fees	2,886	15.8	1,648	8.1	1,346	6.8	1,234	7.5	4,029	12.3
Depreciation and amortization	1,314	7.2	1,519	7.5	1,327	6.7	1,116	6.8	896	2.7
Rental expenses	751	4.1	1,083	5.3	694	3.5	601	3.7	567	1.7
Others[(1)]	540	2.9	500	2.4	660	3.5	534	3.2	606	2.0
Total	**18,279**	**100.0**	**20,382**	**100.0**	**19,673**	**100.0**	**16,434**	**100.0**	**32,629**	**100.0**

(1) Others primarily include utilities and office expenses and third-party service fees associated with our administrative activities, such as conference fees and communication expenses.

Research and Development Costs

Our research and development costs primarily consist of (1) employee benefit expenses including salaries, wages and bonuses for our research and development personnel; (2) materials and consumables for our research and development initiatives; (3) share-based payments; (4) professional service fees, which primarily consist of design and testing fees; (5) depreciation and amortization expenses, which were primarily related to our property, plant and equipment, and right-of-use assets representing our office leases. The following table sets forth a breakdown of our costs for the periods indicated.

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
	(RMB in thousands, except for percentages)									
							(unaudited)			
Employee benefit expenses	24,730	50.8	32,551	54.9	40,907	60.1	33,891	61.5	35,687	64.1
Materials and consumables	13,996	28.7	15,233	25.7	14,898	21.9	11,367	20.6	9,894	17.8
Share-based payments	4,277	8.8	4,291	7.2	4,321	6.3	3,601	6.5	3,674	6.6
Professional service fees	3,648	7.5	3,869	6.5	4,056	6.0	3,211	5.8	2,349	4.2
Depreciation and amortization	1,648	3.4	2,105	3.6	2,539	3.7	2,129	3.9	2,139	3.8
Others[(1)]	409	0.8	1,222	2.1	1,339	2.0	935	1.7	1,947	3.5
Total	**48,708**	**100.0**	**59,271**	**100.0**	**68,060**	**100.0**	**55,134**	**100.0**	**55,690**	**100.0**

(1) Others primarily include IP licensing fees, traveling and transportation expenses associated with research and development, and equipment repair and maintenance fees.

Impairment Losses on Financial Assets, Net

During the Track Record Period, we recorded net impairment losses on financial assets of RMB0.1 million, RMB0.2 million, RMB0.1 million, RMB0.1 million and RMB0.1 million in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively, primarily in accordance with the changes in the balances of trade receivables at the end of the respective periods, which impacted the provisions for expected credit losses.

Other Expenses

Our other expenses primarily consist of foreign exchange currency loss and an interest expense which arose from a conditional government grant that required us to repay the subsidy with interest when we relocated from Xiamen to Shanghai. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, our recorded other expenses of approximately RMB10 thousand, RMB1 thousand, RMB0.2 million, nil and RMB1.9 million, respectively.

Finance Costs

Our finance costs consist of interest on interest-bearing bank borrowings and interest on lease liabilities. In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, our finance costs was RMB0.2 million, RMB0.8 million, RMB1.4 million, RMB1.1 million and RMB2.2 million, respectively. The table below sets forth details of our finance costs, both in absolute amounts and as percentages of our total finance costs, for the periods indicated.

	Year ended December 31,						Ten months ended October 31,			
	2022		2023		2024		2024		2025	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
	(RMB in thousands, except for percentages)									
							(unaudited)			
Interest-bearing bank borrowings	—	—	619	75.3	1,206	86.6	966	85.6%	2,082	96.6%
Interest on lease liabilities	209	100.0	203	24.7	187	13.4	163	14.4%	73	3.4%
Total	**209**	**100.0**	**822**	**100.0**	**1,393**	**100.0**	**1,129**	**100.0%**	**2,155**	**100.0%**

Changes in the Carrying Amounts of Redemption Liabilities

In 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, we recognized changes in the carrying amounts of redemption liabilities of RMB0.8 million, RMB2.5 million, RMB2.7 million, RMB2.2 million and RMB2.4 million, respectively.

During the Track Record Period, the changes in carrying amount of redemption liabilities represent the amount of changes in our obligations arising from the preferential rights granted to an investor, and the investor was granted a right to put back to us the registered capital acquired upon occurrence of certain events which cannot be controlled by us. The redemption liabilities recognized was solely due to the pre-IPO investment of Huzhou Zhuosheng. The redemption liability was initially measured at the carrying amounts of the redemption amount and was subsequently measured at amortized cost, with interest expense included in the changes in the carrying amounts of financial instruments issued to the investor. Upon the Listing, we expect that our redemption liabilities will automatically be re-classified to equity and therefore no more changes in carrying amount of the redemption liabilities will be recognized on our consolidated statement of profit or loss. See note 26 to the Accountants' Report in Appendix I to this prospectus.

Income Tax Expense

We recorded income tax expense of approximately RMB3 thousand, nil, nil, nil and nil in 2022, 2023, 2024 and the ten months ended October 31, 2024 and 2025, respectively. Our income tax comprises current and deferred tax.

During the Track Record Period and up to the Latest Practicable Date, we had paid all relevant taxes when due and there were no matters in dispute or unresolved with the relevant tax authorities.

Our subsidiaries incorporated in the PRC are subject to tax at the statutory rate of 25% on the taxable profits determined in accordance with the PRC Corporate Income Tax Law which became effective on January 1, 2008, except for these subject to tax preferential. Our Company obtained the "High and New Technology Enterprises" qualification in 2022, and accordingly was entitled to the preferential tax rate of 15% from 2022 to 2024. We are currently in the process of renewing our "High and New Technology Enterprise" qualification. Shenzhen FourSemi has applied for the Small-Scaled Minimal Profit Corporate Income Tax Preferential Policy announced by the SAT. Pursuant to the policy, during the period from January 1, 2022 to December 31, 2027, the portion of annual taxable income amount of a Small-Scaled Minimal Profit Corporate shall be eligible for a 75% reduction, and tax shall be levied at a reduced tax rate of 20%.

Our subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 8.25% for taxable income not exceeding HK$2,000,000, and 16.5% for taxable income exceeding HK$2,000,000 on any estimated assessable profits arising in Hong Kong during the Track Record Period. No provision for Hong Kong profits tax has been made as we had no assessable profits derived from or earned in Hong Kong during the Track Record Period.

See note 10 to the Accountants' Report in Appendix I to this prospectus.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Ten Months Ended October 31, 2025 Compared to Ten Months Ended October 31, 2024

Revenue

Our revenue remained relatively stable at RMB288.8 million for the ten months ended October 31, 2024 and RMB280.8 million for the ten months ended October 31, 2025, primarily due to reasons below.

- **Low-power audio chips.** Our revenue from low-power audio chips remained relatively stable at RMB260.8 million for the ten months ended October 31, 2024 and RMB255.5 million for the ten months ended October 31, 2025, primarily due to a decrease in revenue from portable power amplifier audio chips from RMB114.7 million in the ten months ended October 31, 2024 to RMB110.5 million in the ten months ended October 31, 2025, driven by the lowered sales volume which declined to approximately 92.6 million units in the ten months ended October 31, 2025 from 93.4 million units in the ten months ended October 31, 2024.

- **Mid/high-power audio chips.** Our revenue from mid/high-power audio chips decreased by 12.8% from RMB23.6 million for the ten months ended October 31, 2024 to RMB20.6 million for the ten months ended October 31, 2025, primarily due to a decrease in revenue from our FS2105 series products resulting from a deliberate strategic reallocation of resources towards the R&D and promotion of newer models.

- **Haptic drivers.** Our revenue from haptic drivers decreased by 13.4% from RMB4.3 million for the ten months ended October 31, 2024 to RMB3.7 million for the ten months ended October 31, 2025, primarily due to a decrease in sales volume. This decline was mainly because we directed more resources to promoting new haptic driver models, such as the FS3002 series, to expand our portfolio of available haptic driver models.

Cost of sales

Our cost of sales decreased by 10.1% from RMB250.0 million for the ten months ended October 31, 2024 to RMB224.7 million for the ten months ended October 31, 2025, which was generally due to the improved economies of scale, reductions in chip size achieved through sustained research and development and the lowered market procurement cost, driven by intense price competition in the mature-process node segment.

Gross profit and Gross profit margin

Our gross profit increased by 44.4% from RMB38.8 million for the ten months ended October 31, 2024 to RMB56.1 million for the ten months ended October 31, 2025, primarily due to revenue growth outpacing the increase in cost of sales, supported by our enhanced market recognition, increasingly diversified product portfolio, and frequent product upgrade that enables the introduction of products with a lower cost structure. Our gross profit margin increased from 13.4% for the ten months ended October 31, 2024 to 20.0% for the ten months ended October 31, 2025, primarily driven by effective cost control, which reduced raw material prices and processing fees, coupled with a favorable shift in product metrics towards higher-margin PA audio chip products.

- **Low-power audio chips.** Our gross profit from low-power audio chips increased by 54.5% from RMB32.3 million for the ten months ended October 31, 2024 to RMB50.0 million for the ten months ended October 31, 2025, primarily due to a reduction in the cost structure of our adaptive power control audio chips achieved through product iteration, declining raw material and procurement costs, the realization of economies of scale as business expanded, combined with a higher revenue contribution from the higher-margin PA audio chip product category, collectively driving an increase in the overall gross profit margin for our low-power audio chips.

- **Mid/high-power audio chips.** Our gross profit from mid/high-power audio chips decreased by 24.4% from RMB6.2 million for the ten months ended October 31, 2024 to RMB4.7 million for the ten months ended October 31, 2025, primarily due to the corresponding revenue decrease, especially the decrease in revenue generated from the FS2105 series.

- **Haptic drivers.** Our gross profit for haptic drivers decreased by 16.7% from RMB2.8 million in the ten months ended October 31, 2024 to RMB2.3 million in the ten months ended October 31, 2025, primarily due to the corresponding revenue decrease.

Other income and gains

Our other income and gains decreased by 44.5% from RMB6.8 million for the ten months ended October 31, 2024 to RMB3.8 million for the ten months ended October 31, 2025, primarily due to a foreign exchange gain of RMB3.1 million in the ten months ended October 31, 2024, compared to a foreign exchange gain of nil in the ten months ended October 31, 2025, as a result of exchange rate fluctuations.

Selling and marketing expenses

Our selling and marketing expenses remained relatively stable at RMB17.5 million for the ten months ended October 31, 2024 and RMB16.8 million for the ten months ended October 31, 2025, primarily due to a consistent marketing headcount alongside rising output.

Administrative expenses

Our administrative expenses increased significantly from RMB16.4 million for the ten months ended October 31, 2024 and RMB32.6 million for the ten months ended October 31, 2025, primarily driven by higher listing-related expenses, an increase in employee benefit expenses of RMB1.4 million, and additional professional service fees of RMB2.8 million. The professional fees included costs of RMB1.1 million for our shareholding restructuring and RMB0.9 million for recruitment services.

Research and development costs

Our research and development costs remained relatively stable at RMB55.1 million for the ten months ended October 31, 2024 and RMB55.7 million for the ten months ended October 31, 2025, primarily due to the effective management and oversight of R&D projects, strict cost control measures, and the retention of key R&D personnel despite our increased R&D projects.

Impairment losses on financial assets, net

Our recognized net impairment losses on financial assets remained relatively stable at RMB136 thousand for the ten months ended October 31, 2024 and RMB59 thousand for the ten months ended October 31, 2025.

Other expenses

We did not recognize any other expenses for the ten months ended October 31, 2024. We recognized other expenses of RMB1.9 million for the ten months ended October 31, 2025, primarily due to a net foreign exchange loss of RMB1.9 million recognized in other expenses in the ten months ended October 31, 2025, compared to a net gain of RMB3.1 million recognized in other income and gains in the ten months ended October 31, 2024, due to exchange rate fluctuations.

Finance costs

Our finance costs increased by 90.9% from RMB1.1 million for the ten months ended October 31, 2024 to RMB2.2 million for the ten months ended October 31, 2025, primarily due to the increased bank borrowing to support our business operations as we expand our business scale.

Changes in the carrying amounts of redemption liabilities

For the ten months ended October 31, 2024 and 2025, we recognized changes in the carrying amounts of redemption liabilities of RMB2.2 million and RMB2.4 million, respectively, relating to the accrued interests on a financial liability of RMB30.0 million arising from one of our Pre-IPO Investors' redemption rights. Upon the Listing, we expect that our redemption liabilities will automatically be re-classified to equity and therefore no more changes in carrying amount of the redemption liabilities will be recognized on our consolidated statements of profit or loss.

Income tax expense

We did not recognize any income tax expense for the ten months ended October 31, 2024 and 2025.

Loss for the period

As a result of the foregoing, our loss for the period increased by 10.5% from RMB46.9 million for the ten months ended October 31, 2024 and RMB51.8 million for the ten months ended October 31, 2025.

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

Revenue

Our revenue increased significantly from RMB150.3 million in 2023 to RMB355.2 million in 2024, primarily due to the increase in revenue from all product lines for the reasons discussed below.

- **Low-power audio chips.** Our revenue from low-power audio chips increased significantly from RMB140.6 million in 2023 to RMB322.9 million in 2024, primarily because (i) our revenue from adaptive power control audio chip increased by 65.1% from RMB104.4 million in 2023 to RMB172.3 million in 2024, and (ii) our revenue from portable power amplifier audio chips increased significantly from RMB36.3 million in 2023 to RMB150.6 million in 2024. Both increases were mainly attributable to the overall business growth in 2024, underpinned by strong sales volume expansion. Specifically, the sales volume of our adaptive power control audio chips increased from approximately 186.7 million units in 2023 to approximately 330.2 million units in 2024, and the sales volume of our PA audio chips increased significantly from approximately 27.6 million units in 2023 to approximately 121.4 million units in 2024, with growth primarily fueled by an enriched and diversified product portfolio under our low-power audio chip series.

- **Mid/high-power audio chips.** Our revenue from mid/high-power audio chips increased significantly from RMB8.7 million in 2023 to RMB26.7 million in 2024, primarily, as the sales volume of mid/high-power audio chips increased from approximately 3.3 million units in 2023 to approximately 11.7 million units in 2024, as our mid/high-power audio chips gradually gained broader market recognition and momentum following its initial launch in 2021, further strengthening our market position in the smart display segment.

- **Haptic drivers.** Our revenue from haptic drivers increased significantly from RMB1.0 million in 2023 to RMB5.3 million in 2024, primarily as the sales volume of haptic drivers increased from approximately 1.0 million units in 2023 to approximately 5.8 million units in 2024, primarily driven by effective cross-selling through our established customer base and market coverage in power amplifier audio chips, which generated strong sales momentum for haptic drivers, following the commercialization in 2023.

- **Others.** We started to generate revenue from other products in 2024 and recognized revenue from power management chips of RMB0.2 million in 2024.

Cost of sales

Our cost of sales increased significantly from RMB150.4 million in 2023 to RMB308.6 million in 2024, primarily due to an increase in cost of goods sold, which is consistent with our overall business growth in 2024.

Gross profit and gross profit margin

We recorded a gross profit of RMB46.6 million for 2024, compared with gross loss of RMB0.1 million for 2023. Our gross loss position for 2023 was primarily attributable to a strategic initiative to accelerate market share growth through a more competitive pricing strategy in response to intensifying competition in the power amplifier audio chip sector and successfully drove a notable increase in sales volume, particularly for our low-power audio chips. While the pricing adjustment temporarily impacted our gross margin, it significantly reinforced our competitive positioning. Furthermore, due to the economies of scale, we were able to reduce our unit costs for our chip products. We believe this approach will deliver long-term value by expanding our customer base and strengthening our market presence. The significant growth in gross profit in 2024 was primarily driven by our rapidly expanding market share, an increasingly diversified product portfolio, and frequent product upgrade under which

we are able to provide products with lower cost structure. These factors not only enhanced our competitiveness but also enabled us to better meet diverse customer needs and capture new market opportunities.

Our gross profit margin of 13.1% for 2024 was primarily driven by the following factors: (1) we leveraged economies of scale to optimize supply chain strategy and strengthen supplier bargaining power, and reduced procurement costs; (2) revenue growth significantly outpaced the increase in cost of sales, supported by strong sales of portable power amplifier audio chips, which had higher gross profit margin compared to adaptive power control audio chips; and (3) a richer product portfolio with a higher proportion of high-margin offerings.

- **Low-power audio chips.** Our gross profit from low-power audio chips (before impairment losses on inventories) increased significantly from RMB3.9 million in 2023 to RMB40.9 million in 2024, and our gross profit margin for low-power audio chips increased from 2.7% in 2023 to 12.7% in 2024, primarily due to the increases in gross profit margin of both our adaptive power control audio chips from 1.5% in 2023 to 11.0% in 2024 and portable power amplifier audio chips from 6.4% in 2023 to 14.5% in 2024. The margin improvements were mainly attributable to (i) economies of scale and enhanced supply chain stability, which lowered our materials and processing cost; (ii) a higher sales contribution from portable power amplifier audio chips, which had relatively high gross profit margins compared to adaptive power control audio chips.

- **Mid/high-power audio chips.** Our gross profit from mid/high-power audio chips increased by 44.8% from RMB3.3 million in 2023 to RMB4.8 million in 2024, primarily due to the rapid increase in sales volume from approximately 3.3 million in 2023 to 11.7 million in 2024, driven by our overall business growth in 2024. Our gross profit margin for mid/high-power audio chips decreased from 38.5% in 2023 to 18.1% in 2024, primarily due to a strategic adoption of a short-term competitive pricing approach, resulting in lower ASP to accelerate market share expansion. This approach focused on actively promoting our FS2015 series, which carries a lower ASP. As a result, the revenue contribution from the FS2015 series increased from 53.1% of our total revenue from mid/high-power audio chips in 2023 to 86.8% in 2024, while the contribution from the higher-ASP FS2119 series decreased from 46.9% to 13.2% over the same period. The ASP for the FS2015 series decreased from RMB2.41 in 2023 to RMB2.19 in 2024, while the ASP for the FS2119 series remained stable at approximately RMB3.00 and RMB3.05 in 2023 and 2024, respectively. This deliberate shift in product mix led to a lower overall ASP for this product category. This competitive pricing strategy was a proactive promotional measure for our product transition and was not a reaction to intense price competition from rivals in the market.

- **Haptic drivers.** Our gross profit from haptic drivers increased significantly from RMB0.5 million in 2023 to RMB3.5 million in 2024, primarily driven by our overall business growth in 2024. Our gross profit margin for haptic drivers increased from 52.6% in 2023 to 64.7% in 2024, primarily because our haptic drivers were newly launched in 2023 which initial margin was not indicative.

- **Others.** We recorded gross profit from power management chip products of RMB39 thousand and gross profit margin of 15.7% in 2024.

Other income and gains

Our other income and gains increased by 20.2% from RMB8.0 million in 2023 to RMB9.6 million in 2024, primarily due to an increase in the net foreign exchange differences. This was mainly attributable to an increase in USD-denominated trade receivables, resulting from the depreciation of the Renminbi against the U.S. dollar during the period.

Selling and marketing expenses

Our selling and marketing expenses increased by 10.5% from RMB18.9 million in 2023 to RMB20.8 million in 2024, primarily due to the increase in overall salaries and bonuses to marketing personnel, driven by our overall business growth in 2024.

Administrative expenses

Our administrative expenses remained relatively stable, and recorded RMB20.4 million in 2023 and RMB19.7 million in 2024.

Research and development costs

Our research and development costs increased by 14.8% from RMB59.3 million in 2023 to RMB68.1 million in 2024, primarily due to an increase in employee compensation, attributable primarily to the rising R&D staff headcount and salaries.

Impairment losses on financial assets, net

Our recognized net impairment losses on financial assets amount to RMB0.2 million in 2023 and RMB0.1 million in 2024.

Other expenses

Our other expenses increased significantly from approximately RMB1 thousand in 2023 to RMB0.2 million in 2024, primarily due to an interest which arose from a conditional government grant that required us to repay the subsidy with interest when we relocated from Xiamen to Shanghai.

Finance costs

Our finance costs increased by 69.5% from RMB0.8 million in 2023 to RMB1.4 million in 2024, primarily because of the growth in interest-bearing bank borrowings to fund our business expansion in 2024.

Changes in the carrying amounts of redemption liabilities

In 2023 and 2024, we recognized changes in the carrying amounts of redemption liabilities of RMB2.5 million and RMB2.7 million, respectively, relating to the accrued interests on a financial liability of RMB30.0 million arising from one of our Pre-IPO Investors' redemption rights. Upon the Listing, we expect that our redemption liabilities will automatically be re-classified to equity and therefore no more changes in carrying amount of the redemption liabilities will be recognized on our consolidated statements of profit or loss.

Income tax expense

We did not recognize any income tax expense in 2023 and 2024.

Loss for the year

In light of our efforts in revenue generation and products commercialization, our loss for the year decreased by 39.6% from RMB94.1 million in 2023 to RMB56.8 million in 2024.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenue

Our revenue increased by 15.3% from RMB130.3 million in 2022 to RMB150.3 million in 2023, primarily due to the increase in revenue from all product lines for the reasons discussed below.

- **Low-power audio chips.** Our revenue from low-power audio chips increased by 11.3% from RMB126.4 million in 2022 to RMB140.6 million in 2023, primarily because our revenue from adaptive power control audio chips increased by 26.5% from RMB82.5 million in 2022 to RMB104.4 million in 2023, underpinned by strong sales volume expansion of our adaptive power control audio chips from approximately 90.6 million in 2022 to 186.7 million in 2023. This increase was partially offset by a decline in revenue from PA audio chips by 17.3% from RMB43.8 million in 2022 to RMB36.3 million in 2023 mainly due to the decrease in the average selling price of PA audio chips from RMB1.70 per unit in 2022 to RMB1.31 per unit in 2023. We adopted a strategic initiative in 2023 to accelerate market share growth through a more competitive pricing strategy in response to intensifying competition in the power amplifier audio chip sector, successfully driving a notable increase in sales volume, particularly for our low-power audio chips. While the pricing adjustment temporarily impacted our gross margin, it significantly reinforced our competitive positioning indicated by our increased sales volume.

- **Mid/high-power audio chips.** Our revenue from mid/high-power audio chips increased significantly from RMB4.0 million in 2022 to RMB8.7 million in 2023, primarily due to the increases in both our sales volume from approximately 1.8 million units in 2022 to approximately 3.3 million units in 2023 and the average selling price from RMB2.23 per unit in 2022 to RMB2.65 per unit in 2023, reflecting our established technical advantages and enhanced business relationship with brand customers.

- **Haptic drivers.** We started to generate revenue from haptic drivers in 2023 and recognized revenue from haptic drivers of RMB1.0 million in 2023.

Cost of sales

Our cost of sales increased by 24.5% from RMB120.8 million in 2022 to RMB150.4 million in 2023, primarily due to an increase in material and processing costs driven by the rapid growth in sales volume of our audio chip products, partially offset by a decrease in impairment loss of inventories.

Gross profit and gross profit margin

We recorded a gross profit of RMB9.5 million and a gross profit margin of 7.3% for 2022, compared with gross loss of RMB0.1 million for 2023. This temporary decline was primarily attributable to a strategic initiative to accelerate market share growth through a more competitive pricing strategy in response to intensifying competition in the power amplifier audio chip sector. As a result, our revenue increased from RMB130.3 million in 2022 to RMB150.3 million in 2023, and further increased to RMB355.2 million in 2024.

- **Low-power audio chips.** Our gross profit from and gross profit margin for low-power audio chips (before impairment losses on inventories) decreased significantly from RMB21.5 million and 17.0% in 2022 to RMB3.9 million and 2.7% in 2023, respectively, primarily due to our decreased average selling price of adaptive power control audio chips from RMB0.91 per unit to RMB0.56 per unit, and our decreased average selling price of portable power amplifier audio chips from RMB1.70 per unit to RMB1.31 per unit. This downward was mainly attributable to our strategic adoption of a relatively more competitive pricing approach to prioritize market share expansion.

- **Mid/high-power audio chips.** Our mid/high-power audio chips realized a significant increased from a gross loss of RMB29 thousand in 2022 to a gross profit of RMB3.3 million in 2023. Our gross profit margin for mid/high-power audio chips increased to 38.5%. The growth was primarily due to (i) the relatively high cost during the initial trial production phase in 2022, which was not indicative and (ii) our successful market entry in 2023, supported by our established technical advantages and enhanced business relationship with brand customers.

- **Haptic drivers.** Our gross profit from haptic drivers was RMB0.5 million and gross profit margin for haptic drivers was 52.6% in 2023.

Other income and gains

Our other income and gains decreased by 21.3% from RMB10.1 million in 2022 to RMB8.0 million in 2023, primarily due to an decrease in the net foreign exchange differences, partially offset by an increase in government grants and an increase in bank interest income, which resulted from adjustments to our financing strategies aimed at optimizing deposit structures based on interest rate differentials across currencies.

Selling and marketing expenses

Our selling and marketing expenses increased by 8.4% from RMB17.4 million in 2022 to RMB18.9 million in 2023, primarily due to an increase in employee benefit expenses including primarily the salaries, wages and bonuses for our marketing personnel and an increase in business development and traveling expenses, representing our increased marketing effort amid the global economic downturn.

Administrative expenses

Our administrative expenses increased by 11.5% from RMB18.3 million in 2022 to RMB20.4 million in 2023, primarily due to (1) an increase in employee benefit expenses including primarily the salaries, wages and bonuses for our administrative personnel; and (2) an increase in traveling expenses.

Research and development costs

Our research and development costs increased by 21.7% from RMB48.7 million in 2022 to RMB59.3 million in 2023, primarily driven by the expansion of our R&D initiatives, which required additional personnel and resources. As a result, employee compensation rose due to both higher headcount and increased salaries. Additionally, there was a moderate rise in the cost of materials and consumables to support the broader scope of R&D activities.

Impairment losses on financial assets, net

We recognized net impairment losses on financial assets of RMB0.1 million in 2022 and RMB0.2 million in 2023, primarily because trade receivable increased from RMB14.2 million as of December 31, 2022 to RMB30.5 million as of December 31, 2023.

Other expenses

Our other expenses decreased from approximately RMB10 thousand in 2022 to RMB1 thousand in 2023, primarily because we donated RMB10 thousand to Xiamen University in 2022.

Finance costs

Our finance costs increased significantly from RMB0.2 million in 2022 to RMB0.8 million in 2023, primarily due to the rise in interest-bearing bank borrowings to support our growing operational needs to fund the expansion of our business scale and sales volume.

Changes in the carrying amounts of redemption liabilities

In 2022 and 2023, we recognized changes in the carrying amounts of redemption liabilities of RMB0.8 million and RMB2.5 million, respectively, relating to the accrued interests on a financial liability of RMB30.0 million arising from aforementioned redemption rights. Upon the Listing, we expect that our redemption liabilities will automatically be re-classified to equity and therefore no more changes in carrying amount of the redemption liabilities will be recognized on our consolidated statements of profit or loss.

Income tax expense

We did not recognize any income tax expense in 2023. We recognized an income tax expense of approximately RMB3 thousand in 2022, because of the taxation arising from non-recurring interest income generated by bank deposits held by one of our subsidiary.

Loss for the year

As a result of the foregoing, our loss for the year increased by 42.8% from RMB65.9 million in 2022 to RMB94.1 million in 2023. This temporary decline in 2023 was primarily attributable to a strategic initiative to accelerate market share growth through a more competitive pricing strategy.

DISCUSSION OF CERTAIN BALANCE SHEET ITEMS

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

	As of December 31,			As of October 31,
	2022	2023	2024	2025
	(RMB in thousands)			
Non-current assets				
Pledged time deposits	—	20,577	21,197	—
Property, plant and equipment	19,988	18,482	14,768	10,789
Right-of-use asset	3,666	6,201	3,648	1,453
Prepayments, deposits and other receivables	1,102	829	831	139
Other intangible assets	413	365	434	553
Non-pledged time deposits	51,769	32,220	—	—
Total non-current assets	**76,938**	**78,674**	**40,878**	**12,934**
Current assets				
Inventories	65,143	65,517	111,921	129,554
Trade receivable	14,153	30,457	41,901	47,797
Prepayments, deposits and other receivables	18,676	20,288	27,448	17,329
Non-pledged time deposits	—	21,420	33,204	—
Restricted cash	—	5	—	—
Pledged time deposits	—	—	—	21,707
Cash and cash equivalents	182,899	105,325	66,075	73,463
Total current assets	**280,871**	**243,012**	**280,549**	**289,850**
Current liabilities				
Trade payables	11,557	16,069	35,462	27,597
Other payables and accruals	9,422	10,960	12,704	9,970
Contract liabilities	2,414	4,747	7,761	2,279
Interest-bearing bank borrowings	—	36,677	40,030	80,540
Lease liabilities	2,331	2,890	2,559	1,251
Provision	995	2,213	4,460	3,974
Redemption liabilities	30,775	33,244	35,911	38,281
Total current liabilities	**57,494**	**106,800**	**138,887**	**163,892**
Net current assets	**223,377**	**136,212**	**141,662**	**125,958**
Total assets less current liabilities	**300,315**	**214,886**	**182,540**	**138,892**
Non-current liabilities				
Interest-bearing bank borrowings	—	—	19,696	19,600
Lease liabilities	1,976	3,432	971	60
Deferred income	—	—	—	2,871
Total non-current liabilities	**1,976**	**3,432**	**20,667**	**22,531**
Net assets	**298,339**	**211,454**	**161,873**	**116,361**

	As of December 31,			As of October 31,
	2022	2023	2024	2025
	(RMB in thousands)			
Equity				
Equity attributable to owners of the parent				
Paid-in capital	26,122	26,122	26,122	100,000
Reserves	272,217	185,332	135,751	16,361
Total equity	**298,339**	**211,454**	**161,873**	**116,361**

For details on the accounting treatment of redemption rights of pre-IPO investments, see "—Share Capital and Total Equity" below and note 26 to the Accountants' Report set out in Appendix I to this prospectus. See note 28 to the Accountants' Report in Appendix I to this prospectus for further details of the financial impacts.

During the Track Record Period, the decline in net assets was primarily attributable to accumulated net losses incurred over the years. The decrease in net current assets during the Track Record Period, except for from as of December 31, 2023 to as of December 31, 2024, was driven by the our Company's expanding revenue scale, which necessitated increased operating expense outlays. The increase in current liabilities exceeded the growth in current assets during the Track Record Period, except for the current liabilities from as of December 31, 2023 to the current liabilities as of December 31, 2024, resulting in the reduction of net current assets. Our net current assets increased from RMB136.2 million as of December 31, 2023 to RMB141.7 million as of December 31, 2024, primarily due to a rise in inventories, non-pledged time deposits, trade receivables, and prepayments, which outweighed the increase in trade payables.

Pledged Time Deposits

Our pledged time deposits during the Track Record Period were primarily related to two RMB10.0 million loans secured by large-denomination certificates of deposit. We recorded pledged time deposits of nil, RMB20.6 million, RMB21.2 million and RMB21.7 million as of December 31, 2022, 2023, 2024 and October 31, 2025, respectively.

Property, Plant and Equipment

Our property, plant and equipment consist primarily of (1) machinery, mainly including automated test equipment and acoustic test equipment, (2) office equipment and electronic devices, (3) leasehold improvements, (4) vehicles and (5) construction in progress. The following table sets forth the carrying amount of our property, plant and equipment as of the dates indicated.

	As of December 31,			As of October 31,
	2022	2023	2024	2025
	(RMB in thousands)			
Machinery	17,270	17,235	14,013	10,349
Office equipment and electronic devices	414	528	298	228
Leasehold improvements	432	451	229	63
Vehicles	398	268	138	29
Construction in progress	1,474	—	90	120
Total	**19,988**	**18,482**	**14,768**	**10,789**

Our property, plant and equipment decreased by 7.5% from RMB20.0 million as of December 31, 2022 to RMB18.5 million as of December 31, 2023 and further decreased by 20.1% to RMB14.8 million as of December 31, 2024 and 26.9% to RMB10.8 million as of October 31, 2025, primarily due

to the depreciation in machinery, in line with standard depreciation schedules and partially offset by the purchase of new equipment. We recorded construction in progress of RMB1.5 million in 2022, primarily represent machinery in the process of being installed.

Right-of-use Assets

Our right-of-use assets consist primarily of buildings representing our leased offices. Our right-of-use assets increased by 69.1% from RMB3.7 million as of December 31, 2022 to RMB6.2 million as of December 31, 2023, primarily due to addition of a newly leased office in Shenzhen and the renewal of an existing lease in Shanghai, partially offset by depreciation related to the higher rental expense of the new leased office in Shenzhen. Our right-of-use assets then decreased by 41.2% to RMB3.6 million as of December 31, 2024, and further to RMB1.5 million as of October 31, 2025, primarily as a result of normal depreciation in the ordinary course of business.

Prepayments, Deposits and Other Receivables

Our prepayments, deposits and other receivables during the Track Record Period primarily consist of (1) prepayments to suppliers; (2) other tax recoverable representing input VAT credit carry-forward; (3) non-current rent deposits and property management fee deposits, (4) current deposits and other receivables, mainly relating to deposits for our leased offices and bid bond; (5) non-current prepayments for long-term assets representing decoration expenses; and (6) listing expenses. The following table sets forth the details of our prepayments, deposits and other receivables as of the dates indicated.

	As of December 31,			As of October 31,
	2022	2023	2024	2025
	(RMB in thousands)			
Current				
Prepayments to suppliers	9,329	12,440	7,205	8,783
Other tax recoverable	8,823	7,382	19,798	5,298
Deposits and other receivables	524	466	445	1,151
Listing fee	—	—	—	2,097
Subtotal	**18,676**	**20,288**	**27,448**	**17,329**
Non-current				
Rent deposits and property management fee deposits	798	829	831	139
Prepayments for long-term assets	304	—	—	—
Subtotal	**1,102**	**829**	**831**	**139**
Total	**19,778**	**21,117**	**28,279**	**17,468**

Our prepayments, deposits and other receivables increased by 6.8% from RMB19.8 million as of December 31, 2022 to RMB21.1 million as of December 31, 2023, primarily due to an increase in prepayments to suppliers, representing a higher wafer procurement prepayments. Our prepayments, deposits and other receivables then increased by 33.9% to RMB28.3 million as of December 31, 2024, primarily due to an increase in VAT recoverable, representing an increase of procurement to satisfy our customer demand. The increase was partially offset by a reduction in prepayments to suppliers, reflecting a lower prepayment ratio to our largest supplier as a result of our supply chain integration efforts. Our prepayments, deposits and other receivables then decreased by 38.2% to RMB17.5 million as of October 31, 2025, primarily due to the decrease in other tax recoverable from RMB19.8 million as of December 31, 2024 to RMB5.3 million as of October 31, 2025, primarily attributable to VAT refunds received related to VAT export declaration. As of October 31, 2025, the majority of unclaimed export refund declarations had been processed.

Inventories

We had inventories of RMB65.1 million, RMB65.5 million, RMB111.9 million and RMB129.6 million as of December 31, 2022, 2023 and 2024 and October 31, 2025, respectively. The following table sets forth the details of our inventories as of the dates indicated.

	As of December 31,			As of October 31,
	2022	2023	2024	2025
	(RMB in thousands)			
Raw materials	19,701	14,631	19,726	40,352
Work in process	6,908	33,528	65,846	64,297
Finished goods	51,564	27,335	34,241	32,135
Less: Provision for inventories	(13,030)	(9,977)	(7,892)	(7,230)
Total	**65,143**	**65,517**	**111,921**	**129,554**

Our inventories remained relatively stable at RMB65.1 million as of December 31, 2022 and RMB65.5 million as of December 31, 2023, primarily because of the decreases in finished goods, mainly relating to our increased sales in low-power audio chips in 2023, partially offset by the increase in work in progress mainly relating to our increased manufacturing to support anticipated demand growth for power amplifier audio chip products. Our inventories further increased by 70.8% to RMB111.9 million as of December 31, 2024, primarily due to the increases in raw materials, work in process and finished goods, mainly as a result of the overall business growth in 2024 which led to increased production in order to capture market opportunities and meet anticipated customer demand. Our inventories further increased to RMB129.6 million as of October 31, 2025, primarily due to our effort to build up our raw material reserves to prepare for future orders.

We recorded provision for inventories during the Track Record Period, primarily in connection with (1) the net realizable value of certain inventories fell below cost and (2) specific provisions for obsolete or unsellable items, such as long-aged products. The provision for inventories decreased by 23.4% from RMB13.0 million as of December 31, 2022 to RMB10.0 million as of December 31, 2023, and further decreased by 20.9% to RMB7.9 million as of December 31, 2024, primarily due to higher sales volume and improved market presence, which lowered the required level of inventory provision. Our provision for inventories remained relatively stable at RMB7.2 million as of October 31, 2025.

The following table sets forth our inventory aging analysis as of the dates indicated.

	As of December 31,			As of October 31,
	2022	2023	2024	2025
Within one year	78,173	67,244	103,543	120,666
One to two years	—	8,249	10,678	4,948
More than two years	—	—	5,592	3,940
Total	**78,173**	**75,493**	**119,813**	**129,554**

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

	Year ended December 31,			Ten months ended October 31,
	2022	2023	2024	2025
Inventory turnover days[(1)]	119.3	158.5	104.9	163.4

(1) The inventory turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of inventories in that period by cost of sales for the corresponding period and then multiplying by the number of days in that period (i.e., 365 days for a given year).

We had a prolonged cash conversion cycle, as our inventory turnover days are 119.3, 158.5, 104.9 and 163.4 in 2022, 2023, 2024 and the ten months ended October 31, 2025, primarily due to the long cycle for raw material stocking and finished goods. According to the Frost & Sullivan, our inventory turnover days are generally comparable with our competitors. We had relatively long inventory turnover days in 2023 and the ten months ended October 31, 2025, primarily due to challenges in accurately forecasting customer demand amid market volatility. We will proactively manage our cash conversion cycle through a focused set of strategies. We will utilize diversified funding sources, including debt and equity financing, to support our working capital requirements. Furthermore, we will implement more refined inventory management controls to enhance our inventory turnover rates and actively negotiate payment terms with customers to accelerate receivables collection and improve our accounts receivable turnover ratio.

The successful execution of these strategies is expected to yield significant positive impacts on our operations and financial performance. By enhancing inventory management, we will increase operational efficiency and minimize the risk of inventory obsolescence. Consequently, these actions will generate stronger operating cash flows, providing greater financial flexibility to fund strategic growth initiatives. A shorter cash conversion cycle will also contribute to reduced interest expenses, thus improving overall profitability and key financial ratios.

In addition, based on our established policy, inventories are assessed for impairment at the end of each reporting period by comparing their carrying value with their net realizable value. We perform such review on a quarterly basis, incorporating the most recent sales data and product cost information to ensure the net realizable value reflects current market conditions. As of January 31, 2026, RMB81.2 million, or 62.7% of our inventories as of October 31, 2025 had been subsequently sold.

Trade Receivables

We had trade receivables of RMB14.2 million, RMB30.5 million, RMB41.9 million, RMB47.8 million as of December 31, 2022, 2023, 2024 and October 31, 2025, respectively. The following table sets forth the details of our trade receivables as of the dates indicated.

	As of December 31,			As of October 31,
	2022	2023	2024	2025
	(RMB in thousands)			
Trade receivables	14,296	30,765	42,325	48,280
Less: impairment of trade receivables	(143)	(308)	(424)	(483)
Trade receivables, net	**14,153**	**30,457**	**41,901**	**47,797**

Our trade receivables increased significantly from RMB14.2 million as of December 31, 2022 to RMB30.5 million as of December 31, 2023, and further by 37.6% to RMB41.9 million as of December 31, 2024, primarily due to our overall business growth, primarily attributable to the increase in our direct sales and qualified distributors with credit terms, which led to an increase in trade receivables. Our trade receivables remained relatively stable at RMB47.8 million as of October 31, 2025.

We provide credit terms to certain customers with satisfied creditworthiness and long-term relationship. Our credit period with customers for sales on credit generally ranges from 30 to 90 days. Each customer has a maximum credit limit. The following table sets forth our trade receivables turnover days for the periods indicated.

	Year ended December 31,			Ten months ended October 31,
	2022	2023	2024	2025
Trade receivables turnover days[1]	22.2	54.2	37.2	48.6

(1) The trade receivables turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of trade receivables in that period by revenue for the corresponding period and then multiplying by the number of days in that period (i.e., 365 days for a given year).

We had relatively long trade receivables turnover days of 54.2 days in 2023, primarily because we granted credit periods to more customers.

The following table sets forth an aging analysis of our trade receivables based on invoice date and net of loss allowance as of the dates indicated.

	As of December 31,			As of October 31,
	2022	2023	2024	2025
	(RMB in thousands)			
Within three months	12,521	30,457	41,901	47,607
Three to six months	1,632	—	—	190
Total	**14,153**	**30,457**	**41,901**	**47,797**

As of January 31, 2026, all of our trade receivables as of October 31, 2025 had been settled.

Trade Payables

We had trade payables of RMB11.6 million, RMB16.1 million, RMB35.5 million and RMB27.6 million as of December 31, 2022, 2023, 2024 and October 31, 2025, respectively. Our trade payables increased during the Track Record Period, generally in line with our increased procurement to meet the growing demand of our products.

Our trade payables are non-interest-bearing and are normally settled within 30 to 60 days upon receipt of the VAT invoice. The following table sets forth our trade payables turnover days for the periods indicated.

	Year ended December 31,			Ten months ended October 31,
	2022	2023	2024	2025
Trade payables turnover days[1]	26.4	33.5	30.5	42.7

(1) The trade payables turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of trade payables in that period by cost of sales for the corresponding period and then multiplying by the number of days in that period (i.e., 365 days for a given year).

Our trade payables turnover days remained relatively stable at 26.4 days, 33.5 days, 30.5 days and 42.7 days in 2022, 2023, 2024 and the ten months ended October 31, 2025, respectively.

The following table sets forth an aging analysis of our trade payables based on invoice dates as of the dates indicated.

	As of December 31,			As of October 31,
	2022	2023	2024	2025
	(RMB in thousands)			
Within one year	11,557	15,962	34,748	26,995
One to two years	—	107	641	363
Two to three years	—	—	73	206
Three to four years	—	—	—	33
Total	**11,557**	**16,069**	**35,462**	**27,597**

As of January 31, 2026, RMB26.0 million, or approximately 94.3%, of our trade payables as of October 31, 2025 had been settled.

Other Payables and Accruals

Our other payables and accruals during the Track Record Period primarily consisted of (1) accrued listing expenses, (2) payroll and welfare payable, (3) government grants subject to conditions, (4) accrued expenses, (5) other tax payables and (6) others which mainly consisted of employee reimbursements payable. The following table sets forth the details of our other payables and accruals as of the dates indicated.

	As of December 31,			As of October 31,
	2022	2023	2024	2025
	(RMB in thousands)			
Accrued listing expenses	—	—	—	2,984
Payroll and welfare payable	6,345	7,951	11,202	5,743
Government grants subject to conditions	1,600	1,600	—	—
Accrued expenses	767	445	276	38
Other tax payables	469	534	850	969
Others	241	430	376	236
Total	**9,422**	**10,960**	**12,704**	**9,970**

Our other payables and accruals increased by 16.3% from RMB9.4 million as of December 31, 2022 to RMB11.0 million as of December 31, 2023, by 15.9% to RMB12.7 million as of December 31, 2024, primarily due to an increase in payroll and welfare payable, representing an increase in employee compensation in line with our expanding workforce. Our other payables and accruals further decreased by 21.5% to RMB10.0 million as of October 31, 2025, primarily due to a decrease in payroll and welfare payable as management anticipated lower bonuses, which was partially offset by an increase in accrued listing expenses.

Our government grants subject to conditions were RMB1.6 million, RMB1.6 million, nil, and nil in 2022, 2023, 2024 and the ten months ended October 31, 2025, primarily because we have relocated from Xiamen to Shanghai in 2021, thus we are required to refund government subsidies from Xiamen government which were fully refunded in 2024.

Contract Liabilities

Our contract liabilities primarily represent the advance consideration received from our customers while the underlying goods are yet to be provided by us. Our contract liabilities increased from RMB2.4 million as of December 31, 2022 to RMB4.7 million as of December 31, 2023 and further, to

RMB7.8 million as of December 31, 2024, primarily due to our business growth during the Track Record Period, and the corresponding increase in year-end undelivered goods or unaccepted shipments. Our contract liabilities decreased to RMB2.3 million as of October 31, 2025, primarily due to the decrease in advances received from customers and more products obligations were satisfied at the end of October 2025.

Provision

We recorded provision for product warranties that we provided to customers during the warranty period. Provision is therefore made for the best estimate of the expected settlement under these agreements in respect of sales made within the warranty periods prior to the end of each reporting period. The amount of provision takes into account our recent claim experience and is only made where a warranty claim is probable. We recorded provision of RMB1.0 million, RMB2.2 million and RMB4.5 million as of December 31, 2022, 2023 and 2024, respectively, generally in line with our sales growth during the Track Record Period. Our provision decreased to RMB4.0 million as of October 31, 2025, primarily due to certain special warranty provision has been settled or paid.

SHARE CAPITAL AND TOTAL EQUITY

Prior to the Relevant Periods and until August 18, 2022, the Company entered into respective investment agreements for the subscription of Shares with various pre-IPO Investors for total net cash proceeds of approximately RMB526,500,000. Of these, as of August 18, 2022, 16,907,470 Shares issued for total net cash proceeds of approximately RMB526,400,000 (collectively the "**Pre-IPO Investments**"), carried special rights ("**Special Rights**") granted by the Company.

Pursuant to the aforementioned agreements, including the investment agreement entered among the Company, Mr. Xu and the Pre-IPO Investors (including Huzhou Zhuosheng) (the "**Pre-IPO Investors**") on August 18, 2022 (the "**Investment Agreement**") and the supplemental agreement to the Investment Agreement entered among the Company, Mr. Xu and the Pre-IPO Investors (including Huzhou Zhuosheng) on August 18, 2022 (the "**First Supplemental Agreement**"), the Pre-IPO Investors were granted Special Rights which included redemption rights, anti-dilution rights, information rights, co-sale rights, right of first refusal and liquidation preferences granted by the Company, as well as redemption rights granted by Mr. Xu.

Prior to their termination, only certain information rights and director nomination rights among the Special Rights granted by the Company had been exercised in the ordinary course for governance and information purposes. There was no exercise of any redemption or other financial Special Rights granted by the Company throughout the Relevant Periods.

On April 30, 2025, the Company and the Pre-IPO Investors except for Huzhou Zhuosheng Equity Investment Partnership (Limited Partnership) ("**Huzhou Zhuosheng**") subsequently entered into a supplemental agreement (the "**Second Supplemental Agreement**"), pursuant to which the redemption rights granted by the Company to such Pre-IPO Investors (excluding Huzhou Zhuosheng) were irrevocably terminated and became void ab initio. Prior to the execution of the Second Supplemental Agreement, only certain information rights and director nomination rights under the Investment Agreement and the First Supplemental Agreement had been exercised by the Pre-IPO Investors. Subsequently, on June 27, 2025, the Company, Mr. Xu and the Pre-IPO Investors (excluding Huzhou Zhuosheng) entered into a further supplemental agreement (the "**Third Supplemental Agreement**"), pursuant to which (i) all other remaining Special Rights granted by the Company to such Pre-IPO Investors (including pre-emptive rights, anti-dilution rights, liquidation preferences and other rights as listed above) were terminated, effective on the date immediately preceding the Listing, and (ii) the redemption rights granted by Mr. Xu to such Pre-IPO Investors were terminated, effective on the date preceding the first submission of the listing application. Taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplemental agreements, the directors considered that it is appropriate to present the Pre-IPO Investments except for Huzhou Zhuosheng as equity.

For the details of redemption liabilities recognized related to Huzhou Zhuosheng, please refer to Note 26 to the Accountants' Report in Appendix I to this prospectus.

Had the Special Rights granted by the Company to the Pre-IPO Investors been accounted for as financial liabilities measured at present value of the redemption amount prior to entering into the supplemental agreements, (i) the redemption financial liabilities, total current liabilities, net current liabilities and net liabilities would have been:

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Redemption financial liabilities	697,684	811,676	876,794
Total current liabilities	724,403	885,232	979,770
Net current liabilities	(443,532)	(642,220)	(699,221)
Net liabilities	(368,570)	(566,978)	(679,010)

(ii) the changes in the carrying amounts of redemption liabilities, the net loss for the year, basic and dilutive loss per share would have been:

	For the year ended December 31,			For the ten months ended October 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Changes in the carrying amounts of redemption liabilities	(44,575)	(59,220)	(65,118)	(53,914)	(34,537)
Total net loss	(109,702)	(150,881)	(119,295)	(98,582)	(83,943)
Loss per share					
Basic and diluted *(RMB)*	(1.27)	(1.51)	(1.19)	(0.99)	(0.84)

See note 28 to the Accountants' Report in Appendix I to this prospectus for further details of the financial impacts.

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of cash are to fund our working capital requirements and other recurring expenses. During the Track Record Period, we financed our capital expenditures and working capital requirements principally with funds from capital contribution from our Shareholders, cash generated from our operations and bank borrowings. After the Global Offering, we believe that our liquidity requirements will continue to be satisfied with cash generated from our operations, bank borrowings and net proceeds from the Global Offering. As of December 31, 2022, 2023, 2024 and October 31, 2025, we had cash and cash equivalents of RMB182.9 million, RMB105.3 million, RMB66.1 million and RMB73.5 million. As of December 31, 2022, 2023, 2024 and October 31, 2025, our bank facilities available for use were nil, RMB65.0 million, RMB90.0 million and RMB170.0 million, respectively. As of the same dates, we had utilized nil, RMB36.6 million, RMB59.7 million and RMB99.9 million, respectively. We do not anticipate any changes to the availability of financing to fund our operations in the future.

Taking into account the financial resources available to us, including bank facilities, and the estimated net proceeds from the Global Offering, our Directors are of the view, and the Joint Sponsors concur, that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this prospectus.

Our cash burn rate refers to the average monthly (1) net cash used in operating activities, (2) purchases of items of property, plant and equipment, and (3) purchases of other intangible assets and (4) lease payments. Our historical cash burn rate was RMB10.3 million, RMB8.0 million, RMB7.3 million, RMB5.7 million and RMB6.0 million in 2022, 2023, 2024 and the ten months ended October

31, 2024 and 2025, respectively, mainly representing our investment in R&D activities. We had cash and cash equivalents, unutilized bank facilities and current non-pledged time deposits of RMB73.5 million, RMB70.1 million and nil as of October 31, 2025, respectively. Assuming that no proceeds from the global offering are taken into account, that the average cash burn rate going forward will be RMB6.0 million, similar to the cash burn rate level in the ten months ended October 31, 2025, we estimate that our cash and cash equivalents, unutilized bank facilities and current non-pledged time deposits as of October 31, 2025 will be able to maintain our financial viability for 23.7 months, which means we are expected to maintain sufficient working capital until October, 2027. We estimate that we will receive net proceeds of approximately HK$480.3 million after deducting the underwriting fees and expenses payable by us in the Global Offering, assuming no Over-allotment Option is exercised and assuming an Offer Price of HK$40.00 per Offer Share, being the low-point of the indicative Offer Price range in this prospectus, if we also take into account our intended use of proceeds for future expansion plans, including the establishment of a new R&D center, potential acquisitions, and additional headcount increase, the estimated net proceeds from the Listing, 29.97 months, which means we are expected to maintain sufficient working capital until April, 2028. We will continue to monitor our cash flows from operations closely and expect to raise our next round of financing, if needed, with a minimum buffer of 12 months. We have no plan for the next round of financing.

Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated.

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
			(RMB in thousands)		
				(unaudited)	
Operating loss before changes in working capital	**(48,832)**	**(73,914)**	**(42,594)**	**(33,944)**	**(32,157)**
Working capital changes	(58,015)	(17,468)	(42,040)	(20,215)	(26,081)
Cash used in operations	**(106,847)**	**(91,382)**	**(84,634)**	**(54,159)**	**(58,238)**
Interest received	1,040	2,825	1,896	1,692	971
Income tax paid	(3)	—	—	—	—
Net cash used in operating activities	**(105,810)**	**(88,557)**	**(82,738)**	**(52,467)**	**(57,267)**
Net cash (used in)/from investing activities	(10,416)	(23,415)	19,894	19,975	32,322
Net cash from financing activities	204,395	32,556	18,676	4,444	34,435
Cash and cash equivalent at beginning of the year	92,233	182,899	105,325	105,325	66,075
Effects of exchange rate changes on cash and cash equivalents	2,497	1,842	4,918	2,553	(2,102)
Cash and cash equivalent at end of year	**182,899**	**105,325**	**66,075**	**79,830**	**73,463**

Net cash used in operating activities

Net cash used in operating activities was RMB57.3 million in the ten months ended October 31, 2025, primarily due to loss before tax of RMB51.8 million, as adjusted for (1) certain non-cash or non-operating items, primarily including share-based payment expenses of RMB6.1 million, depreciation of property, plant and equipment of RMB4.7 million, impairment loss on inventories of RMB1.6 million and finance costs of RMB2.2 million, (2) changes in working capital that negatively affected the cash flow from operating activities, primarily including (i) a decrease in contract liabilities of RMB5.5 million; and (ii) an increase in inventories of RMB19.2 million, partially offset by (3)

changes in working capital that positively affected the cash flow from operating activities, primarily including (i) a decrease in prepayments, deposits and other receivables of RMB12.9 million; and (ii) an increase in deferred income of RMB2.9 million.

Net cash used in operating activities was RMB82.7 million in 2024, primarily due to loss before tax of RMB56.8 million, as adjusted for (1) certain non-cash or non-operating items, primarily including share-based payment expenses of RMB7.8 million, and depreciation of property, plant and equipment of RMB5.7 million, (2) changes in working capital that negatively affected the cash flow from operating activities, primarily including (i) an increase in inventories of RMB49.0 million; (ii) an increase in trade receivables of RMB11.6 million; and (iii) an increase in prepayments, deposits and other receivables of RMB7.8 million, partially offset by (3) net foreign exchange differences of RMB4.8 million and (4) changes in working capital that positively affected the cash flow from operating activities, primarily including an increase in trade payables of RMB19.4 million.

Net cash used in operating activities was RMB88.6 million in 2023, primarily due to loss before tax of RMB94.1 million, as adjusted for (1) certain non-cash or non-operating items, primarily including share-based payment expenses of RMB7.8 million, impairment losses on inventories of RMB7.8 million and depreciation of property, plant and equipment of RMB5.0 million, (2) changes in the working capital that negatively affected the cash flow from operating activities, primarily including (i) an increase in trade receivables of RMB16.5 million; and (ii) an increase in inventories of RMB8.2 million, partially offset by (3) bank interest income of RMB5.3 million and (4) changes in working capital that positively affected the cash flow from operating activities, primarily including an increase in trade payables of RMB4.5 million.

Net cash used in operating activities was RMB105.8 million in 2022, primarily due to loss before tax of RMB65.9 million minus income tax paid of RMB3 thousand, as adjusted for (1) certain non-cash or non-operating items, primarily including impairment losses on inventories of RMB12.0 million and share-based payment expenses of RMB7.8 million, (2) changes in the working capital that negatively affected the cash flow from operating activities, primarily including (i) an increase in inventories of RMB63.3 million, (ii) an increase in trade receivables of RMB12.6 million and (iii) a decrease in other payables and accruals of RMB7.3 million, partially offset by (3) net foreign exchange differences of RMB4.7 million and (4) changes in working capital that positively affected the cash flow from operating activities, primarily including a decrease in prepayments, deposits and other receivables of RMB19.0 million and an increase in trade payables of RMB5.6 million.

We intend to improve our net operating cash flow position by implementing targeted measures to enhance working capital management. Specifically, we plan to tighten credit control procedures by, for example, linking distributor payments more closely to sales-to-end-customer data to accelerate the collection of trade receivables.

Furthermore, we will optimize our inventory management by deploying more sophisticated demand forecasting tools to align production and procurement more accurately with sales projections, thereby reducing inventory holding levels. Actively negotiating extended payment terms with key suppliers will also help to retain cash within the business for a longer period. The successful execution of these strategies is expected to shorten the cash conversion cycle, thereby generating stronger operating cash flows to fund future growth.

Net cash (used in)/from investing activities

Net cash from investing activities was RMB32.3 million in the ten months ended October 31, 2025, primarily due to withdrawal of non-pledged time deposits of RMB30.0 million.

Net cash from investing activities was RMB19.9 million in 2024, primarily due to (1) withdrawal of non-pledged time deposits of RMB20.0 million, partially offset by purchases of items of property, plant and equipment of RMB2.0 million.

Net cash used in investing activities was RMB23.4 million in 2023, primarily due to (1) purchase of structured deposits classified as financial assets at fair value through profit or loss of RMB25.0 million; and (2) placement of pledge deposits of RMB20.0 million, partially offset by redemption of structured deposits classified as financial assets at fair value through profit or loss of RMB25.1 million.

Net cash used in investing activities was RMB10.4 million in 2022, primarily due to (1) purchase of structured deposits classified as financial assets at fair value through profit or loss of RMB295.0 million; (2) placement of non-pledged time deposits of RMB30.0 million; and (3) purchases of items of property, plant and equipment of RMB15.6 million, partially offset by (1) redemption of structured deposits classified as financial assets at fair value through profit or loss of RMB307.5 million and (2) withdrawal of non-pledged time deposits of RMB20.0 million.

Net cash from financing activities

Net cash from financing activities was RMB34.4 million in the ten months ended October 31, 2025, primarily due to proceeds from interest-bearing bank borrowings of RMB80.0 million, partially offset by repayment of interest-bearing bank borrowings of RMB39.7 million.

Net cash from financing activities was RMB18.7 million in 2024, primarily due to proceeds from interest-bearing bank borrowings of RMB69.0 million, partially offset by (1) repayment of interest-bearing bank borrowings of RMB46.0 million and (2) lease payments of RMB3.2 million.

Net cash from financing activities was RMB32.6 million in 2023, primarily due to proceeds from interest-bearing bank borrowings of RMB48.6 million, partially offset by (1) repayment of interest-bearing bank borrowings of RMB12.0 million and (2) lease payments of RMB3.5 million.

Net cash from financing activities was RMB204.4 million in 2022, primarily due to capital contribution from shareholders of RMB206.7 million, primarily offset by lease payments of RMB2.3 million.

Current Assets and Current Liabilities

The following table sets forth our current assets and liabilities as of the dates indicated.

	As of December 31,			As of October 31, 2025	As of January 31, 2026
	2022	2023	2024		
			(RMB in thousands)		(unaudited)
Current assets					
Inventories	65,143	65,517	111,921	129,554	105,612
Trade receivable	14,153	30,457	41,901	47,797	37,711
Prepayments, deposits and other receivables	18,676	20,288	27,448	17,329	14,018
Non-pledged time deposits	—	21,420	33,204	—	—
Pledged time deposits	—	—	—	21,707	—
Restricted cash	—	5	—	—	—
Cash and cash equivalents	182,899	105,325	66,075	73,463	148,755
Total current assets	**280,871**	**243,012**	**280,549**	**289,850**	**306,095**

	As of December 31,			As of October 31, 2025	As of January 31, 2026
	2022	2023	2024		
			(RMB in thousands)		(unaudited)
Current liabilities					
Trade payables	11,557	16,069	35,462	27,597	24,772
Other payables and accruals	9,422	10,960	12,704	9,970	7,517
Contract liabilities	2,414	4,747	7,761	2,279	7,061
Interest-bearing bank borrowings	—	36,677	40,030	80,540	96,573
Lease liabilities	2,331	2,890	2,559	1,251	780
Provision	995	2,213	4,460	3,974	3,733
Redemption liabilities	30,775	33,244	35,911	38,281	39,030
Total current liabilities	**57,494**	**106,800**	**138,887**	**163,892**	**179,466**
Net current assets	**223,377**	**136,212**	**141,662**	**125,958**	**126,629**

Our net current assets decreased by 39.0% from RMB223.4 million as of December 31, 2022 to RMB136.2 million as of December 31, 2023, primarily due to the increase in our interest-bearing bank borrowings and the decrease in our cash and cash equivalents, partially offset by the increase in current non-pledged time deposits. Our net current assets then increased slightly to RMB141.7 million as of December 31, 2024, primarily due to the increases in our inventories, trade receivable and time deposits, partially offset by the increase in trade payable and the decrease in cash and cash equivalents. Our net current assets further decreased slightly to RMB126.0 million as of October 31, 2025, primarily due to the increase in interest-bearing bank borrowings and decrease in non-pledged time deposits, partially offset by the increase in pledged time deposits. Our net current assets remained relatively stable at RMB126.6 million as of January 31, 2026.

CASH OPERATING COSTS

The following table sets forth information relating to our key cash operating costs for the periods indicated.

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
			(RMB in thousands)		
				(unaudited)	
Workforce employment[(1)]	52,019	55,294	65,040	54,118	64,579
Research and development costs[(2)]	18,074	19,553	20,918	17,080	13,222
Direct production costs, including materials[(3)]	158,221	163,030	357,836	272,565	265,828
Product marketing[(4)]	1,609	2,534	2,588	2,214	2,118

(1) Cash operating costs relating to workforce employment represent the sum of employee benefit expenses under research and development expenses, administrative expenses, costs of sales and selling and distribution expenses (excluding share-based payments expenses which are non-cash in nature) adjusted by changes in working capital relating to employee benefit expenses as of previous and current period end under the above operating expenses.

(2) Cash operating costs under research and development costs represent research and development expenses (excluding employee benefit expenses and non-cash items under research and development expenses) adjusted by changes in working capital relating to research and development activities as of the previous and current period end.

(3) Cash operating costs relating to direct production costs, including materials, represent the costs of sales (excluding employee benefit expenses and non-cash items under contract fulfillment costs) adjusted by changes in working capital relating to service and production as of the previous and current period end.

(4) Cash operating costs relating to product marketing represent the selling and distribution expenses (excluding employee benefit expenses and non-cash items under selling and distribution expenses) adjusted by changes in working capital relating to sales and distribution activities as of the previous and current period end.

INDEBTEDNESS

Our indebtedness during the Track Record Period primarily consisted of interest-bearing bank borrowings, lease liabilities and redemption liabilities. The following table sets forth a breakdown of our indebtedness as of the dates indicated.

	As of December 31,			As of October 31, 2025	As of January 31, 2026
	2022	2023	2024		
			(RMB in thousands)		(unaudited)
Current					
Interest-bearing bank borrowings	—	36,677	40,030	80,540	96,573
Lease liabilities	2,331	2,890	2,559	1,251	780
Redemption liabilities	30,775	33,244	35,911	38,281	39,030
Total current	**33,106**	**72,811**	**78,500**	**120,072**	**136,384**
Non-current					
Lease liabilities	1,976	3,432	971	60	30
Interest-bearing bank borrowings	—	—	19,696	19,600	29,580
Total non-current	**1,976**	**3,432**	**20,667**	**19,660**	**29,610**
Total indebtedness	**35,082**	**76,243**	**99,167**	**139,732**	**165,994**

Interest-bearing bank borrowings

We had interest-bearing bank borrowings of nil, RMB36.7 million, RMB59.7 million and RMB100.1 million as of December 31, 2022, 2023, 2024 and October 31, 2025, respectively. The following table sets forth certain information of our interest-bearing bank borrowings as of the dates indicated.

	As of December 31,			As of October 31,
	2022	2023	2024	2025
		(RMB in thousands)		
Current				
Bank loans — unsecured	—	16,661	20,014	50,109
Bank loans — secured	—	20,016	20,016	19,974
Current portion of long-term bank loans — unsecured	—	—	—	10,457
Total current	**—**	**36,677**	**40,030**	**80,540**
Non-current				
Bank loans – unsecured	—	—	19,696	19,600
Total	**—**	**36,677**	**59,726**	**100,140**

As of October 31, 2025, we had committed unutilized banking facilities of RMB70.1 million.

Lease Liabilities

Our lease liabilities were primarily related to our office leases. We had lease liabilities of RMB4.3 million, RMB6.3 million, RMB3.5 million and RMB1.3 million as of December 31, 2022, 2023, 2024 and October 31, 2025, respectively.

The following table sets forth the current and non-current lease liabilities as of the dates indicated.

	As of December 31,			As of October 31,
	2022	2023	2024	2025
	(RMB in thousands)			
Current lease liabilities	2,331	2,890	2,559	1,251
Non-current lease liabilities	1,976	3,432	971	60
Total	**4,307**	**6,322**	**3,530**	**1,311**

Redemption Liabilities

Our redemption liabilities were primarily related to a financial liability of RMB30.0 million arising from aforementioned redemption rights. The redemption liabilities recognized was solely due to the pre-IPO investment of Huzhou Zhuosheng. Our redemption liabilities amounted to RMB30.8 million, RMB33.2 million, RMB35.9 million and RMB38.3 million as of December 31, 2022, 2023, 2024 and October 31, 2025, respectively. See note 26 to the Accountants' Report in Appendix I to this prospectus.

Statement of Indebtedness

Save as disclosed above, as of December 31, 2022, 2023, 2024, October 31, 2025 and January 31, 2026, we had no bank loans or other borrowings, or any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, borrowings or similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchases, guarantees or other material contingent liabilities. Our Directors confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Since January 31, 2026 and up to the Latest Practicable Date, there had not been any material change in our indebtedness.

CONTINGENT LIABILITIES

During the relevant periods, the Company had been a defendant in a patent dispute lawsuit filed by a party alleging that the Company infringed its invention patent in Mainland China. The Company's PRC litigation advisor is of the view that there are reasonable grounds to believe the court would dismiss the claims on the basis that the said chip products should not fall under the protection of such invention patent. The directors, based on the advice from Company's PRC litigation advisor, believe that the Company has a valid defense against the allegation and, accordingly, the Group has not provided for any claim arising from the litigation, other than the related legal and other costs. See note 32 to the Accountants' Report in Appendix I to this prospectus for details of our contingent liabilities.

RESEARCH AND DEVELOPMENT EXPENDITURE AND TOTAL OPERATING EXPENDITURE

During the Track Record Period, our research and development expenditure primarily consisted of research and development costs adjusted by adding back intangible assets related to research and development software acquired from third parties and capitalized (if any) and deducting amortization expenses for capitalized intangible assets included in research and development expenditure (if any). We do not allocate research and development expenditure by product type. The table below sets forth our annual and total research and development expenditure for the periods indicated.

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
			(RMB in thousands)		
				(unaudited)	
Research and development costs	48,708	59,271	68,060	55,134	55,690
Adjustments:					
Add: intangible assets acquired from third parties and capitalized	—	—	—	—	—
Add: internal development costs capitalized as intangible asset	—	—	—	—	—
Less: amortization expense of capitalized intangible assets included in research and development expenditure	—	—	—	—	—
Annual research and development expenditure	**48,708**	**59,271**	**68,060**	**55,134**	**55,690**
Total research and development expenditure for periods prior to the Listing					**231,729**

The table below sets forth our annual and total operating expenditure for the periods indicated:

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
			(RMB in thousands)		
				(unaudited)	
Research and development costs	48,708	59,271	68,060	55,134	55,690
Selling and marketing expenses	17,405	18,869	20,847	17,500	16,800
Administrative expenses	18,279	20,382	19,673	16,434	32,629
Adjustments:					
Add: intangible assets acquired from third parties and capitalized	—	—	—	—	—
Add: internal development costs capitalized as intangible asset	—	—	—	—	—
Less: amortization expense of capitalized intangible assets included in research and development expenditure	—	—	—	—	—
Annual total operating expenditure	**84,392**	**98,522**	**108,580**	**89,068**	**105,119**
Total operating expenditure for periods prior to the Listing					**396,613**

The table below sets forth our annual research and development expenditure ratio and total research and development expenditure ratio for the periods indicated.

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
Annual research and development expenditure ratio[(1)]	57.7%	60.2%	62.7%	61.9%	53.0%
Total research and development expenditure ratio[(2)]					58.4%

(1) Calculated by dividing annual research and development expenditure by annual total operating expenditure.

(2) Calculated by dividing annual total research and development expenditure during the Track Record Period prior to the Listing by total operating expenditure during the Track Record Period prior to the Listing.

CAPITAL EXPENDITURES AND COMMITMENTS

Capital Expenditures

Our capital expenditures during the Track Record Period primarily consisted of expenditures on purchase of property, plant and equipment and purchase of intangible asset. The following table sets forth our capital expenditure for the periods indicated.

	Year ended December 31,			Ten months ended October 31,	
	2022	2023	2024	2024	2025
			(RMB in thousands)		
				(unaudited)	
Purchases of items of property, plant and equipment	(15,630)	(3,494)	(1,955)	(1,991)	(703)
Purchases of other intangible assets	(257)	—	(117)	—	(179)
Total	**(15,887)**	**(3,494)**	**(2,072)**	**(1,991)**	**(882)**

We may adjust our capital expenditure for any given period according to our ongoing business needs and in light of market conditions or other factors we believe appropriate. After the Listing, we expect to finance our capital expenditure through a combination of existing cash, cash flows generated from our operating activities, bank borrowings and net proceeds from the Global Offering. See "Future Plans and Use of Proceeds" for the portion of capital expenditures to be funded by the proceeds from the Global Offering. We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions, regulatory environment and other factors we believe to be appropriate.

Capital Commitments

The following table sets forth our capital commitments as of the dates indicated.

	As of December 31,			As of October 31,
	2022	2023	2024	2025
		(RMB in thousands)		
Contracted, but not provided for:				
— Purchase of items of property, plant and equipment	189	1,456	—	—

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transaction.

LISTING EXPENSES

We expect to incur a total of approximately RMB52.7 million (HK$59.7 million) of listing expenses in connection with the Global Offering, representing approximately 10.3% of the gross proceeds from the Global Offering (assuming an Offer Price of HK$45.0, being the mid-point of the indicative Offer Price range between HK$40.0 and HK$50.0, and assuming that the Over-allotment Option is not exercised), including (1) underwriting commissions, SFC transaction levy, Stock Exchange trading fees and AFRC transaction levy for all Offer Shares of approximately RMB19.1 million (HK$21.6 million), and (2) non-underwriting related expenses of approximately RMB33.6 million (HK$38.1 million), which consist of (i) fees and expenses of legal advisors and accountants of approximately RMB18.4 million (HK$20.8 million), and (ii) sponsor fee and other fees and expenses of approximately RMB15.2 million (HK$17.3 million). Approximately RMB30.8 million (HK$34.9 million) is expected to be charged to our consolidated statements of profit or loss, and approximately

RMB21.9 million (HK$24.8 million) is expected to be deducted from equity. The listing expenses above are the best estimate as of the Latest Practicable Date and for reference only. The actual amount may differ from this estimate.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time during our ordinary course of business and on terms comparable to the terms of transactions with other entities that are not related parties. See note 34 to the Accountants' Report included in Appendix I to this prospectus for details. Our Directors are of the view that our related party transactions during the Track Record Period were conducted in the ordinary course of business at arm's length with reference to normal commercial terms, and would not distort our track record results or make our historical results not reflective of our future performance.

KEY FINANCIAL RATIOS

	As of December 31,			As of October 31,
	2022	2023	2024	2025
Current ratio[(1)]	4.9	2.3	2.0	1.8
Quick ratio[(2)]	3.8	1.7	1.2	1.0
Gearing ratio[(3)]	11.8%	36.1%	61.3%	120.1%

(1) The calculation of current ratio is based on current assets divided by current liabilities as of period end.

(2) The calculation of quick ratio is based on current assets less inventories divided by current liabilities as of period end.

(3) The calculation of gearing ratio is based on our debt (being our interest-bearing bank borrowings, lease liabilities and redemption liabilities) divided by our total equity as of the respective dates and multiplied by 100%.

Analysis of Key Financial Ratios

Current ratio and quick ratio

Our current ratio and quick ratio decreased from 4.9 and 3.8 as of December 31, 2022, respectively, to 2.3 and 1.7 as of December 31, 2023, respectively, primarily due to (1) the decrease in current assets, resulting from the decrease in cash and cash equivalents, and (2) the increase in current liabilities, resulting from the increases in trade payables and interest-bearing bank borrowings.

Our current ratio and quick ratio decreased from 2.3 and 1.7 as of December 31, 2023, respectively, to 2.0 and 1.2 as of December 31, 2024, respectively, primarily due to (1) the decrease in current assets, mainly resulting from the decrease in cash and cash equivalents, and (2) the increase in current liabilities, mainly resulting from the increases in trade payables and interest-bearing bank borrowings.

Our current ratio and quick ratio decreased from 2.0 and 1.2 as of December 31, 2024, respectively, to 1.8 and 1.0 as of October 31, 2025, respectively, primarily due to the increase in interest-bearing bank borrowings.

Gearing ratio

Our gearing ratio increased from 11.8% as of December 31, 2022, to 36.1% as of December 31, 2023, primarily due to (1) our strategic debt utilization, as our interest-bearing bank borrowings increased by approximately RMB36.7 million, and (2) the significant decrease in total equity of RMB86.9 million, principally attributable to a RMB94.1 million net loss in 2023.

Our gearing ratio increased from 36.1% as of December 31, 2023, to 61.3% as of December 31, 2024, primarily due to (1) the increase in interest-bearing bank borrowings of RMB23.0 million and (2) the significant decrease in total equity of RMB49.6 million, principally attributable to a RMB56.8 million net loss in 2024.

Our gearing ratio increased from 61.3% as of December 31, 2024, to 120.1% as of October 31, 2025, primarily due to the increase in interest-bearing bank borrowings and the decrease in equity due to the loss for current period.

QUANTITATIVE AND QUALITATIVE DISCLOSURE OF MARKET RISKS

Our principal financial instruments comprise interest-bearing bank borrowings and cash and bank balances. The main purpose of these financial instruments is to raise funds to support our operations. We have various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from our operations.

The main risks arising from our financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. Our Directors review and agree with the policies for managing each of these risks. See note 37 to the Accountants' Report in Appendix I to this prospectus for details of our financial risk management.

Interest Rate Risk

Our exposure to the risk of changes in market interest rates relates primarily to our bank borrowings.

Our policy is to manage the interest cost using a mix of fixed and variable rate debts. As of December 31, 2022, 2023, 2024 and October 31, 2025, none of our interest-bearing borrowings bore interest at floating rates. Accordingly, as of December 31, 2022, 2023, 2024 and October 31, 2025, we did not have any significant exposure to the interest rate risk in the cash flows. See note 37 to the Accountants' Report in Appendix I to this prospectus for details.

Foreign Currency Risk

We had transactional currency exposures. Such exposures arose from sales or purchases by operating units in currencies other than the units' functional currencies. We principally conducted business in Renminbi, which is exposed to foreign currency risk with respect to transactions denominated in currencies other than Renminbi. In addition, the functional currency of our Company's subsidiary incorporated in Hong Kong is USD, which is exposed to foreign currency risk with respect to transactions denominated in currencies other than USD. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in currencies that are not the functional currencies of the relevant group entities.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in USD/RMB exchange rates, with all other variables held constant, of our loss before tax (arising from USD/RMB denominated financial instruments) and our equity (due to changes in the fair value of forward currency contracts).

	Increase/(decrease) in RMB/USD rate	Increase/(decrease) in loss before tax	(Decrease)/ increase in equity
	(%)	*(RMB in thousands)*	
Year ended December 31, 2022			
If RMB weakens against the US$	(1)	109	109
If RMB strengthens against the US$	1	(109)	(109)
Year ended December 31, 2023			
If RMB weakens against the US$	(1)	827	827
If RMB strengthens against the US$	1	(827)	(827)
Year ended December 31, 2024			
If RMB weakens against the US$	(1)	404	404
If RMB strengthens against the US$	1	(404)	(404)
Ten months ended October 31, 2025			
If RMB weakens against the US$	(1)	656	656
If RMB strengthens against the US$	1	(656)	(656)

Credit Risk

We only offer credit terms to recognized and creditworthy customers. It is our 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 our exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, we do not offer credit terms without the specific verification procedures.

Maximum exposure and year-end staging

See note 37 to the Accountants' Report in Appendix I to this prospectus for the credit quality and the maximum exposure to credit risk based on our 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 for the Relevant Periods.

Liquidity Risk

We monitor and maintain a level of cash and cash equivalents deemed adequate by our management to finance the operations and mitigate the effects of fluctuations in cash flows.

See note 37 to the Accountants' Report in Appendix I to this prospectus for the maturity profile of our financial liabilities for the Relevant Periods, based on the contractual undiscounted payments.

DIVIDENDS

We are a company incorporated under the laws of the PRC. During the Track Record Period, we did not declare or pay any dividends. Any dividends we pay will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restriction and other factors which our Directors consider relevant. Our shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. As advised by our PRC Legal Advisor, no dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We have not adopted any dividend policy and do not have predetermined dividend payout ratio.

DISTRIBUTABLE RESERVES

As of October 31, 2025, our Company did not have any distributable reserves.

DISCLOSURE REQUIRED UNDER CHAPTER 13 OF THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position since October 31, 2025 (being the date on which the latest audited consolidated financial information of our Group was prepared) and there is no event since October 31, 2025 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report in Appendix I to this prospectus.

UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of our Company has been prepared in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for inclusion in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants to illustrate the effect of the Global Offering on the consolidated net tangible assets attributable to owners of our Company as of October 31, 2025 as if the Global Offering had taken place on that date.

The unaudited pro forma statement of adjusted consolidated net tangible assets attributable to owners of our Company has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of our Group as of October 31, 2025 or any future dates following the Global Offering.

	Consolidated net tangible assets of our Group attributable to owners of our Company as of October 31, 2025[1]	Estimated net proceeds from the Global Offering[2]	Estimated impact related to the reclassification of redemption liabilities upon Listing[3]	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of our Company	Unaudited pro forma adjusted consolidated net tangible assets per Share	
	(RMB in thousands)				*RMB*[4]	*HK$*[5]
Based on an Offer Price of HK$40.00 per Share	115,808	385,168	38,281	539,257	4.81	5.46
Based on an Offer Price of HK$45.00 per share	115,808	435,946	38,281	590,035	5.27	5.98
Based on an Offer Price of HK$50.00 per share	115,808	486,723	38,281	640,812	5.72	6.49

(1) The consolidated net tangible assets attributable to owners of the Company as at October 31, 2025 is arrived at after deducting other intangible asset of RMB553,000 from the consolidated equity attributable to owners of the Company of RMB116,361,000 as at October 31, 2025, as shown in Appendix I to this prospectus.

(2) The estimated net proceeds from the Global Offering are based on the Offer Price of HK$40.00 per Share, HK$45.00 per Share and HK$50.00 per Share, after deduction of the underwriting fees and other related expenses payable by our Company (excluding the listing expenses that have been charged to profit or loss during the Track Record Period) and does not take into account of any Shares which may be issued upon the exercise of the Over-allotment Option. The estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi at an exchange rate of RMB1 to HK$1.1343.

(3) For the purpose of the unaudited pro forma financial information, considering the estimated impact related to the reclassification of redemption liabilities upon Listing, the unaudited pro forma adjusted net tangible assets attributable to the owners of our Company will be increased by RMB38,281,000, being the carrying amount of the redemption liabilities as of October 31, 2025. The redemption rights will automatically terminate upon the Listing and the completion of the Global Offering. The carrying amount of the redemption liabilities is reclassified to equity upon the termination of the counterparty's redemption right. The amount that is reclassified to equity will be the carrying amount of the redemption liabilities on that date of the Global Offering.

(4) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company and the amounts per share are arrived at after the adjustments referred to in the preceding paragraphs (note 2 and 3) above and on the basis that 112,000,000 shares were in issue assuming that the Global Offering had been completed on October 31, 2025.

(5) The unaudited pro forma adjusted consolidated net tangible assets per Share are converted into Hong Kong dollars at an exchange rate of RMB1 to HK$1.1343.

(6) No adjustment has been made to the unaudited pro forma adjusted net tangible assets to reflect any trading results or other transactions for the Company entered into subsequent to October 31, 2025.

OVERVIEW

Upon the Listing, the Board will consist of nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. The Board is responsible, and has general authority for, the management and operation of our Company. Our Directors are appointed for a term of three years and are eligible for re-election upon expiry of their term of office.

Our senior management is responsible for the day-to-day operations of our Company.

All of our Directors and senior management have met the qualification requirements under the relevant PRC laws and regulations and the Listing Rules for their respective positions.

BOARD OF DIRECTORS

The following table sets forth certain information regarding the members of our Board.

Name	Age	Position	Date of joining our Group	Date of appointment as a Director	Responsibility	Relationship with other Directors and senior management
Executive Directors						
Mr. Xu Xiaolin (徐小林).	45	Founder, chairman of the Board, executive Director and president	May 2016	May 2016	Responsible for the overall strategic planning, business direction and management of our Group	N/A
Mr. Liu Baoliang (劉保良).	45	Co-founder, executive Director, vice president and director of algorithm applications	May 2016	January 2018	Responsible for the Systems Department of our Group	N/A
Mr. Qian Shun (錢舜).	43	Executive Director, vice president and chief technology officer	July 2018	May 2021	Responsible for the research and development of our Group	N/A
Ms. Yu Bingbing (於冰冰).	45	Executive Director, vice president and sales director	January 2017	December 2021	Responsible for the marketing and sales of our Group	N/A
Non-executive Directors						
Mr. Chen Binglin (陳兵林).	46	Non-executive Director	May 2025	May 2025	Providing guidance on overall strategic planning, corporate governance and business direction of our Group	N/A
Mr. Lin Enfeng (林恩峰).	53	Non-executive Director	January 2018	January 2018	Providing guidance on overall strategic planning, corporate governance and business direction of our Group	N/A
Independent non-executive Directors						
Mr. Liu Hongcan (劉宏燦).	46	Independent non-executive Director	May 2025	May 2025	Responsible for providing independent advice on the operations and management of our Group	N/A
Ms. Liu Liping (劉麗萍).	60	Independent non-executive Director	May 2025	May 2025	Responsible for providing independent advice on the operations and management of our Group	N/A
Mr. Dai Xueguang (戴雪光).	48	Independent non-executive Director	May 2025	May 2025	Responsible for providing independent advice on the operations and management of our Group	N/A

Executive Directors

Mr. Xu Xiaolin (徐小林), aged 45, is the chairman of the Board, executive Director and president of our Company. Mr. Xu founded our Company in May 2016 and has been the chairman of the Board, Director and president since May 2016. Mr. Xu is primarily responsible for the overall strategic planning, business direction and management of our Group. Mr. Xu has also been serving as a director of Shanghai FourSemi, Shenzhen FourSemi and Fourier Technology.

Mr. Xu has approximately 20 years of experience in the field of power amplifier audio chips. Prior to founding our Company, from March 2008 to April 2016, Mr. Xu worked in NXP Semiconductors (Shanghai) Co., Ltd. (恩智浦半導體(上海)有限公司), a subsidiary under NXP Semiconductors N.V., whose shares are listed on the NASDAQ Stock Market (stock symbol: NXPI). From February 2007, Mr. Xu served as a product marketing engineer in Apexone Microelectronics (Shanghai) Co., Ltd. (埃派克森微電子(上海)股份有限公司). From March 2006 to February 2007, Mr. Xu worked in YOSUN Shanghai Corp. Ltd. (友尚電子(上海)有限公司), a subsidiary of YOSUN Industrial Corp. (友尚股份有限公司), whose shares were previously listed on the Taiwan Stock Exchange (stock code: 2403).

Mr. Xu obtained a bachelor's degree in physics and electronic information from Xiamen University (廈門大學) in July 2002 and a Master of Business Administration (MBA) from Shanghai Jiao Tong University (上海交通大學) in March 2009.

Mr. Liu Baoliang (劉保良), aged 45, is an executive Director, vice president and director of algorithm applications of our Company. Mr. Liu co-founded our Company with Mr. Xu in May 2016 and has been serving as the director of algorithm applications. He has been our Director since January 2018 and was appointed as a vice president in May 2025. Mr. Liu is primarily responsible for the Systems Department of our Group.

Prior to founding our Company, from August 2013 to March 2016, Mr. Liu worked at NXP Semiconductors (Shanghai) Co., Ltd. (恩智浦半導體(上海)有限公司), with the last position being chief product engineer, a subsidiary under NXP Semiconductors N.V., whose shares are listed on the NASDAQ Stock Market (stock symbol: NXPI). From December 2006 to December 2007, Mr. Liu served as a system engineer in Integrated Device Technology (Shanghai) Co., Ltd. (艾迪悌科技(上海)有限公司) (currently known as Renesas Integrated Circuit (Shanghai) Co., Ltd. (瑞薩集成電路(上海)有限公司)).

Mr. Liu obtained a bachelor's degree in electronics and information technology from China University of Mining and Technology (中國礦業大學) in July 2002.

Mr. Qian Shun (錢舜), aged 43, is an executive Director, vice president and chief technology officer of our Company. Mr. Qian joined our Company in July 2018 as a senior research and development manager. He has been our Director since May 2021, the chief technology officer since July 2022, and was appointed as a vice president in May 2025. Mr. Qian is primarily responsible for the research and development of our Group.

Prior to joining our Company, from January 2011 to July 2018, Mr. Qian served as an analog design manager in Texas Instruments Semiconductor Technologies (Shanghai) Co., Ltd. (德州儀器半導體技術(上海)有限公司), a subsidiary under Texas Instruments Incorporated, whose shares are listed on the Nasdaq Stock Market (stock symbol: TXN). From March 2006 to August 2010, Mr. Qian served as a senior design engineer in Integrated Device Technology (Shanghai) Co., Ltd. (艾迪悌科技(上海)有限公司) (currently known as Renesas Integrated Circuit (Shanghai) Co., Ltd. (瑞薩集成電路(上海)有限公司)).

Mr. Qian obtained a bachelor's degree in electronics engineering from Southeast University (東南大學) in June 2003 and a master's degree in engineering (circuit and system) from Shanghai Jiao Tong University (上海交通大學) in March 2006.

Ms. Yu Bingbing (於冰冰), aged 45, is an executive Director, vice president and sales director of our Company. Ms. Yu joined our Company in January 2017 as the sales director. She has been our Director since December 2021 and was appointed as a vice president in May 2025. Ms. Yu is primarily responsible for the marketing and sales of our Company.

Prior to joining our Company, Ms. Yu worked at UHDevice Electronics Jiangsu Co., Ltd. (益海芯電子技術江蘇有限公司). From August 2007 to August 2011, Ms. Yu served as a field application engineer in Apexone Microelectronics (Shanghai) Co., Ltd. (埃派克森微電子(上海)股份有限公司).

Ms. Yu obtained a bachelor's degree in business administration (engineering management) from Shanghai Jiao Tong University (上海交通大學) in July 2009.

Non-executive Directors

Mr. Chen Binglin (陳兵林), aged 46, has been a non-executive Director since May 2025. Mr. Chen is primarily responsible for providing guidance on overall strategic planning, corporate governance and business direction of our Group.

Mr. Chen has been serving as the investment director of Huaqin Technology Co., Ltd. (華勤技術股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 603296) since August 2021 and the director of Lianwei Electronics Co., Ltd. (聯維電子有限公司), NanchangYingli Precision Manufacturing Co., Ltd. (南昌英力精密製造有限公司), DBG Electronics (Investment) Limited (光弘科技(投資)有限公司) and Zheng Hong Electronics Limited (正弘電子有限公司) since April 2025.

Mr. Chen also served as a hardware director of Huaqin Technology Co., Ltd. (華勤技術股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 603296) from October 2008 to August 2021.

Mr. Chen obtained a bachelor's degree in material forming and control engineering from Wuhan University of Technology (武漢理工大學) in June 2002.

Mr. Lin Enfeng (林恩峰), aged 53, has been a non-executive Director since January 2018. Mr. Lin is primarily responsible for providing guidance on overall strategic planning, corporate governance and business direction of our Group.

Mr. Lin has been serving as a partner of Vinno Capital Co., Ltd. (深圳市合創資本管理有限公司) since April 2017.

Mr. Lin obtained a bachelor's degree in materials science and engineering from Beijing Institute of Technology (北京理工大學) in July 1997.

Mr. Lin was previously a director of ITIBIA Technologies (Hong Kong) Limited (網經科技(香港)有限公司) ("**ITIBIA Technologies**", a dormant company), which was established in Hong Kong and dissolved on May 7, 2021 by way of striking-off due to lack of operations. Mr. Lin confirmed that (i) ITIBIA Technologies was solvent prior to the striking-off; (ii) there was no wrongful act on his part leading to the striking-off; and (iii) he is not aware of any outstanding claims and/or liabilities as a result of the striking-off of ITIBIA Technologies.

Independent non-executive Directors

Ms. Liu Liping (劉麗萍), aged 60, has been an independent non-executive Director since May 2025. Ms. Liu is primarily responsible for providing independent advice on the operations and management of our Group.

Ms. Liu has been serving as the executive director and general manager in Xiamen Huaren Qiaozhi Enterprise Management Consulting Co., Ltd. (廈門華仁僑智企業管理顧問有限公司) since October 2013.

Ms. Liu obtained a bachelor's degree in public finance from Inner Mongolia Institute of Finance and Economics (內蒙古財經學院) (currently known as Inner Mongolia University of Finance and Economics (內蒙古財經大學)) in July 1987. In addition, Ms. Liu has obtained the qualification of Senior Accountant accredited by Xiamen Professional Title Reform Leading Group (廈門市職稱改革領導小組) in December 2002.

Ms. Liu was previously a supervisor of Huaqiao Huaren International Health Club (Qingtian) Co., Ltd. (華僑華人國際健康俱樂部(青田)有限公司) ("**Huaqiao Huaren**", a company principally engaged in health management), which was established in the PRC and dissolved on February 1, 2012 by way of revocation due to the declaration of dissolution by its shareholder and lack of operations. Ms. Liu confirmed that (i) Huaqiao Huaren was solvent prior to the revocation; (ii) there was no wrongful act on her part leading to the revocation; and (iii) she is not aware of any outstanding claims and/or liabilities as a result of the revocation of Huaqiao Huaren.

Mr. Liu Hongcan (劉宏燦), aged 46, has been an independent non-executive Director since May 2025. Mr. Liu is primarily responsible for providing independent advice on the operations and management of our Group.

Mr. Liu has been serving as (1) the independent director in Shenzhen Australis Electronic Technology Co., Ltd. (深圳市南極光電子科技股份有限公司), whose shares are listed on the Shenzhen Stock Exchange (stock code: 300940), since July 2024, (2) the head of compliance and risk control and partner in Xiamen Midai Asset Management Partnership (Limited Partnership) (廈門蜜呆資產管理合夥企業(有限合夥)) since November 2021, and (3) the supervisor in Xiamen Midai Investment Management Co., Ltd. (廈門蜜呆投資管理有限公司) since July 2016. Prior to that, from May 2013 to April 2019, Mr. Liu served as an independent director in Fujian Fynex Textile Science and Technology Co., Ltd. (福建鳳竹紡織科技股份有限公司), whose shares are listed on the Shanghai Stock Exchange (stock code: 600493). From January 2012 to November 2021, Mr. Liu worked in Pan-China (Xiamen) Consulting Co., Ltd. (廈門天健諮詢有限公司) with the last position being partner.

Mr. Liu obtained a bachelor's degree in accounting from Xiamen University (廈門大學) in July 2001. In addition, Mr. Liu is a member of the Chinese Institute of Certified Public Accountants (CICPA).

Mr. Dai Xueguang (戴雪光), aged 48, has been an independent non-executive Director since May 2025. Mr. Dai is primarily responsible for providing independent advice on the operations and management of our Group.

Mr. Dai has been serving as a partner in Beijing Anli Partners (Shanghai) (北京安理(上海)律師事務所) since October 2023. He has been simultaneously serving as a member of the internal controls committee of First Capital Investment Banking Co., Ltd (第一創業證券承銷保薦有限責任公司) since January 2022, a subsidiary under First Capital Securities Co., Ltd. (第一創業證券股份有限公司), whose shares are listed on the Shanghai Stock Exchange (stock code: 002797). Prior to that, Mr. Dai served as an independent non-executive director in Shanghai Kinetic Medical Co., Ltd (上海凱利泰醫療科技股份有限公司), whose shares are listed on the ChiNext Market of Shenzhen Stock Exchange (stock code: 300326), from February 2022 to March 2025.

Mr. Dai obtained a bachelor's degree in economics from Shandong University of Finance (山東財政學院) (currently known as Shandong University of Finance and Economics (山東財經大學)) in July 1999 and a master's degree in law from Nanjing University (南京大學) in June 2007. In addition, Mr. Dai has obtained the qualification of (1) Lawyer's Practice License accredited by Shanghai Municipal Bureau of Justice in August 2008 and (2) Legal Profession Qualification Certificate of the People's Republic of China accredited by the Ministry of Justice of the People's Republic of China in February 2006.

SENIOR MANAGEMENT

The following table sets forth certain information regarding the members of our senior management.

Name	Age	Position	Date of joining our Group	Date of appointment as senior management	Responsibility	Relationship with other Directors and senior management
Mr. Xu Xiaolin (徐小林)	45	Founder, chairman of the Board, executive Director and president	May 2016	May 2016	Responsible for the overall strategic planning, business direction and management of our Group	N/A
Mr. Liu Baoliang (劉保良)	45	Co-founder, executive Director, vice president and director of algorithm applications	May 2016	May 2025	Responsible for the Systems Department of our Group	N/A
Mr. Qian Shun (錢舜)	43	Executive Director, vice president and chief technology officer	July 2018	May 2025	Responsible for the research and development of our Group	N/A
Ms. Yu Bingbing (於冰冰)	45	Executive Director, vice president and sales director	January 2017	May 2025	Responsible for the marketing and sales of our Group	N/A
Mr. Pan Fangsheng (潘昉晟)	44	Vice president	July 2024	May 2025	Responsible for our operations department and is our quality management representative	N/A
Ms. Zhu Hongbei (朱泓蓓)	39	Chief financial officer	August 2022	August 2022	Responsible for the financial and accounting affairs of our Group	N/A

Mr. Xu Xiaolin (徐小林), aged 45, is the chairman of the Board, executive Director and president of our Company. See "—Board of Directors—Executive Directors" for his biographical details.

Mr. Liu Baoliang (劉保良), aged 45, is an executive Director, vice president and director of algorithm applications of our Company. See "—Board of Directors—Executive Directors" for his biographical details.

Mr. Qian Shun (錢舜), aged 43, is an executive Director and vice president of our Company. See "—Board of Directors—Executive Directors" for his biographical details.

Ms. Yu Bingbing (於冰冰), aged 45, is an executive Director and vice president of our Company. See "—Board of Directors—Executive Directors" for her biographical details.

Mr. Pan Fangsheng (潘昉晟), aged 44, is a vice president of our Company. Mr. Pan joined our Company in July 2024 as an assistant vice president and was appointed as a vice president in May 2025. Mr. Pan is responsible for our operations department and is our quality management representative.

Mr. Pan (1) served as the deputy general manager of engineering operations in Shanghai Orient-Chip Technology Co., Ltd. (上海燦瑞科技股份有限公司), whose shares are listed on the STAR Market of the Shanghai Stock Exchange (stock code: 688061), from March 2022 to June 2024, (2) worked at Texas Instruments Semiconductor Technologies (Shanghai) Co., Ltd. (德州儀器半導體技術(上海)有限公司), which is a subsidiary under Texas Instruments Incorporated, whose shares are listed on the Nasdaq Stock Market (stock symbol: TXN), from April 2012 to February 2022, (3) served as the product engineering project manager in VeriSilicon Microelectronics (Shanghai) Co., Ltd. (芯原微電子(上海)股份有限公司), whose shares are listed on the Shanghai Stock Exchange (stock code: 688521),

from November 2008 to March 2012, and (4) served as the chief product engineer in Shanghai Huahong Group Co., Ltd. (上海華虹(集團)有限公司), whose shares are listed on the Shanghai Stock Exchange (stock code: 688347), from September 2006 to October 2008.

Mr. Pan obtained a bachelor's degree in electrical engineering and automation from University of Shanghai for Science and Technology (上海理工大學) in June 2003 and a master's degree in microelectronics from Shanghai Jiao Tong University (上海交通大學) in February 2007. In addition, Mr. Pan has obtained the qualification of (1) Director of Standards and (2) Chief Quality Officer, both accredited by the Shanghai Municipal People's Government in March 2024.

Ms. Zhu Hongbei (朱泓蓓), aged 39, is the chief financial officer of our Company. Ms. Zhu joined our Company in August 2022 and has been serving as the chief financial officer since August 2022. Ms. Zhu is responsible for the financial and accounting affairs of our Group.

Prior to joining our Company, Ms. Zhu worked in (1) Genor Biopharma Holdings Limited (嘉和生物藥業有限公司), whose shares are listed on the Stock Exchange (stock code: 6998), from April 2021 to August 2022, (2) Shanghai Taojing Lihua Information Technology Co., Ltd. (上海淘景立畫信息技術有限公司) from November 2020 to March 2021, (3) Shanghai Junshi Biosciences Co., Ltd. (上海君實生物醫藥科技股份有限公司), whose shares are listed on the Stock Exchange (stock code: 1877) and the Shanghai Stock Exchange (stock code: 688180), from December 2019 to October 2020, (4) Ford Motor (China) Co., Ltd. (福特汽車(中國)有限公司), a subsidiary under Ford Motor Company (美國福特汽車公司) whose shares are listed on the New York Stock Exchange (stock symbol: F), from January 2013 to May 2019, (5) Shanghai Office of Bureau Veritas (必維國際檢驗集團上海分公司) from November 2011 to December 2012, and (6) Shanghai Office of KPMG Huazhen LLP (畢馬威華振會計師事務所上海分所) from September 2008 to October 2011.

Ms. Zhu obtained a bachelor's degree in financial management with a focus on international asset operations from Shanghai Institute of Foreign Trade (上海對外貿易學院), which was renamed as Shanghai University of International Business and Economics (上海對外經貿大學), in 2008. In addition, Ms. Zhu has obtained the qualification of a Non-Practicing Member accredited by The Chinese Institute of Certified Public Accountants in March 2021.

Save as disclosed above, each of our Directors and senior management members confirms with respect to himself or herself that (1) he or she had no other relationship with any Director or senior management of our Company as at the Latest Practicable Date; (2) he or she did not hold any other directorships in the three years prior to the Latest Practicable Date in any public companies of which the securities are listed on any stock exchange in Hong Kong and/or overseas; and (3) there are no other matters concerning our Directors' appointment that need to be brought to the attention of our Shareholders and the Stock Exchange or shall be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. For our Directors' interests in the Shares within the meaning of Part XV of the SFO, see "Appendix IV—Statutory and General Information—3. Further Information about Our Directors and Substantial Shareholders".

JOINT COMPANY SECRETARIES

Mr. Gao Wenchao (高文超), was appointed as the joint company secretary of our Company in June 2025. He has been the director of investment and financing of our Group since May 2025.

Prior to joining our Company, he worked in the investment banking department of China International Capital Corporation Limited (中國國際金融股份有限公司), whose shares are listed on the Stock Exchange (stock code: 3908) and Shanghai Stock Exchange (stock code: 601995), from March 2021 to May 2025. Mr. Gao previously worked in Minsheng Securities Co., Ltd. (民生證券股份有限公司). From July 2017 to May 2019, he worked in Beijing Grandway Law Offices (北京國楓律師事務所).

Mr. Gao obtained a bachelor's degree in law from Tianjin University (天津大學) in July 2014 and a master's degree in law from Shanghai Jiao Tong University (上海交通大學) in March 2017. In addition, Mr. Gao has obtained the qualification of (1) Legal Profession Qualification Certificate of the People's Republic of China accredited by the Ministry of Justice of the People's Republic of China in August 2014, (2) Type 1 (Dealing in Securities) and (3) Type 6 (Advising on Corporate Finance) both accredited by the SFC.

Mr. Chow Shing Lung (鄒醒龍), was appointed as the joint company secretary of our Company in June 2025.

Mr. Chow has more than 14 years of work experience in the company secretarial and legal fields and is currently Assistant Vice President, Entity Solutions of Computershare Hong Kong Investor Services Limited (香港中央證券登記有限公司) ("**Computershare**"). Prior to joining Computershare, he was Legal Counsel of a major technology conglomerate, responsible for the listing compliance and corporate governance matters of the group's listed subsidiaries in Hong Kong. Before that, Mr. Chow held various corporate governance positions in another major Hong Kong listed company and professional service firms.

Mr. Chow obtained a Graduate Diploma with Distinction in English and Hong Kong Law (Common Professional Examination) from the Manchester Metropolitan University and a Master of Corporate Governance degree from The Hong Kong Polytechnic University.

Mr. Chow was admitted as a solicitor of the High Court of Hong Kong. He is also an associate member of both The Hong Kong Chartered Governance Institute (formerly known as the Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute in the United Kingdom.

BOARD COMMITTEES

Our Company has established three committees under the Board of Directors, namely the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee.

Audit Committee

The Audit Committee consists of three Directors, namely Mr. Liu Hongcan, Mr. Dai Xueguang and Ms. Liu Liping, with Mr. Liu Hongcan currently serving as the chairman. Mr. Liu Hongcan has the appropriate professional qualification and experiences as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee is mainly responsible for reviewing and overseeing the financial reporting procedures, risk management and internal control systems of our Group and has the terms of reference in compliance with the relevant laws and regulations of the PRC and Rule 3.21 of the Listing Rules and paragraph D.3 of part 2 of the Corporate Governance Code, as set out in Appendix C1 to the Listing Rules.

Nomination Committee

The Nomination Committee consists of three Directors, namely Mr. Xu Xiaolin, Mr. Dai Xueguang and Ms. Liu Liping, with Mr. Xu Xiaolin currently serving as the chairman. The Nomination Committee is mainly responsible for identifying, screening and recommending to the Board of Directors qualified candidates to serve as our Directors and senior management and monitoring the procedures for evaluating the performance of the Board of Directors and has the terms of reference in compliance with the relevant laws and regulations of the PRC and paragraph B.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee consists of three Directors, namely Mr. Liu Hongcan, Ms. Liu Liping and Mr. Xu Xiaolin, with Mr. Liu Hongcan currently serving as the chairman. The Remuneration and Appraisal Committee is mainly responsible for evaluating the remuneration policies

for Directors and senior management of our Group and making recommendations thereon to the Board of Directors and has the terms of reference in compliance with relevant laws and regulations of the PRC and paragraph E.1 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

DIVERSITY POLICY OF THE BOARD OF DIRECTORS

The Board of Directors has adopted a board diversity policy (the "**Board Diversity Policy**") in order to enhance the effectiveness of our Board of Directors and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board of Directors, 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 of Directors.

Our Directors have a balanced mix of knowledge and skills, including but not limited to overall business management, finance and accounting and law. The Board of Directors is of the view that our Board of Directors satisfies the Board Diversity Policy. In addition, our Board of Directors has a wide range of age, ranging from 43 years old to 60 years old. Two of our Directors are female. Our Board of Directors will also ensure that appropriate balance of gender diversity is achieved with reference to investors' expectation, and international and local recommended best practices.

The Nomination Committee is responsible for reviewing the diversity of the Board of Directors. After Listing, the 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 will also include 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.

CORPORATE GOVERNANCE

Our Directors recognize the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. Save as disclosed below, our Group is expected to comply with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Pursuant to code provision C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the roles of chairman and chief executive should be separate and should not be performed by the same individual. We do not have a separate chairman and chief executive and Mr. Xu currently performs these two roles. Our Board believes that vesting the roles of both the chairman of our Board and the chief executive officer in the same person has the benefit of (1) ensuring consistent leadership within our Company, (2) enabling more effective and efficient overall strategic planning for our Company, and (3) facilitating the flow of information between the management and our Board. Our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of the chairman of our Board and the chief executive officer of our Company at a time when it is appropriate by taking into account the circumstances of our Company as a whole.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The compensation and remuneration of our Directors and members of the senior management of our Company are determined by the Shareholders' meetings and Board of Directors as appropriate in the form of salaries and bonuses. Our Company also reimburses them for expenses which are necessary and reasonably incurred in providing services to our Company or discharging their duties in relation to the operations of our Company. When reviewing and determining the specific remuneration packages

for our Directors and members of the senior management of our Company, Shareholders' meetings and Board of Directors take into account factors such as the responsibilities, the labor contract, and the remuneration standards and systems. 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, injury insurance, unemployment insurance, pension insurance, maternity insurance and housing provident fund.

Our Company offers executive Directors and senior management members, who are our employees, compensation in the form of salaries, bonuses, social security plans, housing provident fund plans and other benefits. The independent non-executive Directors receive compensation based on their responsibilities.

The aggregate amounts of remuneration (including salaries, allowances and benefits in kind, performance related bonuses, share-based payments, and pension scheme contributions and social welfare) of our Directors for the three years ended December 31, 2022, 2023 and 2024, and the ten months ended October 31, 2025 were approximately RMB5.2 million, RMB4.9 million, RMB5.8 million and RMB4.5 million, respectively.

The aggregate amounts of remuneration (including salaries, allowances and benefits in kind, performance related bonuses, share-based payments, and pension scheme contributions and social welfare) of the five highest paid individuals, excluding Directors and chief executive, for the three years ended December 31, 2022, 2023 and 2024, and the ten months ended October 31, 2025 were approximately RMB4.0 million, RMB3.8 million, RMB4.1 million and RMB3.4 million, respectively.

It is estimated that remuneration equivalent to approximately RMB6.4 million in aggregate will be paid to our Directors by our Company for the year ending December 31, 2025, based on the arrangements in force as of the date of the prospectus.

No remuneration was paid by our Company to our Directors or the five highest paid individuals as inducement to join or upon joining the Company or as a compensation for loss of office during the Track Record Period. Furthermore, none of our Directors had waived or agreed to waive any remuneration during the Track Record Period.

COMPLIANCE ADVISOR

Our Company appointed Orient Capital (Hong Kong) Limited as the compliance advisor pursuant to Rule 3A.19 of the Listing Rules, and the compliance advisor will advise our Company in the following circumstances:

(i) before the publication of any regulatory announcement, circular or financial report;

(ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;

(iii) where our Company proposes to use the proceeds of the Global Offering in a manner that is different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecasts, estimates or other information in this prospectus; and

(iv) where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of the Shares, the possible development of a false market in the Shares or any other matters in accordance with Rule 13.10 of the Listing Rules.

The terms of the appointment of the compliance advisor will commence on the Listing Date and end on the date when our Company distributes the annual report of its financial results for the first full financial year commencing after the Listing Date.

CORE R&D TEAM MEMBERS

For further details of the experience of our core R&D team members, see "Business—Research and Development—Our Research and Development Team and Core Member" in this prospectus.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that, as of the Latest Practicable Date, he or she did not have any interest in any business which competes, or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (1) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in June 2025; and (2) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors confirms (1) his/her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; (2) that he/she has no past or present financial or other interest in the business of our Company or our subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date; and (3) that there are no other factors that may affect his/her independence at the time of his/her appointment.

To the best of our Directors' knowledge and information, the following persons will, immediately following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares, have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at any general meeting of our Company:

		As of the Latest Practicable Date		Immediately following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares (assuming the Over-allotment Option is not exercised)			
Shareholder	Nature of interest	Number of Domestic Shares	Approximate percentage of shareholding in the total issued share capital of our Company	Number of Shares	Description of Shares	Approximate percentage of shareholding in our Domestic Shares/H Shares (as applicable)	Approximate percentage of shareholding in the total issued share capital of our Company
Mr. Xu	Beneficial owner	8,859,800	8.86%	8,859,800	H Shares	7.99%	7.91%
	Interest in controlled corporation[2]	23,897,600	23.90%	23,897,600	H Shares	21.55%	21.34%
	Interest held jointly with other person[3]	2,518,500	2.52%	2,518,500	H Shares	2.27%	2.25%
Mr. Liu	Beneficial owner	2,518,500	2.52%	2,518,500	H Shares	2.27%	2.25%
	Interest held jointly with other person[3]	32,757,400	32.76%	32,757,400	H Shares	29.54%	29.25%
Shanghai FourSemi Management[2]	Beneficial owner	12,617,800	12.62%	12,617,800	H Shares	11.38%	11.27%
Xiamen FourSemi Management[2][4]	Beneficial owner	7,073,700	7.07%	7,073,700	H Shares	6.38%	6.32%
Xiamen FourSemi Chuangke[2]	Beneficial owner	4,206,100	4.21%	4,206,100	H Shares	3.79%	3.76%
Mr. Qian Shun	Interest in controlled corporation[4]	7,073,700	7.07%	7,073,700	H Shares	6.38%	6.32%
Gansheng Investment[5]	Beneficial owner	6,406,800	6.41%	6,406,800	H Shares	5.78%	5.72%
Xianyun Management	Interest in controlled corporation[5]	6,406,800	6.41%	6,406,800	H Shares	5.78%	5.72%
Ye Feng	Interest in controlled corporation[5]	6,406,800	6.41%	6,406,800	H Shares	5.78%	5.72%
Moqin Intelligent[6]	Beneficial owner	6,361,400	6.36%	6,361,400	H Shares	5.74%	5.68%
Huaqin Technology	Interest in controlled corporation[6]	6,361,400	6.36%	6,361,400	H Shares	5.74%	5.68%
Shanghai Aoqin	Interest in controlled corporation[6]	6,361,400	6.36%	6,361,400	H Shares	5.74%	5.68%
Qiu Wensheng	Interest in controlled corporation[6]	6,361,400	6.36%	6,361,400	H Shares	5.74%	5.68%
Vinno Intelligent and Health[7]	Beneficial owner	5,776,900	5.78%	5,776,900	H Shares	5.21%	5.16%
Vinno Capital	Interest in controlled corporation[7]	5,776,900	5.78%	5,776,900	H Shares	5.21%	5.16%
Ding Mingfeng	Interest in controlled corporation[7]	5,776,900	5.78%	5,776,900	H Shares	5.21%	5.16%
Huzhou Zhuosheng	Beneficial owner	1,110,200	1.11%	1,110,200	Domestic Shares	100%	0.99%

Notes:

(1) The calculation is based on the total number of 98,889,800 H Shares to be converted from Domestic Shares in issue pursuant to the Conversion of Domestic Shares into H Shares and 12,000,000 H Shares to be issued pursuant to the Global Offering (assuming that the Over-allotment Option is not exercised). See "Share Capital—Conversion of Domestic Shares into H Shares" for the respective numbers of Domestic Shares and H Shares held by the relevant Shareholders as of the Latest Practicable Date and immediately after the completion of the Global Offering and the Conversion of Domestic Shares into H Shares.

(2) As of the Latest Practicable Date, Mr. Xu acted as the general partner of Shanghai FourSemi Management, Xiamen FourSemi Management and Xiamen FourSemi Chuangke. Under the SFO, Mr. Xu is deemed to be interested in the entire Shares held by Shanghai FourSemi Management, Xiamen FourSemi Management and Xiamen FourSemi Chuangke.

(3) Pursuant to the Concert Party Agreement, Mr. Liu irrevocably agreed to, among others, act in concert with Mr. Xu and follow his instructions in exercising his vote at the general meetings of our Company. Under the SFO, Mr. Xu is deemed to be interested in the Shares held by Mr. Liu, and Mr. Liu is deemed to be interested in the Shares held by Mr. Xu.

(4) As of the Latest Practicable Date, Xiamen FourSemi Management was owned as to approximately 35.60% by Mr. Qian Shun as a limited partner. Under the SFO, Mr. Qian Shun is deemed to be interested in the Shares held by Xiamen FourSemi Management.

(5) As of the Latest Practicable Date, Gansheng Investment was owned as to approximately 1% by Xianyun Management as the general partner, which in turn was owned as to 65% by Ye Feng. None of the limited partners holds more than one-third partnership interests in Gansheng Investment. Under the SFO, each of Xianyun Management and Ye Feng is deemed to be interested in the Shares held by Gansheng Investment.

(6) As of the Latest Practicable Date, Moqin Intelligent was wholly owned by Huaqin Technology, which in turn was a subsidiary of Shanghai Aoqin. As of the Latest Practicable Date, Shanghai Aoqin was owned as to 51% by Qiu Wensheng (邱文生). None of other shareholders holds more than one-third equity interests in Huaqin Technology and Shanghai Aoqin. Under the SFO, each of Huaqin Technology, Shanghai Aoqin and Qiu Wensheng is deemed to be interested in the Shares held by Moqin Intelligent.

(7) As of the Latest Practicable Date, Vinno Intelligent and Health was owned as to approximately 1.78% by Vinno Capital as the general partner, which in turn was owned as to 72% by Ding Mingfeng. None of the limited partners holds more than one-third partnership interests in Vinno Intelligent and Health. Under the SFO, each of Vinno Capital and Ding Mingfeng is deemed to be interested in the Shares held by Vinno Intelligent and Health.

Save as disclosed above and in "Appendix IV—Statutory and General Information", our Directors are not aware of any person who will, immediately following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares (and the offering of any additional H Shares pursuant to the Over-allotment Option), have an interest or short position in the Shares or underlying shares of our Company which would be required to be disclosed to our Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any other members of our Group.

This section presents certain information regarding our share capital prior to and following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares.

BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date and immediately prior to the Global Offering and the Conversion of Domestic Shares into H Shares, the registered and issued share capital of our Company was RMB100,000,000, comprising 100,000,000 Domestic Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE GLOBAL OFFERING AND THE CONVERSION OF DOMESTIC SHARES INTO H SHARES

Immediately following completion of the Global Offering and the Conversion of Domestic Shares into H Shares, assuming that the Over-allotment Option is not exercised, the registered and issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the enlarged issued share capital after the Global Offering
Domestic Shares	1,110,200	0.99%
H Shares converted from Domestic Shares	98,889,800	88.29%
H Shares to be issued under the Global Offering	12,000,000	10.71%
Total	**112,000,000**	**100.00%**

See "—Conversion of Domestic Shares into H Shares" below for details of the identities of our Shareholders whose Shares will remain as Domestic Shares and whose Shares will be converted into H Shares upon Listing.

Immediately following completion of the Global Offering and the Conversion of Domestic Shares into H Shares, assuming that the Over-allotment Option is fully exercised, our registered and issued share capital will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the enlarged issued share capital after the Global Offering
Domestic Shares	1,110,200	0.98%
H Shares converted from Domestic Shares	98,889,800	86.90%
H Shares to be issued under the Global Offering	13,800,000	12.13%
Total	**113,800,000**	**100.00%**

See "—Conversion of Domestic Shares into H Shares" below for details of the identities of our Shareholders whose Shares will remain as Domestic Shares and whose Shares will be converted into H Shares upon Listing.

OUR SHARES

Upon completion of the Global Offering and the Conversion of Domestic Shares into H Shares, the Shares will consist of Domestic Shares and H Shares. Domestic Shares and H Shares are all ordinary Shares in the share capital of our Company. Apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H

Shares generally cannot be subscribed for by or traded between legal or natural PRC persons. Domestic Shares can only be subscribed for by and traded between legal or natural PRC persons, qualified foreign institutional investors and foreign strategic investors. H Shares may only be subscribed for and traded in Hong Kong dollars. Domestic Shares, on the other hand, may only be subscribed for and transferred in Renminbi. Domestic Shares and H Shares are regarded as one class of Shares under our Articles of Association. Our Domestic Shares are not listed or traded on any stock exchange.

RANKING

Save as described in this prospectus, Domestic Shares and H Shares shall rank *pari passu* with each other in all other respects and, in particular, will rank equally for dividends or distributions declared, paid or made. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of Domestic Shares are to be paid by us in Renminbi. In addition to cash, dividends may be distributed in the form of Shares. For holders of H Shares, dividends in the form of Shares will be distributed in the form of additional H Shares. For holders of Domestic Shares, dividends in the form of Shares will be distributed in the form of additional Domestic Shares.

CONVERSION OF DOMESTIC SHARES INTO H SHARES

According to stipulations made by the State Council's securities regulatory authority and the Articles of Association, our Domestic Shares may be converted into H Shares, and such converted H Shares may be listed or traded on an overseas stock exchange, provided that prior to the conversion and trading of such converted Shares, the requisite internal approval processes have been duly completed and the approvals from the relevant PRC regulatory authorities, including the CSRC, and the relevant overseas stock exchange have been obtained. In addition, such conversion, trading and listing shall in all respects comply with the regulations prescribed by the State Council's securities regulatory authorities and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

The Conversion of Domestic Shares into H Shares will involve an aggregate of 98,889,800 Domestic Shares held by 41 existing Shareholders (the "**Full Circulation Participating Shareholders**"), representing 88.29% of total issued Shares of our Company upon completion of the Conversion of Domestic Shares into H Shares and the Global Offering (assuming the Over-allotment Option is not exercised).

Name of Shareholder	Number of Domestic Shares as of the Latest Practicable Date	Number of H Shares to be converted from Domestic Shares upon Listing	Approximate shareholding percentage held by the Full Circulation Participating Shareholders immediately after the Global Offering and the Conversion of Domestic Shares into H Shares (assuming the Over-allotment Option is not exercised)
			(%)
Mr. Xu	8,859,800	8,859,800	7.91
Shanghai FourSemi Management	12,617,800	12,617,800	11.27
Xiamen FourSemi Management	7,073,700	7,073,700	6.32
Xiamen FourSemi Chuangke	4,206,100	4,206,100	3.76
Mr. Liu	2,518,500	2,518,500	2.25
Gansheng Investment	6,406,800	6,406,800	5.72
Moqin Intelligent	6,361,400	6,361,400	5.68
Vinno Intelligent and Health	5,776,900	5,776,900	5.16
Fortune Chuanghong	4,696,800	4,696,800	4.19

Name of Shareholder	Number of Domestic Shares as of the Latest Practicable Date	Number of H Shares to be converted from Domestic Shares upon Listing	Approximate shareholding percentage held by the Full Circulation Participating Shareholders immediately after the Global Offering and the Conversion of Domestic Shares into H Shares (assuming the Over-allotment Option is not exercised)
			(%)
Ark Investment	4,601,600	4,601,600	4.11
Junyi Kaixiang	3,527,500	3,527,500	3.15
Chaoyue Moore	3,022,300	3,022,300	2.70
Junsheng Investment	2,921,500	2,921,500	2.61
Mr. Liu Changjiang	2,458,100	2,458,100	2.19
Zhanxiang Information	1,981,800	1,981,800	1.77
Xingtou Youxuan	1,850,300	1,850,300	1.65
Wentianxia	1,687,300	1,687,300	1.51
Weitai Shenghong	1,680,000	1,680,000	1.50
Junyi Borui	1,473,700	1,473,700	1.32
Zhengchu Venture Capital	1,356,700	1,356,700	1.21
Kuanlian Investment	1,322,800	1,322,800	1.18
Junqing Investment	1,302,300	1,302,300	1.16
Chufeng Investment	1,222,700	1,222,700	1.09
Huzhou Zhuosheng	1,110,200	—	—
Shunke Investment	1,052,500	1,052,500	0.94
Ms. Jiang Yan	950,000	950,000	0.85
Yahe Xinghua	906,700	906,700	0.81
Shunying Investment	747,100	747,100	0.67
Junxin Ruizhi	670,400	670,400	0.60
Jicui Meibai	604,500	604,500	0.54
Longcheer Intelligence	604,500	604,500	0.54
Haisheng Xianting	576,900	576,900	0.52
Fumiao Investment	560,500	560,500	0.50
Xiamen Innovation	555,100	555,100	0.50
Sanming Innovation	555,100	555,100	0.50
Huide Investment	555,100	555,100	0.50
Shuimu Xinchi	384,600	384,600	0.34
Furui Chuangxin	383,900	383,900	0.34
Mr. Deng Tianshun	336,000	336,000	0.30
Caizhi Chuangying	221,300	221,300	0.20
Zhiyou Management	181,300	181,300	0.16
Xinda Venture Capital	117,900	117,900	0.11
Total	**100,000,000**	**98,889,800**	**88.29**

If any other of the Domestic Shares are to be converted, listed and traded as H Shares on the Stock Exchange, such conversion, listing and trading will need the approval of the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange. We may apply for the listing of all or any portion of the Domestic Shares on the Stock Exchange as H Shares to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. Approval of Shareholders at a general meeting is not required for the listing and trading of the converted Shares on an overseas stock exchange.

Listing Review and Approval by the CSRC

In accordance with the Guidelines for Applying "Full Circulation" for Domestic Unlisted Shares of H-share Listed Companies (H股公司境內未上市股份申請「全流通」業務指引) and Trial Administrative Measures and relevant five guidelines announced by the CSRC, H-share listed

companies which apply for the conversion of domestic unlisted shares into H shares for listing and circulation on the Stock Exchange shall conform to relevant regulations promulgated by the CSRC, and authorize the company to file with the CSRC on their behalf.

Our Company applied for a "Full Circulation" with the CSRC on July 1, 2025, and submitted the application reports, authorization documents of Shareholders of Domestic Shares for which an H-share "Full Circulation" was applied, commitment about the compliance of share acquisition and other documents in accordance with the requirements of the CSRC. Our Company received the reply from the CSRC dated February 6, 2026, in relation to the "Full Circulation", pursuant to which, a total of 98,889,800 unlisted Domestic shares (with a nominal value of RMB1.00 each) held by the Full Circulation Participating Shareholders were approved to be converted into H Shares, and the relevant Shares may be listed on the Stock Exchange upon completion of the conversion. This reply shall remain effective within 12 months from the date of approval.

Listing Approval by the Stock Exchange

We have applied to the Listing Committee of the Stock Exchange for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the H Shares to be converted from 98,889,800 Domestic Shares, which is subject to the approval by the Stock Exchange.

We will perform the following procedures for the Conversion of Domestic Shares into H Shares after receiving the approval of the Stock Exchange: (1) giving instructions to our H Share Registrar regarding the relevant share certificates of the converted H Shares; and (2) enabling the converted H Shares to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS. The Full Circulation Participating Shareholders may only deal in the H Shares upon completion of the domestic procedures as disclosed in this section.

TRANSFER OF SHARES ISSUED PRIOR TO THE GLOBAL OFFERING

The PRC Company Law provides that in relation to the public offering of a company, the shares issued prior to the public offering shall not be transferred within a period of one year from the date on which the publicly offered shares are listed on any stock exchange. Accordingly, Shares issued by our Company prior to the Listing Date shall be subject to this statutory restriction and not be transferred within a period of one year from the Listing Date.

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (H股公司境內未上市股份申請「全流通」業務指引) announced by the CSRC, the domestic shareholders of unlisted shares shall handle share transfer registration business in accordance with the relevant business rules of CSDC. Further, H-share companies should submit the relevant status reports to the CSRC within 15 days after the transfer registration with the CSDC of the shares involved in the application is completed.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING IS REQUIRED

For details of circumstances under which our Shareholders' general meeting is required, please see "Appendix III—Summary of Articles of Association—Shareholders and Shareholders' Meetings—General requirements of shareholders' meetings" in this prospectus.

FUTURE PLANS

See "Business—Our Growth Strategies" for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that the net proceeds of the Global Offering, after deducting the estimated underwriting commissions and other fees and expenses payable by us in connection with the Global Offering, will be approximately HK$480.3 million, assuming an Offer Price of HK$45.00 per Offer Share (being the mid-point of the indicative range of the Offer Price of HK$40.00 to HK$50.00 per Offer Share), without the exercise of the Over-allotment Option.

We currently intend to use the net proceeds from the Global Offering for the purposes and in the amounts as set out below:

- approximately 46.8% of the net proceeds, or HK$224.6 million, will be used for establishing a new research and development center to enhance our R&D capabilities and technological competitiveness for power amplifier audio chips over the next five years. Specifically, we plan to use:

  (1) approximately 31.1% of the net proceeds, or HK$149.2 million, to expand our R&D team by recruiting approximately 200 experienced professionals in total over the next five years. Specifically,

    a) approximately 25.7% of the net proceeds, or HK$123.3 million, will be used to hire chip design engineers, chip testing engineers and algorithm engineers to expand our product portfolio on low-power audio chips, mid/high-power audio chips and haptic drivers. These professionals will focus on (i) the development of our next generation low-power audio chips, diversifying and enhancing our FS15, FS18 and FS19 series; (ii) the expansion of our haptic driver product offerings to provide customers with a broader range of options; and (iii) the development of our new products, such as SAR sensor product line, which regulates radiation emitted by mobile devices and enables touchscreen interaction sensing. We plan to recruit approximately 173 chip design engineers, chip testing engineers and algorithm engineers over the next four years;

    b) approximately 5.4% of the net proceeds, or HK$25.9 million, will be used to hire senior-level automotive-grade chip design engineers focusing on the development and expansion of our automotive-grade power amplifier audio chip product offerings, including diversifying the product offering of our FS5024 series to provide customers with a broader range of choices. We plan to hire approximately 28 senior-level automotive-grade chip design engineers over the next four years;

  (2) approximately 3.6% of the net proceeds, or HK$17.5 million, to invest in critical design infrastructure, including EDA software tools and necessary intellectual property rights, to empower our engineers with the tools needed to efficiently design and simulate next-generation chips. We plan to use EDA and similar software tools for chip design. We plan to invest in new EDA software tools of RMB1.5 million, RMB3.0 million, RMB3.0 million and RMB3.0 million in 2026, 2027, 2028 and 2029, respectively;

  (3) approximately 3.0% of the net proceeds, or HK$14.2 million, to pay for the lease agreement of a new R&D center with a lease term of ten years, and a rent of approximately HKD7.2 million per year. We are still in the progress of selecting the location of our new R&D center and have not taken any definitive step in regards to our relocation or expansion;

(4) approximately 5.7% of the net proceeds, or HK$27.3 million, to expand an automotive-grade laboratory. Specifically,

a) approximately 0.5% of the net proceeds, or HK$2.3 million, will be used for the renovation and decoration of the laboratory to meet automotive-grade standards;

b) approximately 5.2% of the net proceeds, or HK$25.0 million, will be used for purchasing equipment for performance test analytics and reliability validation systems. The equipment to be acquired mainly includes thermal shock testing chamber, scanning electron microscope ("**SEM**"), transmission electron microscope ("**TEM**"), highly accelerated stress test ("**HAST**") equipment, high-precision power supply, signal frequency analyzer, and automotive-grade high accuracy operating tables. These investments are intended to build integrated infrastructure to ensure that our chips meet the highest automotive reliability standards, including AEC-Q100 certification, while maintaining performance integrity under extreme operating conditions. Our equipment generally has a useful life of five years.

(5) approximately 2.7% of the net proceeds, or HK$13.0 million, to procure testing services from well-known wafer foundries, including the typical cost of consumables such as photomasks; and

(6) approximately 0.7% of the net proceeds, or HK$3.4 million, to purchase servers and other hardware infrastructures mainly used for R&D data processing and storage and for daily business operations, to better support research and development;

- approximately 17.8% of the net proceeds, or HK$85.5 million, for procurement of automatic testing equipment and for construction of an in-house automatic testing verification line, as well as recruiting supply chain managing engineers. Specifically, we plan to use:

(1) approximately 16.2% of the net proceeds, or HK$77.9 million, to purchase automatic testing equipment that we use to conduct functional performance and reliability test on our chip products before delivery to ensure our products meet quality standards, such as temperature testing chambers, digital signal wave displayer, heat wave detector, signal frequency emitter, programmable DC power supply and signal frequency analyzer. Our equipment generally has a useful life of five years. We currently have three thermal shock testing chambers with an average remaining useful life of 2.1 years, 12 audio analyzers with an average remaining useful life of 2.1 years, and three oscilloscopes with an average remaining useful life of 1.1 years. These investments are intended to improve our supply chain stability, and to build our in-house automatic testing verification line for semiconductor product testing to ensure our chip products meet performance standards and maintain high levels of stability. We plan to implement approximately five, eight, 10 and 15 of the aforementioned devices in 2026, 2027, 2028 and 2029, respectively; and

(2) approximately 1.6% of the net proceeds, or HK$7.6 million, to recruit and train approximately 12 specialized engineers for our supply chain quality management in total over the next five years;

- approximately 17.3% of the net proceeds, or HK$83.3 million, to pursue strategic acquisitions and partnerships to enhance our industry integration and strengthen our position in the power amplifier audio chip industry. We seek potential investment and acquisition opportunities in both domestic and international markets, aim to expand our product portfolio, and enhance our market reach. Through effective industry resource integration, we will strengthen our competitive positioning and drive sustainable long-term value creation. In selecting potential targets, we generally will consider factors including but not limited to

alignment with our strategic plan, synergy with our existing business, experience of the management team, valuation of the target, and past operating performance. As of the Latest Practicable Date, we have not identified any specific target, or participated in any commercial negotiation or entered into any memorandum of understanding or letter of intent with respect to any potential target. We intend to pursue horizontal acquisitions to expand the range or models of chips available for sale, aiming to achieve cross-selling within our existing customer base. We plan to acquire a majority stake to secure control in such transactions;

- approximately 8.1% of the net proceeds, or HK$38.9 million, for the marketing and sales of products. Specifically, we plan to use:

  (1) approximately 4.8%, or HK$22.9 million to hire approximately 32 sales personnel in total, with a majority of them based in mainland China, over the next four years, to strengthen our presence in (i) U.S., (ii) Taiwan province, China and (iii) South Korea. The roles and functions of our new sales personnel include conducting market and customer research to inform our product development direction, driving product promotion and acquiring new clients, and managing customer relationships and providing after-sales services post-delivery; and

  (2) approximately 3.3%, or HK$16.0 million for marketing initiatives, including launching promotion campaigns, and participating in exhibitions and forums to further enhance our brand awareness; and

- approximately 10.0% of the net proceeds, or HK$48.0 million, for working capital and other general corporate purposes.

The above allocation of the proceeds will be adjusted on a pro rata basis in the event that the Offer Price is fixed below or above the mid-point of the indicative price range. We will receive net proceeds of HK$480.0 million assuming an Offer Price of HK$40.00 (being the low-point of the indicative range of the Offer Price), and net proceeds of HK$600.0 million assuming an Offer Price of HK$50.00 (being the high-point of the indicative range of the Offer Price), without the exercise of the Over-allotment Option. Any additional proceeds received from the exercise of the Over-allotment Option will also be allocated to the above purposes on a pro rata basis. In the event that the Over-allotment Option is exercised in full, we will receive net proceeds of HK$480.3 million (after deducting the estimated underwriting commissions and other fees and expenses payable by us in connection with the Global Offering and assuming an Offer Price of HK$45.00 per Share, being the mid-point of our indicative Offer Price range).

To the extent that the net proceeds are not immediately applied to the above purposes, we will deposit the net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions, so long as it is deemed to be in the best interests of our Company.

HONG KONG UNDERWRITERS

Guotai Junan Securities (Hong Kong) Limited

Orient Securities (Hong Kong) Limited

CCB International Capital Limited

ABCI Securities Company Limited

Futu Securities International (Hong Kong) Limited

Yellow River Securities Limited

Shenwan Hongyuan Securities (H.K.) Limited

Livermore Holdings Limited

Huafu International Securities Limited

Yuen Meta (International) Securities Limited

Zheshang International Financial Holdings Co., Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering 600,000 Hong Kong Offer Shares (subject to re-allocation described below) for subscription by the public in Hong Kong on, and subject to, the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to:

(a) the Listing Committee granting the listing of, and permission to deal in, our H Shares in issue and to be issued as mentioned in this prospectus and such listing and permission not subsequently being revoked; and

(b) certain other conditions set out in the Hong Kong Underwriting Agreement (including but not limited to the Offer Price being agreed upon between the Overall Coordinators (for themselves and on behalf of the other Underwriters) and our Company),

the Hong Kong Underwriters have agreed severally, and not jointly, to subscribe for, or procure subscribers for, the Hong Kong Offer Shares which are being offered but are not taken up under the Hong Kong Public Offering, on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement. If, for any reason, the Offer Price is not agreed between the Overall Coordinators (for themselves and on behalf of the other Hong Kong Underwriters) and our Company, the Global Offering will not proceed and will lapse.

The Hong Kong Underwriting Agreement is conditional upon and subject to the International Underwriting Agreement having been entered into and becoming unconditional and not having been terminated.

If there is any change to the offer size due to change in the number of Offer Shares initially offered in the Global Offering (other than pursuant to the exercise of the Over-allotment Option and/or reallocation mechanism as disclosed in this prospectus), or change to the Offer Price which leads to the resulting price falling outside the indicative Offer Price range as stated in this prospectus, or if our

Company becomes aware that there has been a significant adverse change affecting any matter contained in this prospectus or a significant new matter has arisen, the inclusion of information in respect of which would have been required to be in this prospectus if it had arisen before this prospectus was issued, after the issue of this prospectus and before the commencement of dealings in our H Shares as prescribed under Rule 11.13 of the Listing Rules, we are required to cancel the Global Offering and relaunch the offer on FINI and issue a supplemental prospectus or a new prospectus.

Grounds for termination

The respective obligations of the Hong Kong Underwriters to subscribe for, or procure subscribers for, the Hong Kong Offer Shares under the Hong Kong Underwriting Agreement are subject to termination. The Joint Sponsors, the Sponsor-OCs and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) may, in their sole and absolute discretion terminate the Hong Kong Underwriting Agreement with immediate effect by notice in writing to our Company from the Joint Sponsors, the Sponsor-OCs and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) at any time prior to 8:00 a.m. on the Listing Date (the "**Termination Time**") if any of the following events shall occur prior to the Termination Time:

(a) there develops, occurs, exists or comes into force:

(i) any new law or regulation or any change or development involving a prospective change or any event or series of events or circumstances likely to result in a change or a development involving a prospective change in existing laws or regulations, or the interpretation or application thereof by any court or any competent authority in or affecting Hong Kong, the PRC, the United States, the United Kingdom, the European Union (or any member thereof), Japan, Singapore or other jurisdictions relevant to our Group or the Global Offering (each a "**Relevant Jurisdiction**" and collectively, the "**Relevant Jurisdictions**"); or

(ii) any change or development involving a prospective change, or any event or series of events or circumstances likely to result in a change or prospective change, in any local, national, regional or international financial, political, military, industrial, economic, fiscal, legal, regulatory, currency, credit or market conditions or sentiments, taxation, equity securities or currency exchange rate or controls or any monetary or trading settlement system, or foreign investment regulations (including, without limitation, a devaluation of the Hong Kong dollar, United States dollar or Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or the Renminbi is linked to any foreign currency or currencies) or other financial markets (including, without limitation, conditions and sentiments in stock and bond markets, money and foreign exchange markets, the inter-bank markets and credit markets) in or affecting any Relevant Jurisdictions, or affecting an investment in the Offer Shares; or

(iii) any event or series of events, or circumstances in the nature of force majeure (including, without limitation, any acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, economic sanctions, strikes, labor disputes, other industrial actions, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public disorder, paralysis in government operations, acts of war, epidemic, pandemic, outbreak or escalation, mutation or aggravation of diseases , accident or interruption or delay in transportation, local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared), act of God or act of terrorism (whether or not responsibility has been claimed)) in or affecting any of the Relevant Jurisdictions; or

(iv) the imposition or declaration of any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on (i) the trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; or (ii) the trading in any securities of our Company listed or quoted on a stock exchange or an over-the-counter market; or

(v) the imposition or declaration of any general moratorium on banking activities in or affecting any of the Relevant Jurisdictions or any disruption in commercial banking or foreign exchange trading or securities settlement or clearing services, procedures or matters in or affecting any of the Relevant Jurisdictions; or

(vi) other than with the prior written consent of the Joint Sponsor-OCs, the issue or requirement to issue by our Company of a supplement or amendment to the Prospectus or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC; or

(vii) the commencement by any authority or other regulatory or political body or organization of any public action or investigation against our Group or a director or a senior management member of our Group or announcing an intention to take any such action; or

(viii) the imposition of sanctions or export controls in whatever form, directly or indirectly, on our Group or any of the Controlling Shareholders or by or on any Relevant Jurisdiction, or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or

(ix) a change or development involving a prospective change in or affecting taxes or exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a material devaluation of the Hong Kong dollar, United States dollar, the Renminbi, Euro, British pound or Swiss Franc against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or RMB is linked to any foreign currency or currencies), or the implementation of any exchange control, in any of the Relevant Jurisdictions or affecting an investment in the Offer Shares; or

(x) any valid demand by creditors for payment or repayment of indebtedness of any member of our Group or in respect of which any member of our Group is liable prior to its stated maturity; or

(xi) any non-compliance of the Prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares), the CSRC Filings or any aspect of the Global Offering with the Listing Rules or any other applicable Laws; or

(xii) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against any member of our Group or any Controlling Shareholder or any Director or senior management members as named in the Prospectus which are not disclosed in the Prospectus; or

(xiii) any contravention by our Company, our Group or any Director of the Listing Rules or applicable Laws which are not disclosed in the Prospectus; or

(xiv) any change or prospective change, or a materialization of, any of the risks set out in the section headed "Risk Factors" in the Prospectus,

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Joint Sponsors, the Sponsor-OCs and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters): (i) has or will or may have a material adverse effect, whether directly or indirectly, on the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of our Company or our Group as a whole; (ii) has or will or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of indications of interest under the International Offering; or (iii) makes or will make or may make it impracticable, inadvisable, inexpedient or incapable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged, or for the Hong Kong Public Offering and/or the Global Offering to proceed, or to market the Global Offering or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the Offering Documents (as defined in the Hong Kong Underwriting Agreement); or (iv) has or will or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(b) any of the Joint Sponsors, the Sponsor-OCs and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) shall become aware of the fact that, or have reasonable cause to believe that:

(i) any statement contained in any of the Hong Kong Public Offering Documents, the CSRC Filings and/or any notices, announcements, advertisements, communications or other documents in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) (the "**Offer Related Documents**"), save and except for the underwriters' information, was, when it was issued, or has become untrue, incorrect, inaccurate in any material respect or misleading; or that any estimate, forecast, expression of opinion, intention or expectation contained in any such Offer Related Documents, was, when it was issued, or has become unfair or misleading in any respect or based on untrue, dishonest or unreasonable assumptions or given in bad faith; or

(ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of the Prospectus, constitute a material omission or misstatement in any Offer Related Document; or

(iii) any breach of, or any event or circumstance rendering untrue or incorrect or misleading in any respect, any of the representations, warranties and undertakings given by our Company or the Controlling Shareholders in the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or

(iv) any event, act or omission which gives rise or is likely to give rise to any liability of any of the Indemnifying Parties pursuant to the indemnities in the Hong Kong Underwriting Agreement; or

(v) any breach of any of the obligations or undertakings imposed upon our Company or any member of the Controlling Shareholders (as applicable) to the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or

(vi) there is any change or development involving a prospective change, constituting or having a material adverse effect; or

(vii) that the chairman of the Board, any Director or any member of senior management of our Company named in the Prospectus seeks to retire, or is removed from office or vacating his/her office; or

(viii) any Director or any member of senior management of our Company named in the Prospectus is being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company or there is the commencement by any governmental, political or regulatory body of any investigation or other action against any Director or member of senior management of our Company in his or her capacity as such or any member of our Group or an announcement by any governmental, political or regulatory body that it intends to commence any such investigation or take any such action; or

(ix) our Company withdraws the Prospectus (and/or any other documents used in connection with the subscription or sale of any of the Offer Shares pursuant to the Global Offering) or the Global Offering; or

(x) that the approval by the Listing Committee of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including pursuant to any exercise of the Over-allotment Option) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or

(xi) any person (other than any of the Joint Sponsors) has withdrawn its consent to the issue of the Prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or

(xii) any prohibition on our Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or

(xiii) any person (other than the Joint Sponsors) has withdrawn or sought to withdraw its consent to being named in any of the Offering Documents or to the issue of any of the Offering Documents; or

(xiv) an order or petition is presented for the winding-up or liquidation of any member of our Group, or any member of our Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of our Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of our Group or anything analogous thereto occurs in respect of any member of our Group; or

(xv) (A) the notice of acceptance of the CSRC Filings issued by the CSRC and/or the results of the CSRC Filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated; or (B) other than with the prior written consent of the Joint Sponsor-OCs, the issue or requirement to issue by our Company of a supplement or amendment to the CSRC Filings pursuant to the CSRC Rules or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC Filings with the CSRC Rules or any other applicable Laws; or

(xvi) that a material portion of the orders placed or confirmed in the bookbuilding process have been withdrawn, terminated or cancelled, as a result of the payment of the relevant investment amount not being received or settled in the stipulated time and manner or otherwise.

Undertakings given to the Stock Exchange pursuant to the Listing Rules

By our Controlling Shareholders

Pursuant to Rules 10.07 and 18C.13 of the Listing Rules, each of our Controlling Shareholders has irrevocably and unconditionally undertaken to us and to the Stock Exchange that except pursuant to the Global Offering, or the Over-allotment Option, it/he shall not and shall procure that the relevant registered Shareholder(s) controlled by it/him shall not, in the period commencing on the date by reference to which disclosure of its/his shareholdings in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances (save as pursuant to a pledge or charge as security in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan) in respect of, any of our securities that it/he is shown to beneficially own in this prospectus.

Each of our Controlling Shareholders has further irrevocably and unconditionally undertaken to us and the Stock Exchange that, within the period commencing on the date by reference to which disclosure of its/his shareholdings in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, it/he will:

(a) when it/he pledges or charges any securities in our Company beneficially owned by it/him in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan pursuant to Note (2) to Rule 10.07(2) of the Listing Rules, immediately inform us in writing of such pledge or charge together with the number of our securities so pledged or charged; and

(b) when it/he receives indications, either verbal or written, from the pledgee or chargee that any of our pledged or charged securities beneficially owned by it/him will be disposed of, immediately inform us in writing of such indications.

We will also inform the Stock Exchange as soon as we have been informed of the matters mentioned in the paragraphs (a) and (b) above by any of our Controlling Shareholders and make a public disclosure in relation to such information by way of an announcement in accordance with the Listing Rules.

By the Key Persons

Pursuant to Rule 18C.14(1) of the Listing Rules, each of the key persons and their close associates (the "**Key Persons**"), comprising Mr. Xu, Mr. Liu, Shanghai FourSemi Management, Xiamen FourSemi Management and Xiamen FourSemi Chuangke, has irrevocably and unconditionally undertaken to us and to the Stock Exchange that except pursuant to the Global Offering, or the Over-allotment Option, it/he shall not and shall procure that its/his respective close associates and the relevant registered Shareholder(s) controlled by it/him shall not, in the period commencing on the date by reference to which disclosure of its/his shareholdings (or its/his respective close associate's shareholdings, if applicable) in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances (save as (i) pursuant to a pledge or charge as security in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan, or (ii) disposing any interest in such securities

of our Company in the circumstances provided under Rule 18C.15 of the Listing Rules) in respect of, any of our securities that it/he/she (or its/his respective close associate, if applicable) is shown to beneficially own in this prospectus.

In accordance with Note 2 to Rule 18C.14 of the Listing Rules, each of the Key Persons has further irrevocably and unconditionally undertaken to us and the Stock Exchange, and shall procure its/his respective close associates, that within the period commencing on the date by reference to which disclosure of its/his shareholdings (or its/his respective close associate's shareholdings, if applicable) in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, it/he will:

(a) when it/he (or its/his respective close associate) pledges or charges any securities in our Company beneficially owned by it/him (or by its/his respective close associate) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)), immediately inform us in writing of such pledge or charge together with the number of our securities so pledged or charged; and

(b) when it/he (or its/his respective close associate) receives indications, either verbal or written, from the pledgee or chargee that any of our pledged or charged securities beneficially owned by it/him (or by its/his respective close associate) will be disposed of, immediately inform us in writing of such indications.

We will also inform the Stock Exchange as soon as we have been informed of the matters mentioned in the paragraphs (a) and (b) above by any of the Key Persons and make a public disclosure in relation to such information by way of an announcement in accordance with the Listing Rules.

By Pathfinder SIIs

Pursuant to Rule 18C.14(2) of the Listing Rules, each of the Pathfinder SIIs has irrevocably and unconditionally undertaken to us and to the Stock Exchange that except pursuant to the Global Offering, or the Over-allotment Option, it shall not, and shall procure that the relevant registered holder(s) shall not, in the period commencing on the date by reference to which disclosure of its shareholdings in our Company is made in this prospectus and ending on the date which is 6 months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances (save as (i) pursuant to a pledge or charge as security in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan, or (ii) disposing any interest in such securities of our Company in the circumstances provided under Rule 18C.15 of the Listing Rules) in respect of, any of our securities that it is shown to beneficially own in this prospectus.

In accordance with Note 2 to Rule 18C.14 of the Listing Rules, each of the Pathfinder SIIs has further irrevocably and unconditionally undertaken to us and the Stock Exchange that, within the period commencing on the date by reference to which disclosure of its shareholdings in our Company is made in this prospectus and ending on the date which is 6 months from the Listing Date, it will:

(a) when it pledges or charges any securities in our Company beneficially owned by it in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)), immediately inform us in writing of such pledge or charge together with the number of our securities so pledged or charged; and

(b) when it receives indications, either verbal or written, from the pledgee or chargee that any of our pledged or charged securities beneficially owned by it will be disposed of, immediately inform us in writing of such indications.

We will also inform the Stock Exchange as soon as we have been informed of the matters mentioned in the paragraphs (a) and (b) above by any of the Pathfinder SIIs and make a public disclosure in relation to such information by way of an announcement in accordance with the Listing Rules.

Undertakings given to the Hong Kong Underwriters

Undertakings by our Company

Our Company has undertaken to each of the Joint Sponsors, the Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators, the CMIs, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that except pursuant to the Global Offering (including pursuant to the Over-allotment Option), at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling six months after the Listing Date (the "**First Six Month Period**"), it will not, without the prior written consent of the Joint Sponsors and the Sponsor-OCs (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, or repurchase, any legal or beneficial interest in the share capital or any other securities of our Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase any share capital or other securities of our Company, as applicable), or deposit any share capital or other securities of our Company, as applicable, with a depositary in connection with the issue of depositary receipts; or

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of the Shares or any other securities of our Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares); or

(c) enter into any transaction with the same economic effect as any transaction described in (a) or (b) above; or

(d) offer to or agree to do any of the foregoing specified in (a), (b) or (c) or announce any intention to do so,

in each case, whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise (whether or not the issue of such share capital or other securities will be completed within the First Six Month Period). Our Company further agrees that, in the event our Company is allowed to enter into any of the transactions described in (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction during the period of six months commencing on the date on which the First Six Month Period expires (the "Second Six Month Period"), it will take all reasonable steps to ensure that such an issue or disposal will not, and no other act of our Company will, create a disorderly or false market for any H Shares or other securities of our Company.

Our Controlling Shareholders undertake to each of the Joint Sponsors, the Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators, the CMIs, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that it/he shall procure our Company to comply with the above undertakings.

Our Company has agreed and undertaken to each of the Joint Sponsors, the Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators, the CMIs, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that we will, and our Controlling Shareholders undertake to procure that our Company will, comply with the minimum public float requirements (the "**Minimum Public Float Requirements**") and the minimum free float requirements (the "**Minimum Free Float Requirements**") specified in the Listing Rules, and we will not (a) effect any purchase of the H Shares, or agree to do so, which may reduce the holdings of the H Shares held by the public (as defined in Rule 8.24 of the Listing Rules) to below the Minimum Public Float Requirements or any waiver granted and not revoked by the Stock Exchange prior to the expiration of the Second Six Month Period without first having obtained the prior written consent of the Joint Sponsors and the Sponsor-OCs (for themselves and on behalf of the Hong Kong Underwriters); or (b) enter into any agreement, arrangement or transaction which shall cause or have the effect of causing the portion of the H Shares that are held by the public and that are available for trading and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable Laws or otherwise) on the Listing Date to fall below the Minimum Free Float Requirements under Rule 19A.13C of the Listing Rules.

By our Controlling Shareholders

Each of our Controlling Shareholders hereby undertakes to each of our Company, the Joint Sponsors, the Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators, the CMIs, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, without the prior written consent of the Joint Sponsors and the Sponsor-OCs (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(a) it/he will not, and will procure that the relevant registered holder(s), any nominee or trustee holding on trust for it/him and the companies controlled by it/him will not, at any time during the First Six Month Period, (i) sell, offer to sell, accept subscription for, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an Encumbrance over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any H Shares or other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares or any such other securities, as applicable or any interest in any of the foregoing), or deposit any H Shares or other securities of our Company with a depositary in connection with the issue of depositary receipts, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any H Shares or other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares or any such other securities, as applicable or any interest in any of the foregoing), or (iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above, or (iv) offer to or agree to or announce any intention to effect any transaction specified in (i), (ii) or (iii) above, in each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of H Shares or other securities of our Company or in cash or otherwise, and whether or not the transactions will be completed within the First Six Month Period;

(b) it/he will not, during the Second Six Month Period, enter into any of the transactions specified in (i), (ii) or (iii) above or offer to or agree to contract to or publicly announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or Encumbrance pursuant to such transaction, it will cease to be a member of the Controlling Shareholders or would together with the other member of the Controlling Shareholders cease to be the Controlling Shareholders of our Company; and

(c) until the expiry of the Second Six Month Period, in the event that it enters into any of the transactions specified in (a)(i), (ii) or (iii) or offer to or agrees to or contract to or publicly announce any intention to effect any such transaction, it/he will take all reasonable steps to ensure that such a disposal will not create a disorderly or false market in the securities of our Company.

Subject to compliance with the applicable requirements under the Listing Rules, the restrictions shall not prevent our Controlling Shareholders from (i) purchasing additional H Shares or other securities of our Company and disposing of such additional H Shares or securities of our Company in accordance with the Listing Rules, provided that any such purchase or disposal does not contravene the lock-up arrangements with the Controlling Shareholders referred to in this prospectus or the compliance by our Company with the Minimum Public Float Requirements, and (ii) using the H Shares or other securities of our Company or any interest therein beneficially owned by them as security (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan, provided that (a) the relevant Controlling Shareholder will immediately inform our Company and the Sponsor-OCs in writing of such pledge or charge together with the number of H Shares or other securities of our Company so pledged or charged if and when it/he or the relevant registered holder(s) pledges or charges any H Shares or other securities of our Company beneficially owned by it/him, and (b) when the relevant Controlling Shareholder receives indications, either verbal or written, from the pledgee or chargee of any H Shares that any of the pledged or charged H Shares or other securities of our Company will be disposed of, it/he will immediately inform our Company and the Sponsor-OCs of such indications.

Our Company hereby undertakes to the Joint Sponsors, the Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators, the CMIs, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that upon receiving such information in writing from the Controlling Shareholders, it will, as soon as practicable and if required pursuant to the Listing Rules, the SFO and/or any other applicable Law, notify the Stock Exchange and/or other relevant Authorities, and make a public disclosure in relation to such information by way of an announcement.

Underwriters' interest in our Group

Save for their respective obligations under the Hong Kong Underwriting Agreement and the International Underwriting Agreement, as of the Latest Practicable Date, none of the Underwriters was interested directly or indirectly in any of our Shares or securities or any shares or securities of any other member of our Group or had any right or option (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for, any of our Shares or securities or any shares or securities of any other member of our Group.

Following the completion of the Global Offering, the Underwriters and their affiliated companies may hold a certain portion of our H Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement and International Underwriting Agreement.

The Joint Sponsors' Independence

Each of the Joint Sponsors satisfies the independence criteria set out in Rule 3A.07 of the Listing Rules.

The International Offering

International Underwriting Agreement

In connection with the International Offering, we expect to enter into the International Underwriting Agreement on the Price Determination Date with, among others, the International Underwriters. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions, severally and not jointly, agree to purchase the International Offer Shares or procure purchasers for the International Offer Shares initially being offered pursuant to the International Offering. See "Structure of the Global Offering—The International Offering" in this prospectus.

Under the International Underwriting Agreement, we intend to grant to the International Underwriters and the Capital Market Intermediaries the Over-Allotment Option, exercisable in whole or in part at one or more times, at the sole and absolute discretion of the Overall Coordinators (for themselves and on behalf of the International Underwriters) from the Listing Date until 30 days from the last day for the lodging of applications under the Hong Kong Public Offering to require us to issue and allot up to an aggregate of 1,800,000 additional Offer Shares, representing 15.0% of the Offer Shares initially available under the Global Offering and at the Offer Price, to cover, among other things, any over-allocations in the International Offering, if any.

Total Commission and Expenses

The Underwriters and the Capital Market Intermediaries will receive an underwriting commission equal to 2.5% of the aggregate Offer Price of all the Offer Shares, including Offer Shares to be issued pursuant to the Over-Allotment Option (the "**Fixed Fees**"). Our Company may, at our sole and absolute discretion, pay to all the Underwriters and the Capital Market Intermediaries an incentive fee not exceeding 1.5% of the Offer Price of all the Offer Shares (including Offer Shares to be issued pursuant to the Over-Allotment Option) (collectively, the "**Discretionary Fees**").

The ratio of Fixed Fees and Discretionary Fees payable to all Underwriters and the Capital Market Intermediaries is therefore approximately 62.5:37.5. For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, we will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the relevant International Underwriters (and not the Hong Kong Underwriters). No additional fee will be payable by our Company to the Underwriters and the Capital Market Intermediaries. The Joint Sponsors will, in addition, receive a fee acting as the sponsor to the Listing and will be reimbursed for their expenses.

Assuming the Over-Allotment Option, if any, is not exercised and based on an Offer Price of HK$45.00 (being the mid-point of the stated range of the Offer Price between HK$40.00 and HK$50.00), the aggregate commissions and estimated expenses, together with the Stock Exchange listing fee, SFC transaction levy, AFRC transaction levy, Stock Exchange trading fee, legal and other professional fees, printing and other fees and expenses, payable by our Company relating to the Global Offering, are estimated to amount in aggregate to approximately HK$59.7 million in total and are payable by us.

Indemnity

We have undertaken to indemnify and keep indemnified on demand (on an after-tax basis) and hold harmless each of the Joint Sponsors, the Sponsor-OCs, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries (for themselves and on trust for its directors, supervisors, officers, employees, agents, assignees and affiliates) from and against certain losses which they may suffer, including liabilities under the U.S. Securities Act, losses arising from their performance of their obligations under the Underwriting Agreements and any breach by us of the Underwriting Agreements, as the case may be.

Restrictions on the Offer Shares

No action has been taken to permit a public offering of the Offer Shares, other than in Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation.

Over-Allotment and Stabilization

Details of the arrangements relating to the stabilization and Over-allotment Option, if any, are set forth in "Structure of the Global Offering—Stabilization," and "Structure and Conditions of the Global Offering—Over-allotment Option."

Activities by Syndicate Members

The Hong Kong Underwriters and the International Underwriters (together, the "**Syndicate Members**") and their respective affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their respective affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members or their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of our Company and/or persons and entities in relation with our Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with our Group's loans and other debt.

In relation to the H Shares, the activities of the Syndicate Members or their respective affiliates could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the H Shares (the financing of which may be secured by the H Shares) in the Global Offering, proprietary trading in the H Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the H Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares, which may have a negative impact on the trading price of the H Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members or their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by the Syndicate Members or their respective affiliates of any listed securities having the H Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period as described in the section headed "Structure of the Global Offering" in this prospectus. Such activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of the price of the H Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members or their respective affiliates will be subject to certain restrictions, including the following:

(a) the Syndicate Members or their respective affiliates (other than the Stabilizing Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(b) the Syndicate Members or their respective affiliates must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO which includes the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

The Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking, derivative and other services to us and our affiliates, for which the Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises:

- the Hong Kong Public Offering of initially 600,000 Offer Shares (subject to reallocation as mentioned below) in Hong Kong as described below in the paragraph headed "The Hong Kong Public Offering"; and
- the International Offering of initially 11,400,000 Offer Shares (subject to reallocation and the Over-Allotment Option as described below) outside the United States (including to professional, institutional and corporate investors and other investors anticipated to have a sizeable demand for the Offer Shares in Hong Kong) in offshore transactions in reliance on Regulation S as described below in the paragraph headed "The International Offering."

Investors may apply for the Hong Kong Offer Shares under the Hong Kong Public Offering or indicate an interest, if qualified to do so, for the International Offer Shares under the International Offering, but may not do both.

The 12,000,000 Offer Shares in the Global Offering will represent 10.71% of our enlarged share capital immediately after the completion of the Global Offering, without taking into account the exercise of the Over-allotment Option. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 12.13% of our enlarged share capital immediately following the completion of the Global Offering.

References to applications, application monies or procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

We are initially offering for subscription by the public in Hong Kong 600,000 Offer Shares, representing approximately 5.0% of the total number of Offer Shares initially available under the Global Offering. Subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, the number of Offer Shares offered under the Hong Kong Public Offering will represent approximately 0.5% of our enlarged issued share capital immediately after completion of the Global Offering, assuming the Over-allotment Option is not exercised.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions as set forth below in "—Conditions of the Global Offering."

Allocation

Allocation of Hong Kong Offer Shares to investors under the Hong Kong Public Offering will be based on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary depending on the number of Hong Kong Offer Shares validly applied for by applicants. We may, if necessary, allocate the Hong Kong Offer Shares on the basis of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Offer Shares available under the Hong Kong Public Offering is to be divided equally into two pools (subject to the reallocation of the Offer Shares between the Hong Kong Public Offering and the International Offering referred to below) (with any odd board lots being allocated to pool A):

- Pool A: The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for the Hong Kong Offer Shares with an aggregate subscription price of HK$5 million or less (excluding brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee payable); and
- Pool B: The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for the Hong Kong Offer Shares with an aggregate subscription price of more than HK$5 million and up to the value of pool B (excluding brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee payable).

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If the Hong Kong Offer Shares in one (but not both) of the pools are under-subscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in the pool and be allocated accordingly. For the purpose of this subsection only, the "subscription price" for the Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B but not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 300,000 Hong Kong Offer Shares will be rejected.

Reallocation

The allocation of Offer Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation under the Listing Rules. Paragraph 4.2 of Practice Note 18 of the Listing Rules (as modified by Rule 18C.09 of the Listing Rules) requires a clawback mechanism to be put in place which would have the effect of increasing the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering if the International Offer Shares are fully subscribed or over-subscribed and certain prescribed total demand levels are reached. If the number of Shares validly applied for under the Hong Kong Public Offering represents (i) 10 times or more but less than 50 times, and (ii) 50 times or more, of the number of Offer Shares initially available under the Hong Kong Public Offering, the total number of Offer Shares available under the Hong Kong Public Offering will be increased to 1,200,000 Offer Shares and 2,400,000 Offer Shares, respectively, representing 10% (in the case of (i)) and 20% (in the case of (ii)), respectively, of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option). In each case, the number of Offer Shares to be allocated to the International Offering will be correspondingly reduced and the additional Offer Shares will be allocated between Pool A and Pool B in such manner as the Overall Coordinators deem appropriate.

The Overall Coordinators may, at their discretion, reallocate Offer Shares initially allocated for the International Offering to the Hong Kong Public Offering to satisfy valid applications in Pool A and Pool B in accordance with Chapter 4.14 of the Guide as follows: if (i) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times; or (ii) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are oversubscribed by less than 10 times of the number of Offer Shares initially available under the Hong Kong Public Offering, provided that the Offer Price would be fixed at HK$40.00 per Offer Share, the low-end of the Offer Price range stated in this Prospectus, up to 600,000 Offer Shares may be reallocated to the Hong Kong Public Offering from

the International Offering, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be increased to 1,200,000 Offer Shares, representing twice of the number of the Offer Shares initially available under Hong Kong Public Offering.

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may be reallocated as between these offerings at the discretion of the Overall Coordinators (for themselves and on behalf of the Underwriters). The Overall Coordinators may reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering, in such proportions as the Overall Coordinators may, in their sole and absolute discretion, determine, subject to the requirements under Chapter 4.14 of the Guide.

If the Hong Kong Public Offering is not fully subscribed, the Overall Coordinators may reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Overall Coordinators may, in their sole and absolute discretion, determine.

Where the International Offer Shares are undersubscribed, if the Hong Kong Offer Shares are also undersubscribed, the Global Offering will not proceed unless the Underwriters would subscribe or procure subscribers for their respective applicable proportions of the Offer Shares being offered which are not taken up under the Global Offering on the terms and conditions of this Prospectus and the Underwriting Agreements.

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering, and such applicant's application under International Offering is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be).

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), maximum price of HK$50.00 per Offer Share in addition to brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% on each Offer Share, amounting to a total of HK$5,050.43 for one board lot of 100 H Shares. If the Offer Price, as finally determined on the Price Determination Date in the manner as described below in "—Pricing and Allocation," is less than the maximum price of HK$50.00 per Offer Share, appropriate refund payments (including brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. See "How to Apply for Hong Kong Offer Shares".

THE INTERNATIONAL OFFERING

Number of Offer Shares Initially Offered

We will be initially offering for subscription under the International Offering 11,400,000 Offer Shares, representing approximately 95.0% of the Offer Shares under the Global Offering. Subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, the number of Offer Shares offered under the International Offering will represent approximately 10.2% of our enlarged issued share capital immediately after completion of the Global Offering, assuming the Over-allotment Option is not exercised.

Allocation

The International Offer Shares will conditionally be offered to selected professional, institutional and corporate investors and other investors anticipated to have a sizeable demand for our Offer Shares in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund

managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Prospective professional, institutional and other investors will be required to specify the number of the International Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "*book-building*," is expected to continue up to the Price Determination Date.

Allocation of the International Offer Shares pursuant to the International Offering will be determined by the Overall Coordinators and the Joint Global Coordinators and will be based on a number of factors including the level and timing of demand, total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further, and/or hold or sell its H Shares, after the Listing. Such allocation is intended to result in a distribution of the International Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Company and our Shareholders as a whole.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Overall Coordinators so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any applications of Offer Shares under the International Offering.

Reallocation

The total number of Offer Shares to be issued pursuant to the International Offering may change as a result of the clawback arrangement as described above in "—The Hong Kong Public Offering—Reallocation" or the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, it is expected that we will grant the Over-allotment Option to the International Underwriters.

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require the Company to issue up to 1,800,000 H Shares, representing 15.0% of the Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering to, among other things (such as effecting the permitted stabilizing actions as set out in the section headed "Stabilization" below), cover over-allocations in the International Offering, if any.

If the Over-allotment Option is exercised in full, the additional H Shares to be issued pursuant thereto will represent approximately 1.6% of our enlarged issued share capital immediately following the completion of the Global Offering. In the event that the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market, during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all

jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager (or its affiliates or any person acting for it), on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of our H Shares at a level higher than that which might otherwise prevail in the open market for a limited period after the Listing Date. However, there is no obligation on the Stabilizing Manager (or its affiliates or any person acting for it) to conduct any such stabilizing action. Such stabilizing action, if taken, (a) will be conducted at the absolute discretion of the Stabilizing Manager (or its affiliates or any person acting for it) and in what the Stabilizing Manager reasonably regards as the best interest of our Company, (b) may be discontinued at any time, and (c) is required to be brought to an end within 30 days of the last day for lodging applications under the Hong Kong Public Offering.

Stabilization action permitted in Hong Kong under the Securities and Futures (Price Stabilizing) Rules of the SFO includes (i) over-allocating for the purpose of preventing or minimizing any reduction in the market price of our H Shares, (ii) selling or agreeing to sell our H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of our H Shares, (iii) purchasing, or agreeing to purchase, our H Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above, (iv) purchasing, or agreeing to purchase, any of our H Shares for the sole purpose of preventing or minimizing any reduction in the market price of our H Shares, (v) selling or agreeing to sell any H Shares in order to liquidate any position established as a result of those purchases, and (vi) offering or attempting to do anything as described in (ii), (iii), (iv) or (v) above.

Specifically, prospective applicants for and investors in H Shares should note that:

- the Stabilizing Manager (or its affiliates or any person acting for it) may, in connection with the stabilizing action, maintain a long position in the H Shares;
- there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager (or its affiliates or any person acting for it) will maintain such a long position;
- liquidation of any such long position by the Stabilizing Manager (or its affiliates or any person acting for it) and selling in the open market may have an adverse impact on the market price of the H Shares;
- no stabilizing action can be taken to support the price of the H Shares for longer than the stabilizing period, which will begin on the Listing Date and is expected to expire on Saturday, April 25, 2026, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further action may be taken to support the price of the H Shares, demand for the H Shares, and therefore the price of the H Shares, could fall;
- the price of the H Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and
- stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price, which means that stabilizing bids or transactions effected may be made at a price below the price paid by applicants for, or investors in, the Offer Shares.

In order to effect stabilization actions, the Stabilizing Manager will arrange cover of up to an aggregate of 1,800,000 H Shares, representing up to 15% of the initial Offer Shares, through delayed delivery arrangements with investors who have been allocated Offer Shares in the International

Offering. The delayed delivery arrangements (if specifically agreed by an investor) relate only to the delay in the delivery of the Offer Shares to such investor and the consideration for the Offer Shares allocated to such investor will be settled before the Listing Date. Both the size of such cover and the extent to which the Over-allotment Option can be exercised will depend on whether arrangements can be made with investors such that a sufficient number of H Shares can be delivered on a delayed basis. If no investor in the International Offering agrees to the delayed delivery arrangements, no stabilizing actions will be undertaken by the Stabilizing Manager and the Over-allotment Option will not be exercised.

Our Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

OVER-ALLOCATION

Following any over-allocation of H Shares in connection with the Global Offering, the Stabilizing Manager (or any person acting for it) may cover such over-allocations by (among other methods) exercising the Over-allotment Option in full or in part, using H Shares purchased by the Stabilizing Manager (or any person acting for it) in the secondary market at prices that do not exceed the Offer Price.

PRICING AND ALLOCATION

Our Company, the Overall Coordinators (for themselves and on behalf of the Underwriters) will determine the Offer Price and sign an agreement on the Price Determination Date, when market demand for the Offer Shares will be determined. The Price Determination Date is expected to be on or before Friday, March 27, 2026.

The Offer Price will not be more than HK$50.00 per Offer Share and is expected to be not less than HK$40.00 per Offer Share, unless otherwise announced, as further explained below. If you apply for the Offer Shares under the Hong Kong Public Offering, you may pay the maximum price of HK$50.00 per Offer Share (subject to application channels), plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%, amounting to a total of HK$5,050.43 for one board lot of 100 H Shares.

If the Offer Price, as finally determined in the manner described below, is lower than HK$50.00, we will refund the respective difference, including brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee attributable to the surplus application monies. We will not pay interest on any refunded amounts. See "How to Apply for Hong Kong Offer Shares".

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building," is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective professional, institutional and other investors during the book-building process, and with the consent of our Company, reduce the number of Offer Shares and/or the Offer Price range below that stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering and publish an announcement or supplemental prospectus on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.foursemi.com** (the contents of the website do not form a part of this prospectus). Upon issue of such an announcement, the revised number of Offer Shares and/or offer price range will be final and conclusive and the Offer Price, if

agreed upon by us, will be fixed within such revised offer price range. Our Company will also, as soon as practicable following the decision to make such change, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the Offer Price range may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. Such notice will also confirm or revise, as appropriate, the working capital statement, the use of proceeds, the Global Offering statistics as currently set out in "Summary", and any other financial information which may change as a result of such reduction. In the absence of any such notice so published, the number of Offer Shares will not be reduced and the Offer Price, if agreed upon with the Company, the Overall Coordinators (for themselves and on behalf of the Underwriters) will under no circumstances be set outside the Offer Price range as stated in this prospectus.

If you have already submitted an application for the Hong Kong Offer Shares before the last day for lodging applications under the Hong Kong Public Offering, you will not be allowed to subsequently withdraw your application.

The final Offer Price, the level of indication of interest in the International Offering, the basis of allotment of Offer Shares available under the Hong Kong Public Offering and the Hong Kong identification document numbers of successful applicants under the Hong Kong Public Offering are expected to be made available in a variety of channels in the manner described in "How to Apply for Hong Kong Offer Shares—B. Publication of Results".

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares is conditional on:

- the Listing Committee granting approval for the listing of, and permission to deal in our H Shares in issue and to be issued as described in this prospectus (including the Offer Shares which may be issued pursuant to the exercise of the Over-allotment Option);
- the Offer Price having been agreed between us and the Overall Coordinators (for themselves and on behalf of the Underwriters);
- the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date; and
- the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the Hong Kong Underwriting Agreement and/or the International Underwriting Agreement, as the case may be (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than Wednesday, April 22, 2026, being the 30th day after the date of this prospectus.

If, for any reason, the Offer Price is not agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us on or before 12:00 noon on Friday, March 27, 2026, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, each other offering becoming unconditional and not having been terminated in accordance with its respective terms. If the above conditions are not fulfilled or waived

prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by the Company on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.foursemi.com** on the next day following such lapse. In such an event, all application monies will be returned, without interest, on the terms set out in "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies". In the meantime, all application monies will be held in separate bank account(s) with the receiving bank or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

UNDERWRITING AGREEMENTS

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is subject to, among other conditions, the Overall Coordinators (for themselves and on behalf of the Underwriters) and us agreeing on the Offer Price on the Price Determination Date. We expect to enter into the International Underwriting Agreement relating to the International Offering on the Price Determination Date. Certain terms of the underwriting arrangements, the Hong Kong Underwriting Agreement and the International Underwriting Agreement, are summarized in "Underwriting".

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, the Offer Shares being offered under the Global Offering.

ADMISSION OF THE H SHARES INTO CCASS

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS. If the Stock Exchange grants the listing of, and permission to deal in, the H Shares and our Company complies with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Tuesday, March 31, 2026, it is expected that dealings in our H Shares on the Stock Exchange will commence at 9:00 a.m. on Tuesday, March 31, 2026. The H Shares will be traded in board lots of 100 H Shares each.

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "HKEXnews > New Listings > New Listing Information" section, and our website at www.foursemi.com.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older; and
- have a Hong Kong address (for the **White Form eIPO** service only).

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder or close associates; or
- are a Director, supervisor or any of his/her close associates.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Monday, March 23, 2026 and end at 12:00 noon on Thursday, March 26, 2026 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
White Form eIPO service	www.eipo.com.hk	Investors who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Monday, March 23, 2026 to 11:30 a.m. on Thursday, March 26, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Thursday, March 26, 2026, Hong Kong time.

Application Channel	Platform	Target Investors	Application Time
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit electronic application instructions on your behalf through HKSCC's FINI system in accordance with your instruction.	Investors who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

The **White Form eIPO** service and the HKSCC EIPO channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **White Form eIPO** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the electronic application instructions are given, you shall be deemed to have declared that only one set of electronic application instructions has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of electronic application instructions for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **White Form eIPO** service, you are deemed to have authorized the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through HKSCC EIPO channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  - i. HKID card; or
  - ii. National identification document; or
  - iii. Passport; and
- Identity document number

For Corporate Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  - i. LEI registration document; or
  - ii. Certificate of incorporation; or
  - iii. Business registration certificate; or
  - iv. Other equivalent document; and
- Identity document number

1. If you are applying through the **White Form eIPO** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.

2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for Hong Kong Offer Shares. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

3. If the applicant is a trustee, the client identification data ("**CID**") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

4. The maximum number of joint account holders on FINI is capped at 4*(Note)* in accordance with market practice.

5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above

   "Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

   "Statutory control" means you:

   - control the composition of the board of directors of the company;
   - control more than half of the voting power of the company; or
   - hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through HKSCC EIPO channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Note: Subject to change, if our Articles of Association and applicable company law prescribe a lower cap.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size . . . . . 100 H Shares

Permitted number of Hong Kong Offer Shares for application and amount payable on application/ successful allotment . . . . . Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

The maximum Offer Price is HK$50.00 per H Share.

If you are applying through the **HKSCC EIPO** channel, your **broker** or **custodian** may require you to pre-fund your application in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your broker or custodian.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment
	HK$		*HK$*		*HK$*		*HK$*
100	5,050.43	1,500	75,756.38	8,000	404,034.00	90,000	4,545,382.50
200	10,100.86	2,000	101,008.50	9,000	454,538.26	100,000	5,050,425.00
300	15,151.28	2,500	126,260.63	10,000	505,042.50	125,000	6,313,031.26
400	20,201.70	3,000	151,512.76	20,000	1,010,085.00	150,000	7,575,637.50
500	25,252.13	3,500	176,764.88	30,000	1,515,127.50	175,000	8,838,243.76
600	30,302.56	4,000	202,017.00	40,000	2,020,170.00	200,000	10,100,850.00
700	35,352.98	4,500	227,269.13	50,000	2,525,212.50	225,000	11,363,456.26
800	40,403.40	5,000	252,521.26	60,000	3,030,255.00	250,000	12,626,062.50
900	45,453.83	6,000	303,025.50	70,000	3,535,297.50	275,000	13,888,668.76
1,000	50,504.26	7,000	353,529.76	80,000	4,040,340.00	300,000[1]	15,151,275.00

(1) Maximum number of Hong Kong Offer Shares you may apply for.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under "—A. Application for Hong Kong Offer Shares—3. Information Required to Apply". If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **White Form eIPO** service, (ii) HKSCC EIPO channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or HKSCC EIPO channel, you or the person(s) for whose benefit you have made the application shall not apply further for any Offer Shares in the Global Offering.

6. Terms and Conditions of an Application

By applying for Hong Kong Offer Shares through the **White Form eIPO** service or HKSCC EIPO channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

(i) undertake to execute all relevant documents and instruct and authorize us and/or the Overall Coordinator, as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the HKSCC EIPO channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;

(ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **White Form eIPO** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

(iii) (if you are applying through the HKSCC EIPO channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;

(v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;

(vi) agree that the Relevant Persons[Note], the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;

(vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under "—G. Personal Data—3. Purposes" and "—G. Personal Data—4. Transfer of personal data";

(viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;

(ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in "—B. Publication of Results";

(x) confirm that you are aware of the situations specified in "—C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares";

(xi) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

(xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;

(xiii) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the H Shares registered in your name or otherwise held by you;

(xiv) warrant that the information you have provided is true and accurate;

(xv) confirm that you understand that we and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving electronic application instructions to HKSCC directly or indirectly or through the application channel of the **White Form eIPO** Service Provider or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving electronic application instructions to HKSCC and the **White Form eIPO** Service Provider and (2) you have due authority to give electronic application instructions on behalf of that other person as its agent.

Note: The Relevant Persons would include the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their or the Company's respective directors, supervisors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
Applying through the **White Form eIPO** service or HKSCC EIPO channel: Website	The designated results of allocation at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID Number" function.	24 hours, from 11:00 p.m. on Monday, March 30, 2026 to 12:00 midnight on Sunday, April 5, 2026
	The full list of (i) wholly or partially successful applicants using the **White Form eIPO** service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the "Allotment Results" page of the **White Form eIPO** service at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**).	
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **www.foursemi.com** which will provide links to the above mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Monday, March 30, 2026 (Hong Kong time)
Telephone	+852 2862 8555—the allocation results telephone enquiry line provided by the H Share Registrar	between 9:00 a.m. and 6:00 p.m., on Tuesday, March 31, 2026, Wednesday, April 1, 2026, Thursday, April 2, 2026 and Wednesday, April 8, 2026 (Hong Kong time) on a business day

For those applying through HKSCC EIPO channel, you may also check with your broker or custodian from 6:00 p.m. on Friday, March 27, 2026 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Friday, March 27, 2026 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the results of the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.foursemi.com** by no later than 11:00 p.m. on Monday, March 30, 2026.

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Overall Coordinators, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the H Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to "—A. Application for Hong Kong Offer Shares—5. Multiple Applications Prohibited" on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Overall Coordinators believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted H Shares

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their Designated Bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the HKSCC EIPO channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the H Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid evidence of title at 8:00 a.m. on Tuesday, March 31, 2026 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in "Underwriting" has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	White Form eIPO service	HKSCC EIPO channel
For physical share certificates of 250,000 or more Offer Shares issued under your own name . .	Collection in person at the H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Time: 9:00 a.m. to 1:00 p.m. on Tuesday, March 31, 2026 (Hong Kong time) If you are an individual, you must not authorize any other person to collect for you. If you are a corporate applicant, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar. *Note:* If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk	
For physical share certificates of less than 250,000 Offer Shares issued under your own name . .	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk Date: Monday, March 30, 2026	

	White Form eIPO service	HKSCC EIPO channel
Refund mechanism for surplus application monies paid by you		
Date	Tuesday, March 31, 2026	Subject to the arrangement between you and your broker or custodian
Responsible party	H Share Registrar	Your broker or custodian
Application monies paid through single bank account	**White Form e-Refund** payment instructions to your designated bank account	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it
Application monies paid through multiple bank accounts	Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk	

Note: Except in the event of a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or an "extreme conditions" announcement issued after a super typhoon in force in Hong Kong in the morning on Monday, March 30, 2026 rendering it impossible for the relevant H Share certificates to be dispatched to HKSCC in a timely manner, the Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and H Share certificates in accordance with the contingency arrangements as agreed between them. You may refer to "—E. Severe Weather Arrangements".

E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Thursday, March 26, 2026 if, there is/are:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- an "extreme conditions" announcement issued after a super typhoon ("**Extreme Conditions**"), (collectively, "**Severe Weather Signals**"),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, March 26, 2026.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have Severe Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in "Expected Timetable", an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.foursemi.com**.

If a **Severe Weather Signal** is hoisted on Monday, March 30, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository's service counter so that they would be available for trading on Tuesday, March 31, 2026.

If a Severe Weather Signal is hoisted on Monday, March 30, 2026, the despatch of physical H Share certificates of less than 250,000 Offer Shares issued under your own name will be made by ordinary post when the post office re-opens after the Severe Weather Signal is lowered or canceled (e.g. in the afternoon of Monday, March 30, 2026 or on Tuesday, March 31, 2026).

If a Severe Weather Signal is hoisted on Tuesday, March 31, 2026, physical H Share certificates of 250,000 Offer Shares or more issued under your own name are available for collection in person at the H Share Registrar's office after the Severe Weather Signal is lowered or canceled (e.g. in the afternoon of Tuesday, March 31, 2026 or on Wednesday, April 1, 2026).

Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.

F. ADMISSION OF THE H SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the H Share Registrar, the receiving banks and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **White Form e-Refund** payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the H Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the H Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the H Share Registrar to discharge their obligations to applicants and holders of the H Shares and/or regulators and/or any other purposes to which applicants and holders of the H Shares may from time to time agree.

4. Transfer of personal data

Personal data held by the Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers, receiving banks and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the H Share Registrar in connection with their respective business operation;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers, etc.

5. Retention of personal data

The Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfill the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the H Share Registrar, at their registered address disclosed in "Corporate information" or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report received from the Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Document.

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHANGHAI FOURSEMI SEMICONDUCTOR CO., LTD., GUOTAI JUNAN CAPITAL LIMITED AND ORIENT CAPITAL (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Shanghai FourSemi Semiconductor Co., Ltd.. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-3 to I-76, which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2022, 2023 and 2024, and the ten months ended 31 October 2025 (the "**Relevant Periods**"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2022, 2023, 2024 and 31 October 2025 and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-3 to I-76 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 23 March 2026 (the "**Prospectus**") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2022, 2023, 2024 and 31 October 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the ten months ended 31 October 2024 and other explanatory information (the "**Interim Comparative Financial Information**"). The directors of the Company are responsible for the preparation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

Ernst & Young
Certified Public Accountants
Hong Kong
23 March 2026

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes	Year ended 31 December			Ten months ended 31 October	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
REVENUE	*5*	130,327	150,291	355,195	288,832	280,778
Cost of sales						
Cost of goods and services		(108,830)	(142,578)	(306,007)	(247,502)	(223,136)
Impairment losses on inventories		(12,018)	(7,837)	(2,632)	(2,509)	(1,585)
Gross profit		9,479	(124)	46,556	38,821	56,057
Other income and gains	*5*	10,133	7,973	9,582	6,844	3,798
Selling and marketing expenses		(17,405)	(18,869)	(20,847)	(17,500)	(16,800)
Administrative expenses		(18,279)	(20,382)	(19,673)	(16,434)	(32,629)
Research and development costs		(48,708)	(59,271)	(68,060)	(55,134)	(55,690)
Impairment losses on financial assets, net		(125)	(165)	(116)	(136)	(59)
Other expenses		(10)	(1)	(226)	—	(1,928)
Finance costs	*7*	(209)	(822)	(1,393)	(1,129)	(2,155)
Changes in the carrying amounts of redemption liabilities	*26*	(775)	(2,469)	(2,667)	(2,208)	(2,370)
LOSS BEFORE TAX	*6*	(65,899)	(94,130)	(56,844)	(46,876)	(51,776)
Income tax expense	*10*	(3)	—	—	—	—
LOSS FOR THE YEAR/PERIOD		(65,902)	(94,130)	(56,844)	(46,876)	(51,776)
Loss attributable to:						
Owners of the parent		(65,902)	(94,130)	(56,844)	(46,876)	(51,776)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic and diluted *(RMB)*	*12*	(0.76)	(0.94)	(0.57)	(0.47)	(0.52)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December			Ten months ended 31 October	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
LOSS FOR THE YEAR/PERIOD	(65,902)	(94,130)	(56,844)	(46,876)	(51,776)
OTHER COMPREHENSIVE INCOME					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	(2,723)	(598)	(580)	(37)	185
OTHER COMPREHENSIVE INCOME FOR THE YEAR/PERIOD, NET OF TAX	(2,723)	(598)	(580)	(37)	185
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	(68,625)	(94,728)	(57,424)	(46,913)	(51,591)
Attributable to:					
Owners of the parent	(68,625)	(94,728)	(57,424)	(46,913)	(51,591)

For the details of pre-IPO investments, please refer to Note 28 to the Historical Financial Information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December			As at 31 October
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment	*13*	19,988	18,482	14,768	10,789
Right-of-use assets	*14*	3,666	6,201	3,648	1,453
Other intangible assets		413	365	434	553
Prepayments, deposits and other receivables	*19*	1,102	829	831	139
Non-pledged time deposits	*20*	51,769	32,220	—	—
Pledged time deposits	*20*	—	20,577	21,197	—
Total non-current assets		76,938	78,674	40,878	12,934
CURRENT ASSETS					
Inventories	*17*	65,143	65,517	111,921	129,554
Trade receivables	*18*	14,153	30,457	41,901	47,797
Prepayments, deposits and other receivables	*19*	18,676	20,288	27,448	17,329
Non-pledged time deposits	*20*	—	21,420	33,204	—
Pledged time deposits	*20*	—	—	—	21,707
Restricted cash	*20*	—	5	—	—
Cash and cash equivalents	*20*	182,899	105,325	66,075	73,463
Total current assets		280,871	243,012	280,549	289,850
CURRENT LIABILITIES					
Trade payables	*21*	11,557	16,069	35,462	27,597
Other payables and accruals	*22*	9,422	10,960	12,704	9,970
Contract liabilities	*23*	2,414	4,747	7,761	2,279
Interest-bearing bank borrowings	*24*	—	36,677	40,030	80,540
Lease liabilities	*14*	2,331	2,890	2,559	1,251
Provision	*25*	995	2,213	4,460	3,974
Redemption liabilities	*26*	30,775	33,244	35,911	38,281
Total current liabilities		57,494	106,800	138,887	163,892
NET CURRENT ASSETS		223,377	136,212	141,662	125,958
TOTAL ASSETS LESS CURRENT LIABILITIES		300,315	214,886	182,540	138,892
NON-CURRENT LIABILITIES					
Interest-bearing bank borrowings	*24*	—	—	19,696	19,600
Lease liabilities	*14*	1,976	3,432	971	60
Deferred income	*27*	—	—	—	2,871
Total non-current liabilities		1,976	3,432	20,667	22,531
Net assets		298,339	211,454	161,873	116,361
EQUITY					
Equity attributable to owners of the parent					
Paid-in capital/Share capital	*28*	26,122	26,122	26,122	100,000
Reserves	*30*	272,217	185,332	135,751	16,361
Total equity		298,339	211,454	161,873	116,361

For the details of pre-IPO investments, please refer to Note 28 to the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2022

	Attributable to owners of the parent					
	Paid-in capital	Capital reserve*	Share -based payment reserve*	Exchange fluctuation reserve*	Accumulated deficits*	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 28	*Note 30*	*Note 29*	*Note 30*		
As at 1 January 2022	20,368	320,632	127,539	1,189	(287,267)	182,461
Loss for the year	—	—	—	—	(65,902)	(65,902)
Other comprehensive income for the year:						
Exchange differences related to foreign operations	—	—	—	(2,723)	—	(2,723)
Total comprehensive income for the year	—	—	—	(2,723)	(65,902)	(68,625)
Share-based payments *(note 29)*	—	—	7,824	—	—	7,824
Contribution from shareholders	5,754	200,925	—	—	—	206,679
Recognition of redemption liabilities *(note 26)*	—	(30,000)	—	—	—	(30,000)
As at 31 December 2022	26,122	491,557	135,363	(1,534)	(353,169)	298,339

Year ended 31 December 2023

	Attributable to owners of the parent					
	Paid-in capital	Capital reserve*	Share -based payment reserve*	Exchange fluctuation reserve*	Accumulated deficits*	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 28	*Note 30*	*Note 29*	*Note 30*		
As at 1 January 2023	26,122	491,557	135,363	(1,534)	(353,169)	298,339
Loss for the year	—	—	—	—	(94,130)	(94,130)
Other comprehensive income for the year:						
Exchange differences related to foreign operations	—	—	—	(598)	—	(598)
Total comprehensive income for the year	—	—	—	(598)	(94,130)	(94,728)
Share-based payments *(note 29)*	—	—	7,843	—	—	7,843
As at 31 December 2023	26,122	491,557	143,206	(2,132)	(447,299)	211,454

Year ended 31 December 2024

	Attributable to owners of the parent					
	Paid-in capital	Capital reserve*	Share-based payment reserve*	Exchange fluctuation reserve*	Accumulated deficits*	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 28	*Note 30*	*Note 29*	*Note 30*		
As at 1 January 2024	26,122	491,557	143,206	(2,132)	(447,299)	211,454
Loss for the year	—	—	—	—	(56,844)	(56,844)
Other comprehensive income for the year:						
Exchange differences related to foreign operations	—	—	—	(580)	—	(580)
Total comprehensive income for the year	—	—	—	(580)	(56,844)	(57,424)
Share-based payments *(note 29)*	—	—	7,843	—	—	7,843
As at 31 December 2024	26,122	491,557	151,049	(2,712)	(504,143)	161,873

Ten months ended 31 October 2024

	Attributable to owners of the parent					
	Paid-in capital	Capital reserve	Share-based payment reserve	Exchange fluctuation reserve	Accumulated deficits	Total equity
	RMB'000 *Note 28*	*RMB'000* *Note 30*	*RMB'000* *Note 29*	*RMB'000* *Note 30*	*RMB'000*	*RMB'000*
As at 1 January 2024	26,122	491,557	143,206	(2,132)	(447,299)	211,454
Loss for the period (unaudited)	—	—	—	—	(46,876)	(46,876)
Other comprehensive income for the period (unaudited):						
Exchange differences related to foreign operations (unaudited)	—	—	—	(37)	—	(37)
Total comprehensive income for the period (unaudited)	—	—	—	(37)	(46,876)	(46,913)
Share-based payments *(note 29)* (unaudited)	—	—	6,536	—	—	6,536
As at 31 October 2024 (unaudited)	26,122	491,557	149,742	(2,169)	(494,175)	171,077

Ten months ended 31 October 2025

	Attributable to owners of the parent					
	Paid-in capital/Share capital	Capital reserve*	Share-based payment reserve*	Exchange fluctuation reserve*	Accumulated deficits*	Total equity
	RMB'000 *Note 28*	*RMB'000* *Note 30*	*RMB'000* *Note 29*	*RMB'000* *Note 30*	*RMB'000*	*RMB'000*
As at 1 January 2025	26,122	491,557	151,049	(2,712)	(504,143)	161,873
Loss for the period	—	—	—	—	(51,776)	(51,776)
Other comprehensive income for the period:						
Exchange differences related to foreign operations	—	—	—	185	—	185
Total comprehensive income for the period	—	—	—	185	(51,776)	(51,591)
Share-based payments *(note 29)*	—	—	6,079	—	—	6,079
Conversion into joint stock company	73,878	(411,418)	(122,247)	—	459,787	—
As at 31 October 2025	100,000	80,139	34,881	(2,527)	(96,132)	116,361

* These reserve accounts represent the total consolidated reserves of RMB272,217,000, RMB185,332,000, RMB135,751,000 and RMB16,361,000 in the consolidated statements of financial position as at 31 December 2022, 2023, 2024 and 31 October 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December			Ten months ended 31 October	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
CASH FLOWS USED IN OPERATING ACTIVITIES						
Loss before tax		(65,899)	(94,130)	(56,844)	(46,876)	(51,776)
Adjustments for:						
Depreciation of property, plant and equipment	*6, 13*	3,649	5,000	5,669	4,721	4,682
Depreciation of right-of-use assets	*6, 14*	2,514	2,779	2,741	2,287	2,195
Amortisation of other intangible assets	*6*	26	48	48	39	60
Share-based payment expenses	*6, 29*	7,824	7,843	7,843	6,536	6,079
Impairment losses on financial assets, net	*6, 18*	125	165	116	136	59
Impairment losses on inventories	*6, 17*	12,018	7,837	2,632	2,509	1,585
Finance costs	*7*	209	822	1,393	1,129	2,155
Bank interest income	*5*	(2,850)	(5,273)	(4,044)	(3,526)	(1,481)
Investment income from structured deposits	*5*	(2,524)	(79)	(2)	(2)	—
Foreign exchange differences, net	*6*	(4,699)	(1,395)	(4,813)	(3,105)	1,915
Changes in the carrying amounts of redemption liabilities	*26*	775	2,469	2,667	2,208	2,370
		(48,832)	(73,914)	(42,594)	(33,944)	(32,157)
Increase in inventories		(63,310)	(8,211)	(49,036)	(29,993)	(19,218)
Increase in trade receivables		(12,568)	(16,469)	(11,560)	(13,608)	(5,584)
Decrease/(increase) in prepayments, deposits and other receivables		19,044	(2,384)	(7,847)	(1,264)	12,909
(Increase)/decrease in restricted cash		—	(5)	5	5	—
Increase/(decrease) in trade payables		5,603	4,512	19,393	22,590	(7,865)
(Decrease)/increase in other payables and accruals		(7,263)	1,538	1,744	2,540	(3,226)
(Decrease)/increase in contract liabilities		(66)	2,333	3,014	(654)	(5,482)
Increase in deferred income		—	—	—	—	2,871
Increase/(decrease) in provision		545	1,218	2,247	169	(486)
Cash used in operations		(106,847)	(91,382)	(84,634)	(54,159)	(58,238)
Interest received		1,040	2,825	1,896	1,692	971
Income tax paid		(3)	—	—	—	—
Net cash flows used in operating activities		(105,810)	(88,557)	(82,738)	(52,467)	(57,267)

	Notes	Year ended 31 December			Ten months ended 31 October	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES						
Purchases of items of property, plant and equipment		(15,630)	(3,494)	(1,955)	(1,991)	(703)
Purchases of other intangible assets		(257)	—	(117)	—	(179)
Placement of non-pledged time deposits		(30,000)	—	—	—	—
Withdrawal of non-pledged time deposits		20,000	—	20,000	20,000	30,000
Placement of pledged deposits		—	(20,000)	—	—	—
Purchase of structured deposits classified as financial assets at fair value through profit or loss		(295,000)	(25,000)	(1,000)	(1,000)	—
Redemption of structured deposits classified as financial assets at fair value through profit or loss		307,538	25,079	1,002	1,002	—
Loans repaid by directors	*34*	2,646	—	—	—	—
Interest received		287	—	1,964	1,964	3,204
Net cash flows (used in)/from investing activities		(10,416)	(23,415)	19,894	19,975	32,322
CASH FLOWS FROM FINANCING ACTIVITIES						
New bank loans		—	48,647	69,031	39,030	79,960
Repayment of bank loans		—	(12,000)	(46,000)	(31,000)	(39,687)
Capital contribution from shareholders		206,679	—	—	—	—
Payment of listing expense		—	—	—	—	(1,605)
Interest paid		—	(589)	(1,188)	(940)	(1,941)
Lease payments	*14*	(2,284)	(3,502)	(3,167)	(2,646)	(2,292)
Net cash flows from financing activities		204,395	32,556	18,676	4,444	34,435
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		88,169	(79,416)	(44,168)	(28,048)	9,490
Cash and cash equivalents at beginning of year/period		92,233	182,899	105,325	105,325	66,075
Effect of foreign exchange rate changes, net		2,497	1,842	4,918	2,553	(2,102)
Cash and cash equivalents at end of year/period		182,899	105,325	66,075	79,830	73,463
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances	*20*	234,668	179,547	120,476	133,917	95,170
Less: Non-pledged time deposits	*20*	51,769	53,640	33,204	33,000	—
Pledged time deposits	*20*	—	20,577	21,197	21,087	21,707
Restricted cash	*20*	—	5	—	—	—
Cash and cash equivalents as stated in the statements of cash flows and statements of financial position		182,899	105,325	66,075	79,830	73,463

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December			As at 31 October
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment	*13*	19,438	18,204	14,620	10,750
Right-of-use assets	*14*	2,474	5,865	2,998	1,168
Other intangible assets		413	365	434	553
Investments in subsidiaries	*15*	509	1,598	5,176	11,573
Prepayments, deposits and other receivables	*19*	593	700	623	10
Non-pledged time deposits	*20*	51,769	32,220	—	—
Pledged time deposits	*20*	—	20,577	21,197	—
Total non-current assets		75,196	79,529	45,048	24,054
CURRENT ASSETS					
Inventories	*17*	41,556	47,937	95,966	118,725
Trade receivables	*18*	2,918	13,929	23,254	20,153
Prepayments, deposits and other receivables	*19*	18,084	19,622	26,631	15,008
Due from subsidiaries	*34*	74,096	142,115	152,462	182,096
Non-pledged time deposits	*20*	—	21,420	33,204	—
Pledged time deposits	*20*	—	—	—	21,707
Restricted cash	*20*	—	5	—	—
Cash and cash equivalents	*20*	176,491	52,536	28,851	37,882
Total current assets		313,145	297,564	360,368	395,571
CURRENT LIABILITIES					
Trade payables	*21*	8,796	14,496	34,824	27,146
Other payables and accruals	*22*	9,420	10,242	11,591	9,503
Contract liabilities	*23*	—	83	1,081	725
Due to subsidiaries	*34*	1,162	25,931	47,589	64,190
Interest-bearing bank borrowings	*24*	—	36,677	40,030	80,540
Lease liabilities	*14*	1,513	2,794	2,094	984
Provision	*25*	81	269	537	599
Redemption liabilities	*26*	30,775	33,244	35,911	38,281
Total current liabilities		51,747	123,736	173,657	221,968
NET CURRENT ASSETS		261,398	173,828	186,711	173,603
TOTAL ASSETS LESS CURRENT LIABILITIES		336,594	253,357	231,759	197,657
NON-CURRENT LIABILITIES					
Interest-bearing bank borrowings	*24*	—	—	19,696	19,600
Lease liabilities	*14*	1,616	3,162	722	—
Deferred income	*27*	—	—	—	2,871
Total non-current liabilities		1,616	3,162	20,418	22,471
Net assets		334,978	250,195	211,341	175,186
EQUITY					
Paid-in capital/Share capital	*28*	26,122	26,122	26,122	100,000
Reserves	*30*	308,856	224,073	185,219	75,186
Total equity		334,978	250,195	211,341	175,186

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

Shanghai FourSemi Semiconductor Co., Ltd. (the "**Company**"), formerly named as Xiamen FourSemi Semiconductor Co., Ltd., was established in the People's Republic of China ("**PRC**") with limited liability on 17 May 2016 and was converted into a joint stock company on 12 June 2025. The registered office of the Company is located at Room 303, Building 4, Second Street, Gangcheng Square, No. 88 Yunjuan Road, Lane 11, Lin-gang Special Area, China (Shanghai) Pilot Free Trade Pilot Zone, PRC.

During the Relevant Periods, the Company and its subsidiaries (collectively, the "**Group**") were principally engaged in the design, research and development, and sale of perceptual-intelligence chips focusing on power amplifier audio and haptic driver.

As at the end of the Relevant Periods, the Company had direct interests in its subsidiaries, all of which are private limited liability companies. The particulars of the major subsidiaries are set out below:

Name	Place and date of incorporation/ registration and operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Principal activities
		('000)	%	
Fourier Technology Limited 傅裡葉科技有限公司	Hong Kong 18 November 2016	HK$10	100	Sale of integrated circuit chips
Shanghai FourSemi Electronics Technology Company Limited 上海傅砝電子科技有限公司	PRC/Chinese mainland/ 17 June 2016	RMB50	100	Research and development, design and sale of integrated circuit chips
Shenzhen FourSemi Electronics Company Limited 深圳市傅里葉電子有限公司	PRC/Chinese mainland/ 20 July 2022	RMB10,000	100	Sale of integrated circuit chips

The English names of group companies registered in the PRC represent the best efforts made by the management of the Company to translate the Chinese names of these companies as they do not have official English names.

No audited financial statements have been prepared for these entities for the years ended 31 December 2022, 2023 and 2024 as these entities were not subject to any statutory audit requirements under the relevant rules and regulations.

2.1 BASIS OF PREPARATION

For ordinary shares issued to certain pre-IPO investors, pursuant to the supplemental agreements entered into between the Company and such pre-IPO investors in relation to the termination of redemption rights granted by the Company, which are void ab initio as described in note 28 to this report, having taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplementary agreements, the directors considered that it is appropriate to present such pre-IPO investments as equity throughout the Relevant Periods. For the details of financial impacts, see note 28 to the Historical Financial Information.

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "**IASB**"), which comprise all standards and interpretations approved by the IASB. All IFRS Accounting Standards effective for the

accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

The Historical Financial Information has been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value.

Basis of consolidation

The Historical Financial Information includes the financial statements of the Group for the Relevant Periods and in the period covered by the Interim Comparative Financial Information. 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, directly or indirectly, 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.

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 the exchange fluctuation reserve; 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 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

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

[1] Effective for annual periods beginning on or after 1 January 2026
[2] Effective for annual/reporting periods beginning on or after 1 January 2027
[3] No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and amended IFRS Accounting Standards upon initial application. Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of 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. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. Based on a preliminary assessment, the adoption of IFRS 18 is not expected to have any impact on the Group's results of operations and financial position but has impact on the presentation and disclosure of the Group's financial statements.

The Group has already commenced an assessment of the impact of other new and amended IFRS Accounting Standards, which are relevant to the Group's operations. According to the preliminary assessment made by the directors, no significant impact on the financial performance and financial position of the Group is expected when these new and amended IFRS Accounting Standards become effective.

2.3 MATERIAL ACCOUNTING POLICIES

Fair value measurement

The Group measures its structured deposits 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.

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 the statement of 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 each 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 the statement of profit or loss in the period in which it arises unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

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

(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, other than construction in progress, 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 the statement of 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:

Machinery	19%
Office equipment and electronic devices	32%
Leasehold improvements	33%
Vehicles	24%

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.

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 the statement of 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.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

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 the end of each reporting period.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 10 years, which is mainly determined by reference to the licensed period of the purchased software.

Research and development costs

All research costs are charged to the statement of profit or loss as 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 and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(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	3 to 6 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 and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of plant and properties and electronic devices (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). It also applies the recognition exemption for leases of low-value assets to leases of electronic devices and office equipment that are considered to be of low value.

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

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 IFRS 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.

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 the statement of profit or loss when the asset is derecognised, modified or impaired.

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 the statement of profit or loss.

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.

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).

At the end of each reporting period, 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. However, in certain cases, the Group may also 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 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

Simplified approach

For trade 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.

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 payables, as appropriate.

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

The Group's financial liabilities include trade payables, other payables and accruals, redemption liabilities and interest-bearing bank borrowings.

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, financial liabilities 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 the statement of 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 the statement of profit or loss.

Redemption liabilities

A contract that contains an obligation to purchase the Group's equity instruments for cash or another financial asset gives rise to a financial liability for the redemption amount, even if the Group's obligations to purchase is conditional on the counterparty exercising a right to redeem. The redemption

liability is initially measured at the carrying amount of the redemption amount and subsequently measured at amortised cost with interest expense being included in change in the carrying amounts of redemption liabilities.

The redemption liabilities were classified as current liabilities as certain redemption events could occur anytime. The carrying amount of the redemption liabilities will be reclassified to equity upon a termination of the counterparty's redemption right.

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 the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

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, mainly comprises direct materials and processing expenditures. 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.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

The Group provides for warranties in relation to the sale of certain products for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

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 the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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, 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, 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.

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 the statement of 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 the statement of 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 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.

There are no significant variable consideration and financing component for the Group's revenue from contracts with customers.

Revenue from the sale of power amplifier audio chips and other chip products

The Group provides low-power audio chips, Mid/high-power audio chips and haptic drivers as well as power management chips. Revenue from the sale of products is recognised at the point in time when control of the products is transferred to the customer, generally on delivery to the specific locations in accordance with the contracts, the risks of obsolescence and loss have been transferred to the customer, and when the customer confirmed the acceptance of the products.

Other income

Interest income is recognised on an accrual basis using the effective interest 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 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. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods to the customer).

Share-based payments

The Company operates a restricted stock 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 is measured by reference to the fair value at the date at which they are granted. The fair value of the restricted stock is determined by an external valuer using back-solve method and adopting the equity allocation model taking into the recent capital injection price. Further details of which are given in note 29 to the Historical Financial Information.

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 the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance 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 expense not yet recognised for the award is recognised immediately.

Other employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance for certain of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Company and the subsidiaries which operate in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are 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.

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 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 are limited to the contributions payable in each reporting period.

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.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

The Historical Financial Information is 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 the statement of 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.

The functional currency of the oversea subsidiary is USD rather than RMB. As at the end of the reporting period, the assets and liabilities of such entity are translated into RMB at the exchange rate prevailing at the end of the reporting period and its statement of profit or loss is translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of the overseas subsidiary is translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the overseas subsidiary which arise throughout the year are translated into RMB the weighted at average exchange rate for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information 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

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

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 carried forward of RMB218,172,000, RMB351,149,000, RMB450,376,000 and RMB540,404,000 in aggregate as at 31 December 2022, 2023, 2024 and 31 October 2025, respectively. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. 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 RMB13,187,000, RMB20,515,000, RMB15,096,000 and RMB13,137,000 for the years ended 31 December 2022, 2023, 2024 and the ten months ended 31 October 2025, respectively. Further details on deferred taxes are disclosed in note 16 to the Historical Financial Information.

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 receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on ageing of trade receivables for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate 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, 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.

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 receivables is disclosed in note 18 to the Historical Financial Information.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Share-based payments

The Group operates a restricted stock scheme for the purpose of providing incentives to the Group's employees (including directors). The grant date fair value of the restricted stock is determined by an external valuer using back-solve method and adopting the equity allocation model taking into the recent capital injection price. Further details are contained in note 29 to the Historical Financial Information.

Provision of inventories

The Group's inventories are stated at the lower of cost and net realisable value. The Group's provision for 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 quarterly for provision, if appropriate. Further details of the inventories are set out in note 17 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

Operating segment information

The board of directors reviews the consolidated results of the Group when making decisions about resource allocation and assessing the performance of the Group. The board of directors considers that the Group operates in one business segment and the measurement of segment results is based on the profit from operations as presented in the consolidated statements of profit or loss and the consolidated statements of comprehensive income.

Geographical information

(a) Revenue from external customers

	Year ended 31 December			Ten months ended 31 October	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
PRC (including Hong Kong)	130,327	150,291	355,195	288,832	280,778

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

(b) Non-current assets

Almost all of the Group's non-current assets were located in Chinese mainland.

Information about major customers

External customers from which the revenue individually amounted to over 10% of total revenue of the Group for the years ended 31 December 2022, 2023, 2024 and the ten months ended 31 October 2025 were as follows:

	Year ended 31 December			Ten months ended 31 October	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Customer D	14,984	21,369	107,685	88,503	85,586
Customer E	*	17,274	67,442	46,425	40,245
Customer G	*	*	66,342	57,502	*
Customer A	42,552	35,618	*	*	*
Customer F	*	23,341	*	*	*
Customer B	29,726	20,655	*	*	*
Customer C	25,924	*	*	*	*
Customer H	*	*	*	*	72,594

* Less than 10% of the Group's revenue

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December			Ten months ended 31 October	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue from contracts with customers	130,327	150,291	355,195	288,832	280,778

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December			Ten months ended 31 October	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Types of goods or services					
Low-power audio chips	126,370	140,645	322,908	260,760	255,455
Mid/high-power audio chips	3,957	8,662	26,707	23,612	20,596
Haptic drivers	—	984	5,332	4,277	3,702
Others	—	—	248	183	1,025
Total	130,327	150,291	355,195	288,832	280,778
Timing of revenue recognition					
Transferred at a point in time	130,327	150,291	355,195	288,832	280,778

The following table shows the amounts of revenue recognised in the Relevant Periods and in the period covered by the Interim Comparative Financial Information that were included in the contract liabilities at the beginning of each of the Relevant Periods and recognised from performance obligations satisfied in previous periods:

	Year ended 31 December			Ten months ended 31 October	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period	2,480	2,414	4,747	4,747	7,761

(b) Performance obligations

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

Sales of power amplifier audio chips and other chip products

The Group offers low-power audio chips, Mid/high-power audio chips, as well as other chip products, including power management chips. The performance obligation is satisfied upon delivery to the agreed-upon locations in accordance with the contracts, and when the customers confirmed the acceptance of the products. The Payment is normally received in advance, except for certain customers with established creditworthiness and a long-standing business relationship, where payment is generally due within 30 to 90 days from the invoice date.

All amounts of transaction prices allocated to the performance obligations of sales of goods or services are expected to be recognised as revenue within one year. The Group has no significant unsatisfied performance obligations arising from revenue contracts that have an original expected duration more than one year, thus management applied practical expedient under IFRS 15 and is not disclosing the aggregate amount of the transaction prices allocated to the performance obligations that are unsatisfied or partially satisfied at the end of each reporting period.

An analysis of other income and gains is as follows:

	Year ended 31 December			Ten months ended 31 October	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Other income					
Government grants	51	1,201	723	211	2,280
Bank interest income	2,850	5,273	4,044	3,526	1,481
Investment income from structured deposits	2,524	79	2	2	—
Others	9	25	—	—	37
Total other income	5,434	6,578	4,769	3,739	3,798
Gains					
Foreign exchange differences, net	4,699	1,395	4,813	3,105	—
Total other income and gains	10,133	7,973	9,582	6,844	3,798

6. LOSS BEFORE TAX

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

	Notes	Year ended 31 December			Ten months ended 31 October	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Cost of goods and services*		108,830	142,578	306,007	247,502	223,136
Depreciation of property, plant and equipment	*13*	3,649	5,000	5,669	4,721	4,682
Depreciation of right-of-use assets	*14*	2,514	2,779	2,741	2,287	2,195
Amortisation of other intangible assets		26	48	48	39	60
Research and development costs*		48,708	59,271	68,060	55,134	55,690
Listing expenses		—	—	—	—	12,529
Foreign exchange differences, net	*5*	(4,699)	(1,395)	(4,813)	(3,105)	1,915
Investment income from structured deposits	*5*	(2,524)	(79)	(2)	(2)	—
Bank interest income	*5*	(2,850)	(5,273)	(4,044)	(3,526)	(1,481)
Impairment losses on financial assets, net	*18*	125	165	116	136	59
Impairment losses on inventories	*17*	12,018	7,837	2,632	2,509	1,585
Expenses relating to short-term leases and low-value assets	*14*	123	406	149	130	202
Employee benefit expense (including directors' and chief executive's remuneration *(note 8)*):						
Wages, salaries and other allowances		41,066	47,900	58,320	48,665	49,169
Pension scheme contributions and social welfare		6,082	9,000	9,971	8,414	9,951
Share-based payments	*29*	7,824	7,843	7,843	6,536	6,079

* The depreciation of property, plant and equipment, the depreciation of right-of-use assets and the amortisation of other intangible assets related to manufacturing and research and development for the Relevant Periods and in the period covered by the Interim Comparative Financial Information are included in "Depreciation of property, plant and equipment", "Depreciation of right-of-use assets" and "Amortisation of other intangible assets", respectively. The labour costs related to the manufacture and research and development for the Relevant Periods and in the period covered by the Interim Comparative Financial Information are included in "Employee benefit expense".

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Ten months ended 31 October	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest on interest-bearing bank borrowings	—	619	1,206	966	2,082
Interest on lease liabilities	209	203	187	163	73
Total	209	822	1,393	1,129	2,155

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

The remuneration paid or payable to the directors and chief executive of the Company during the Relevant Periods and in the period covered by the Interim Comparative Financial Information is as follows:

	Year ended 31 December			Ten months ended 31 October	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Fees	—	—	—	—	—
Other emoluments:					
Salaries, allowances and benefits in kind	3,326	2,924	2,569	2,150	2,694
Performance related bonuses*	259	321	1,638	1,366	469
Share-based payments	1,468	1,468	1,468	1,223	1,223
Pension scheme contributions and social welfare	174	171	168	141	142
Subtotal	5,227	4,884	5,843	4,880	4,528
Total fees and other emoluments	5,227	4,884	5,843	4,880	4,528

* Certain directors of the Company are entitled to bonus payments which are associated with the operating results of the Group.

During the Relevant Periods and in the period covered by the Interim Comparative Financial Information, certain directors were granted restricted shares, in respect of their services to the Group, under the employee stock ownership plan of the Company, further details of which are set out in note 29 to the Historical Financial Information. The difference between the fair value of the shares granted and the subscription price was recorded in the share-based payment reserve within equity with the corresponding "share-based payment expenses" in profit or loss over the vesting period. The amounts during the Relevant Periods and in the period covered by the Interim Comparative Financial Information are included in the above directors' and chief executive's remuneration disclosures.

The remuneration of each of the directors of the Company paid/payable by the Group (including emoluments for services as employees of the group entities prior to becoming the directors of the Company) for the Relevant Periods and in the period covered by the Interim Comparative Financial Information is set out as follows:

	Fees	Salaries, allowances and benefits in kind	Performance Related bonuses	Share-based payments	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2022						
Directors:						
Mr. Liu Baoliang	—	842	26	6	47	921
Mr. Qian Shun	—	897	81	702	47	1,727
Mrs. Yu Bingbing	—	743	110	760	33	1,646
Mr. Sang Feng	—	—	—	—	—	—
Mr. Lin Enfeng	—	—	—	—	—	—
Mr. Liu Changjiang	—	—	—	—	—	—
Mr. Yin Yanfeng	—	—	—	—	—	—
Mr. He Shiying	—	—	—	—	—	—
Subtotal	—	2,482	217	1,468	127	4,294
Chief executive:						
Mr. Xu Xiaolin	—	844	42	—	47	933
Total	—	3,326	259	1,468	174	5,227

	Fees	Salaries, allowances and benefits in kind	Performance Related bonuses	Share-based payments	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2023						
Directors:						
Mr. Liu Baoliang	—	709	56	6	46	817
Mr. Qian Shun	—	863	51	702	46	1,662
Mrs. Yu Bingbing	—	642	133	760	33	1,568
Mr. Sang Feng	—	—	—	—	—	—
Mr. Lin Enfeng	—	—	—	—	—	—
Mr. Liu Changjiang	—	—	—	—	—	—
Mr. Yin Yanfeng	—	—	—	—	—	—
Mr. He Shiying	—	—	—	—	—	—
Subtotal	—	2,214	240	1,468	125	4,047
Chief executive:						
Mr. Xu Xiaolin	—	710	81	—	46	837
Total	—	2,924	321	1,468	171	4,884

	Fees	Salaries, allowances and benefits in kind	Performance Related bonuses	Share-based payments	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024						
Directors:						
Mr. Liu Baoliang	—	640	278	6	45	969
Mr. Qian Shun	—	781	219	702	45	1,747
Mrs. Yu Bingbing	—	571	719	760	33	2,083
Mr. Sang Feng	—	—	—	—	—	—
Mr. Lin Enfeng	—	—	—	—	—	—
Mr. Liu Changjiang	—	—	—	—	—	—
Mr. Yin Yanfeng	—	—	—	—	—	—
Mr. He Shiying	—	—	—	—	—	—
Subtotal	—	1,992	1,216	1,468	123	4,799
Chief executive:						
Mr. Xu Xiaolin	—	577	422	—	45	1,044
Total	—	2,569	1,638	1,468	168	5,843

	Fees	Salaries, allowances and benefits in kind	Performance Related bonuses	Share-based payments	Pension scheme contributions and social welfare	Total remuneration
	RMB'000 (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)
Ten months ended 31 October 2024						
Directors:						
Mr. Liu Baoliang	—	535	232	5	38	810
Mr. Qian Shun	—	653	183	585	38	1,459
Mrs. Yu Bingbing	—	477	599	633	27	1,736
Mr. Sang Feng	—	—	—	—	—	—
Mr. Lin Enfeng	—	—	—	—	—	—
Mr. Liu Changjiang	—	—	—	—	—	—
Mr. Yin Yanfeng	—	—	—	—	—	—
Mr. He Shiying	—	—	—	—	—	—
Subtotal	—	1,665	1,014	1,223	103	4,005
Chief executive:						
Mr. Xu Xiaolin	—	485	352	—	38	875
Total	—	2,150	1,365	1,223	141	4,880

	Fees	Salaries, allowances and benefits in kind	Performance Related bonuses	Share-based payments	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Ten months ended 31 October 2025						
Directors:						
Mr. Liu Baoliang	—	608	—	5	38	651
Mr. Qian Shun	—	760	—	585	38	1,383
Mrs. Yu Bingbing	—	679	469	633	28	1,809
Mr. Sang Feng	—	—	—	—	—	—
Mr. Lin Enfeng	—	—	—	—	—	—
Mr. Liu Changjiang	—	—	—	—	—	—
Mr. Yin Yanfeng	—	—	—	—	—	—
Mr. He Shiying	—	—	—	—	—	—
Mr. Chen Binglin	—	—	—	—	—	—
Mr. Liu Hongcan	—	—	—	—	—	—
Ms. Liu Liping	—	—	—	—	—	—
Mr. Dai Xueguang	—	—	—	—	—	—
Subtotal	—	2,047	469	1,223	104	3,843
Chief executive:						
Mr. Xu Xiaolin	—	647	—	—	38	685
Total	—	2,694	469	1,223	142	4,528

Mr. Xu Xiaolin was appointed as the chief executive on 10 May 2016.

Mr. Liu Baoliang was appointed as a director on 11 January 2018.

Mr. Qian Shun was appointed as a director on 10 May 2021.

Mrs. Yu Bingbing was appointed as a director on 29 December 2021.

Mr. He Shiying was appointed as a director on 10 May 2021 and resigned from the position of a director with effect from 30 May 2025.

Mr. Lin Enfeng was appointed as a director on 11 January 2018.

Mr. Sang Feng was appointed as a director on 29 December 2021 and resigned from the position of a director with effect from 30 May 2025.

Mr. Liu Changjiang was appointed as a director on 11 January 2018 and resigned from the position of a director with effect from 30 May 2025.

Mr. Yin Yanfeng was appointed as a director on 18 January 2021 and resigned from the position of a director with effect from 30 May 2025.

Mr. Chen Binglin was appointed as a director on 30 May 2025.

Mr. Liu Hongcan was appointed as a director on 30 May 2025.

Ms. Liu Liping was appointed as a director on 30 May 2025.

Mr. Dai Xueguang was appointed as a director on 30 May 2025.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended 31 December 2022, 2023, 2024 and the ten months ended 31 October 2024 and 2025 included 2 directors, details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining 3 highest paid employees who are neither a director nor chief executive of the Company during the Relevant Periods and in the period covered by the Interim Comparative Financial Information are as follows:

	Year ended 31 December			Ten months ended 31 October	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Salaries, allowances and benefits in kind	2,466	2,050	1,991	1,660	2,470
Performance related bonuses	256	175	553	461	—
Share-based payments	1,145	1,341	1,341	1,117	721
Pension scheme contributions and social welfare	141	251	258	215	197
Total	4,008	3,817	4,143	3,453	3,388

The numbers of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands are as follows:

	Number of employees				
	Year ended 31 December			Ten months ended 31 October	
	2022	2023	2024	2024	2025
				(unaudited)	
HK$1,000,001 to HK$1,500,000	1	3	1	3	3
HK$1,500,001 to HK$2,000,000	2	—	2	—	—
Total	3	3	3	3	3

During the Relevant Periods and in the period covered by the Interim Comparative Financial Information, restricted shares were granted to a non-director and non-chief executive highest paid employee in respect of his services to the Group, further details of which are included in the disclosures in note 29 to the Historical Financial Information. The fair value of such restricted shares, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amounts included in the Historical Financial Information for the Relevant Periods are included in the above non-director 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/jurisdictions in which members of the Group are domiciled and/or operate.

Chinese mainland

The subsidiaries established in Chinese mainland are subject to tax at the statutory rate of 25% on the taxable profits determined in accordance with the PRC Corporate Income Tax Law which became effective on 1 January 2008, except for these subject to tax preferential set out below:

Shanghai FourSemi Semiconductor Co., Ltd. obtained its "High and New Technology Enterprise" qualification on 14 December 2022. The Company is currently in the process of renewing its "High and New Technology Enterprise" qualification. Based on management's assessment, the Company meets the qualifying criteria, so it was entitled to the preferential tax rate of 15% during the Relevant Periods.

Certain subsidiary met the criteria as small-scaled and minimal profit enterprise with its annual taxable income less than RMB3,000,000, its actual income amount subject to tax was calculated at 25% of its annual taxable income. The aforesaid calculated taxable income of this subsidiary was entitled to a reduced corporate income tax rate of 20% for the period from 1 January 2022 and expiring on 31 December 2027.

Hong Kong

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 8.25% for taxable income not exceeding HKD2,000,000, and 16.5% for taxable income exceeding HK$2,000,000 on any estimated assessable profits arising in Hong Kong during the Relevant Periods and in the period covered by the Interim Comparative Financial Information. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Year ended 31 December			Ten months ended 31 October	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Current income tax	3	—	—	—	—
Deferred tax expense *(note 16)*	—	—	—	—	—
Total tax expense for the year/period	3	—	—	—	—

A reconciliation of the tax expense applicable to loss before tax at the statutory rates for the jurisdiction in which the Company and its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate, is as follows:

	Year ended 31 December			Ten months ended 31 October	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Loss before tax	(65,899)	(94,130)	(56,844)	(46,876)	(51,776)
Tax at the statutory tax rates of each entities' jurisdictions	(16,158)	(23,426)	(13,858)	(11,601)	(12,662)
Effect of preferential tax rates	6,040	9,246	5,899	5,077	5,455
Expenses not deductible for tax *(a)*	1,918	2,105	1,935	1,617	1,636
Additional deductible allowance for qualified research and development costs *(b)*	(4,958)	(7,600)	(8,617)	(6,954)	(7,107)
Deductible temporary differences not recognised	2,261	497	680	307	115
Deductible temporary differences utilised from previous years	(26)	(840)	(455)	(359)	(459)
Tax losses not recognised	10,926	20,018	14,416	11,913	13,022
Tax expense at the Group's effective tax rate	3	—	—	—	—

(a) Tax effect of non-deductible expenses mainly represent the changes in the carrying amounts of redemption liabilities, share-based payments expenses and certain other costs and expenses, which all are not deductible in accordance with relevant tax regulations in the PRC.

(b) Additional deductible allowance was for qualified research and development costs. According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities are entitled to claim 175% of their research and development costs so incurred as tax deductible expenses when determining their assessable profits for the year ended 31 December 2021 and the nine months ended 30 September 2022. According to the relevant laws and regulations, for the period from 1 October 2022, the aforementioned deduction rate increased to 200%.

11. DIVIDENDS

No dividends have been paid or declared by the Company during the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The basic loss per share is calculated by dividing the loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the Relevant Periods and in the period covered by the Interim Comparative Financial Information. The weighted average number of ordinary shares in issue was determined assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio of 1:3.83 as upon the Company's transformation into a joint-stock company on 12 June 2025.

	Year ended 31 December			Ten months ended 31 October	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Loss					
Loss for the year/period attributable to ordinary equity shareholders of the Company	(65,902)	(94,130)	(56,844)	(46,876)	(51,776)
Shares					
Issued ordinary shares at 1 January	77,970,039	100,000,000	100,000,000	100,000,000	100,000,000
Effect of ordinary shares of contribution from shareholders	8,706,084	—	—	—	—
Weighted average number of ordinary shares	86,676,123	100,000,000	100,000,000	100,000,000	100,000,000
Loss per share					
Basic and diluted *(RMB)*	(0.76)	(0.94)	(0.57)	(0.47)	(0.52)

No adjustment has been made to the basic loss per share amounts presented for the Relevant Periods and in the period covered by the Interim Comparative Financial Information as the impact of the potential ordinary shares had an anti-dilutive effect on the basic loss per share amounts presented.

For the details of pre-IPO investments, please refer to Note 28 to the Historical Financial Information.

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Machinery	Office equipment and electronic devices	Leasehold improvements	Vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2022						
At 1 January 2022:						
Cost	7,725	467	897	551	—	9,640
Accumulated depreciation	(851)	(148)	(308)	(22)	—	(1,329)
Net carrying amount	6,874	319	589	529	—	8,311
At 1 January 2022, net of accumulated depreciation	6,874	319	589	529	—	8,311
Additions	—	257	—	—	15,069	15,326
Transfer	13,383	—	212	—	(13,595)	—
Depreciation provided during the year	(2,987)	(162)	(369)	(131)	—	(3,649)
At 31 December 2022, net of accumulated depreciation	17,270	414	432	398	1,474	19,988
At 31 December 2022:						
Cost	21,108	724	1,023	551	1,474	24,880
Accumulated depreciation	(3,838)	(310)	(591)	(153)	—	(4,892)
Net carrying amount	17,270	414	432	398	1,474	19,988

	Machinery	Office equipment and electronic devices	Leasehold improvements	Vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023						
At 1 January 2023:						
Cost	21,108	724	1,023	551	1,474	24,880
Accumulated depreciation	(3,838)	(310)	(591)	(153)	—	(4,892)
Net carrying amount	17,270	414	432	398	1,474	19,988
At 1 January 2023, net of accumulated depreciation	17,270	414	432	398	1,474	19,988
Additions	—	368	—	—	3,126	3,494
Transfer	4,144	—	456	—	(4,600)	—
Depreciation provided during the year	(4,179)	(254)	(437)	(130)	—	(5,000)
At 31 December 2023, net of accumulated depreciation	17,235	528	451	268	—	18,482
At 31 December 2023:						
Cost	25,252	1,092	864	551	—	27,759
Accumulated depreciation	(8,017)	(564)	(413)	(283)	—	(9,277)
Net carrying amount	17,235	528	451	268	—	18,482

	Machinery	Office equipment and electronic devices	Leasehold improvements	Vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024						
At 1 January 2024:						
Cost	25,252	1,092	864	551	—	27,759
Accumulated depreciation	(8,017)	(564)	(413)	(283)	—	(9,277)
Net carrying amount	17,235	528	451	268	—	18,482
At 1 January 2024, net of accumulated depreciation	17,235	528	451	268	—	18,482
Additions	—	34	—	—	1,921	1,955
Transfer	1,757	—	74	—	(1,831)	—
Depreciation provided during the year	(4,979)	(264)	(296)	(130)	—	(5,669)
At 31 December 2024, net of accumulated depreciation	14,013	298	229	138	90	14,768
At 31 December 2024:						
Cost	27,009	1,126	938	551	90	29,714
Accumulated depreciation	(12,996)	(828)	(709)	(413)	—	(14,946)
Net carrying amount	14,013	298	229	138	90	14,768

	Machinery	Office equipment and electronic devices	Leasehold improvements	Vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 October 2025						
At 1 January 2025:						
Cost	27,009	1,126	938	551	90	29,714
Accumulated depreciation	(12,996)	(828)	(709)	(413)	—	(14,946)
Net carrying amount	14,013	298	229	138	90	14,768
At 1 January 2025, net of accumulated depreciation	14,013	298	229	138	90	14,768
Additions	—	96	—	—	607	703
Transfer	577	—	—	—	(577)	—
Depreciation provided during the period	(4,241)	(166)	(166)	(109)	—	(4,682)
At 31 October 2025, net of accumulated depreciation	10,349	228	63	29	120	10,789
At 31 October 2025:						
Cost	27,586	1,222	938	551	120	30,417
Accumulated depreciation	(17,237)	(994)	(875)	(522)	—	(19,628)
Net carrying amount	10,349	228	63	29	120	10,789

The Company

	Machinery	Office equipment and electronic devices	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2022					
At 1 January 2022:					
Cost	7,506	467	282	—	8,255
Accumulated depreciation	(646)	(148)	(39)	—	(833)
Net carrying amount	6,860	319	243	—	7,422
At 1 January 2022, net of accumulated depreciation	6,860	319	243	—	7,422
Additions	—	257	—	15,069	15,326
Transfer	13,383	—	212	(13,595)	—
Depreciation provided during the year	(2,984)	(162)	(164)	—	(3,310)
At 31 December 2022, net of accumulated depreciation	17,259	414	291	1,474	19,438
At 31 December 2022:					
Cost	20,889	724	408	1,474	23,495
Accumulated depreciation	(3,630)	(310)	(117)	—	(4,057)
Net carrying amount	17,259	414	291	1,474	19,438

	Machinery	Office equipment and electronic devices	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023					
At 1 January 2023:					
Cost	20,889	724	408	1,474	23,495
Accumulated depreciation	(3,630)	(310)	(117)	—	(4,057)
Net carrying amount	17,259	414	291	1,474	19,438
At 1 January 2023, net of accumulated depreciation	17,259	414	291	1,474	19,438
Additions	—	368	—	3,126	3,494
Transfer	4,144	—	456	(4,600)	—
Depreciation provided during the year	(4,178)	(254)	(296)	—	(4,728)
At 31 December 2023, net of accumulated depreciation	17,225	528	451	—	18,204
At 31 December 2023:					
Cost	25,033	1,092	864	—	26,989
Accumulated depreciation	(7,808)	(564)	(413)	—	(8,785)
Net carrying amount	17,225	528	451	—	18,204

	Machinery	Office equipment and electronic devices	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024					
At 1 January 2024:					
Cost	25,033	1,092	864	—	26,989
Accumulated depreciation	(7,808)	(564)	(413)	—	(8,785)
Net carrying amount	17,225	528	451	—	18,204
At 1 January 2024, net of accumulated depreciation	17,225	528	451	—	18,204
Additions	—	34	—	1,921	1,955
Transfer	1,757	—	74	(1,831)	—
Depreciation provided during the year	(4,979)	(264)	(296)	—	(5,539)
At 31 December 2024, net of accumulated depreciation	14,003	298	229	90	14,620
At 31 December 2024:					
Cost	26,790	1,126	938	90	28,944
Accumulated depreciation	(12,787)	(828)	(709)	—	(14,324)
Net carrying amount	14,003	298	229	90	14,620

	Machinery	Office equipment and electronic devices	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 October 2025					
At 1 January 2025:					
Cost	26,790	1,126	938	90	28,944
Accumulated depreciation	(12,787)	(828)	(709)	—	(14,324)
Net carrying amount	14,003	298	229	90	14,620
At 1 January 2025, net of accumulated depreciation	14,003	298	229	90	14,620
Additions	—	96	—	607	703
Transfer	577	—	—	(577)	—
Depreciation provided during the period	(4,241)	(166)	(166)	—	(4,573)
At 31 October 2025, net of accumulated depreciation	10,339	228	63	120	10,750
At 31 October 2025:					
Cost	27,367	1,222	938	120	29,647
Accumulated depreciation	(17,028)	(994)	(875)	—	(18,897)
Net carrying amount	10,339	228	63	120	10,750

14. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings used in its operations. Leases of buildings generally have lease terms between 3 and 6 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. Other rental agreements generally have lease terms of 12 months or less or are individually of low value.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

The Group

	Buildings
	RMB'000
As at 1 January 2022	5,993
Additions	187
Depreciation charge	(2,514)
As at 31 December 2022 and 1 January 2023	3,666
Additions	5,314
Depreciation charge	(2,779)
As at 31 December 2023 and 1 January 2024	6,201
Additions	188
Depreciation charge	(2,741)
As at 31 December 2024 and 1 January 2025	3,648
Depreciation charge	(2,195)
As at 31 October 2025	1,453

The Company

	Buildings
	RMB'000
As at 1 January 2022	3,444
Additions	187
Depreciation charge	(1,157)
As at 31 December 2022 and 1 January 2023	2,474
Additions	5,314
Depreciation charge	(1,923)
As at 31 December 2023 and 1 January 2024	5,865
Additions	188
Depreciation charge	(2,503)
Decrease arising from lease term termination	(552)
As at 31 December 2024 and 1 January 2025	2,998
Depreciation charge	(1,830)
As at 31 October 2025	1,168

(b) Lease liabilities

The carrying amounts of lease liabilities (not included those under interest-bearing bank borrowings) and the movements during the Relevant Periods are as follows:

The Group

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year/period	6,195	4,307	6,322	3,530
New leases	187	5,314	188	—
Accretion of interest recognised during the year/period	209	203	187	73
Payments	(2,284)	(3,502)	(3,167)	(2,292)
Carrying amount at the end of the year/period	4,307	6,322	3,530	1,311
Analysed into:				
Current portion	2,331	2,890	2,559	1,251
Non-current portion	1,976	3,432	971	60

The Company

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year/period	3,567	3,129	5,956	2,816
New leases	187	5,314	188	—
Accretion of interest recognised during the year/period	135	179	164	54
Decrease arising from lease term termination	—	—	(604)	—
Payments	(760)	(2,666)	(2,888)	(1,886)
Carrying amount at the end of the year/period	3,129	5,956	2,816	984
Analysed into:				
Current portion	1,513	2,794	2,094	984
Non-current portion	1,616	3,162	722	—

The maturity analysis of lease liabilities is disclosed in note 37 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

The Group

	Year ended 31 December			Ten months ended 31 October	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest on lease liabilities	209	203	187	163	73
Depreciation charge of right-of-use assets	2,514	2,779	2,741	2,287	2,195
Expenses relating to short-term leases and low-value assets	123	406	149	130	202
Total amount recognised in profit or loss	2,846	3,388	3,077	2,580	2,470

The Company

	Year ended 31 December			Ten months ended 31 October	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest on lease liabilities	135	179	164	145	54
Depreciation charge of right-of-use assets	1,157	1,923	2,503	2,120	1,830
Expenses relating to short-term leases and low-value assets	100	196	88	73	193
Gain on a lease term termination	—	—	(52)	—	—
Total amount recognised in profit or loss	1,392	2,298	2,703	2,338	2,077

15. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investments in subsidiaries	509	1,598	5,176	11,573

The Company's outstanding balances with the subsidiaries are disclosed in note 34 to the Historical Financial Information.

16. DEFERRED TAX

The Group

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

Deferred tax assets

	Losses available for offsetting against future taxable profits	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2022	—	1,112	1,112
Deferred tax credited/(charged) to profit or loss during the year	9	(489)	(480)
Gross deferred tax assets at 31 December 2022	9	623	632
Deferred tax credited/(charged) to profit or loss during the year	(9)	312	303
Gross deferred tax assets at 31 December 2023	—	935	935
Deferred tax credited/(charged) to profit or loss during the year	29	(452)	(423)
Gross deferred tax assets at 31 December 2024	29	483	512
Deferred tax charged to profit or loss during the period	(5)	(299)	(304)
Gross deferred tax assets at 31 October 2025	24	184	208

Deferred tax liabilities

	Right-of-use assets
	RMB'000
At 1 January 2022	1,112
Deferred tax credited to profit or loss during the year	(480)
Gross deferred tax liabilities at 31 December 2022	632
Deferred tax charged to profit or loss during the year	303
Gross deferred tax liabilities at 31 December 2023	935
Deferred tax credited to profit or loss during the year	(423)
Gross deferred tax liabilities at 31 December 2024	512
Deferred tax credited to profit or loss during the period	(304)
Gross deferred tax liabilities at 31 October 2025	208

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:

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*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:

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Tax losses	218,172	351,149	450,376	540,404
Deductible temporary differences	18,707	16,434	17,843	15,462
Total	236,879	367,583	468,219	555,866

The Group had accumulated tax losses arising in Chinese mainland of RMB190,734,000, RMB322,060,000, RMB418,221,000 and RMB506,111,000 as at 31 December 2022, 2023, 2024 and 31 October 2025, respectively, that would expire in one to ten years for offsetting against future taxable profits. The Group had accumulated tax losses in Hong Kong of RMB27,438,000, RMB29,089,000, RMB32,155,000 and RMB34,293,000 in aggregate as at 31 December 2022, 2023, 2024 and 31 October 2025, respectively, which can be carried forward indefinitely to offset against future taxable profits of the entity in which the losses were incurred. Deferred tax assets have not been recognised with respect to tax losses and deductible temporary differences for the Company and certain subsidiaries as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

17. INVENTORIES

The Group

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	19,701	14,631	19,726	40,352
Work in progress	6,908	33,528	65,846	64,297
Finished goods	51,564	27,335	34,241	32,135
	78,173	75,494	119,813	136,784
Less: Provision for inventories	(13,030)	(9,977)	(7,892)	(7,230)
Total	65,143	65,517	111,921	129,554

As at 31 December 2022, 2023, 2024 and 31 October 2025, inventories were stated at the lower of cost and net realisable value.

The movements in provision

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year/period	3,372	13,030	9,977	7,892
Impairment losses recognised, net	12,018	7,837	2,632	1,585
Amounts written off	(2,360)	(10,890)	(4,717)	(2,247)
Carrying amount at the end of the year/period	13,030	9,977	7,892	7,230

The Company

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	17,021	11,783	17,753	35,717
Work in progress	5,592	30,681	64,620	60,471
Finished goods	28,505	13,469	20,377	26,961
	51,118	55,933	102,750	123,149
Less: Provision for inventories	(9,562)	(7,996)	(6,784)	(4,424)
Total	41,556	47,937	95,966	118,725

As at 31 December 2022, 2023, 2024 and 31 October 2025, inventories were stated at the lower of cost and net realisable value.

The movements in provision

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year/period	2,328	9,562	7,996	6,784
Impairment/(reversal of impairment) losses, net	8,359	5,016	2,658	(549)
Amounts written off	(1,125)	(6,582)	(3,870)	(1,811)
Carrying amount at the end of the year/period	9,562	7,996	6,784	4,424

18. TRADE RECEIVABLES

The Group

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	14,296	30,765	42,325	48,280
Less: Impairment losses	(143)	(308)	(424)	(483)
Net carrying amount	14,153	30,457	41,901	47,797

The Group provides credit terms to certain customers with satisfied creditworthiness and long-term relationship. The credit period is generally around 30 to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. As at 31 December 2022, 2023, 2024 and 31 October 2025, the Group had certain concentrations of credit risk as 46%, 37%, 52%, 61% and 100%, 100%, 100%, 98% of the Group's trade receivables were due from the Group's largest debtor and five largest debtors, respectively. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing. As with other customers, the Group normally demands payment in advance.

An ageing analysis of the Group's trade receivables, based on the past due information and net of loss allowance, as at the end of each of the Relevant Periods is as follows:

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 3 months	12,521	30,457	41,901	47,607
3 to 6 months	1,632	—	—	190
Total	14,153	30,457	41,901	47,797

The movements in the impairment of trade receivables are as follows:

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	18	143	308	424
Impairment losses on financial assets, net	125	165	116	59
At end of year/period	143	308	424	483

The Group applies the simplified approach in calculating ECLs for trade receivables. Trade receivables relating to customers not sharing similar credit risk with others are assessed individually for impairment allowance, for instance, customers with known financial difficulties or significant doubt on collection. 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 ageing

analysis for grouping of customers that have similar loss patterns. The calculation reflects the age of the balances, existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and influence from macro economy.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Within 3 months	3 to 6 months	Total
As at 31 December 2022			
On a collective basis:			
Expected credit loss rate	1%	1%	1%
Gross carrying amount *(RMB'000)*	12,648	1,648	14,296
Expected credit losses *(RMB'000)*	127	16	143

	Within 3 months	3 to 6 months	Total
As at 31 December 2023			
On a collective basis:			
Expected credit loss rate	1%	—	1%
Gross carrying amount *(RMB'000)*	30,765	—	30,765
Expected credit losses *(RMB'000)*	308	—	308

	Within 3 months	3 to 6 months	Total
As at 31 December 2024			
On collective basis:			
Expected credit loss rate	1%	—	1%
Gross carrying amount *(RMB'000)*	42,325	—	42,325
Expected credit losses *(RMB'000)*	424	—	424

	Within 3 months	3 to 6 months	Total
As at 31 October 2025			
On collective basis:			
Expected credit loss rate	1%	1%	1%
Gross carrying amount *(RMB'000)*	48,088	192	48,280
Expected credit losses *(RMB'000)*	481	2	483

The Company

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	2,947	14,070	23,489	20,357
Less: Impairment losses	(29)	(141)	(235)	(204)
Total	2,918	13,929	23,254	20,153

An ageing analysis of the Company's trade receivables, based on the past due information and net of loss allowance, as at the end of each of the Relevant Periods is as follows:

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 3 months	1,286	13,929	23,254	19,963
3 to 6 months	1,632	—	—	190
Total	2,918	13,929	23,254	20,153

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	—	29	141	235
Impairment/(reversal of impairment) losses, net	29	112	94	(31)
At end of year/period	29	141	235	204

Set out below is the information about the Interest rate risk exposure on the Company's trade receivables using a provision matrix:

	Within 3 months	3 to 6 months	Total
As at 31 December 2022			
On a collective basis:			
Expected credit loss rate	1%	1%	1%
Gross carrying amount *(RMB'000)*	1,299	1,648	2,947
Expected credit losses *(RMB'000)*	13	16	29
As at 31 December 2023			
On a collective basis:			
Expected credit loss rate	1%	—	1%
Gross carrying amount *(RMB'000)*	14,070	—	14,070
Expected credit losses *(RMB'000)*	141	—	141
As at 31 December 2024			
On a collective basis:			
Expected credit loss rate	1%	—	1%
Gross carrying amount *(RMB'000)*	23,489	—	23,489
Expected credit losses *(RMB'000)*	235	—	235
As at 31 October 2025			
On a collective basis:			
Expected credit loss rate	1%	1%	1%
Gross carrying amount *(RMB'000)*	20,165	192	20,357
Expected credit losses *(RMB'000)*	202	2	204

19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current:				
Prepayments to suppliers	9,329	12,440	7,205	8,783
Other tax recoverable	8,823	7,382	19,798	5,298
Deposits and other receivables	524	466	445	1,151
Listing expenses	—	—	—	2,097
Subtotal	18,676	20,288	27,448	17,329
Non-current:				
Rent deposits and property management fee deposits	798	829	831	139
Prepayments for long-term assets	304	—	—	—
Subtotal	1,102	829	831	139
Total	19,778	21,117	28,279	17,468

At the end of each of the Relevant Periods, the ECLs of the financial assets included in prepayments, other receivables and other assets were measured based on the 12-month expected credit loss if they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on the lifetime expected credit loss. An impairment analysis was performed at the end of each of the Relevant Periods.

The Company

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current:				
Prepayments to suppliers	9,329	12,440	7,205	7,457
Other tax recoverable	8,231	6,731	19,003	4,395
Deposits and other receivables	524	451	423	1,059
Listing expenses	—	—	—	2,097
Subtotal	18,084	19,622	26,631	15,008
Non-current:				
Rent deposits and property management fee deposits	593	700	623	10
Total	18,677	20,322	27,254	15,018

20. CASH AND CASH EQUIVALENTS, TIME DEPOSITS AND PLEDGED DEPOSITS

The Group

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	234,668	179,547	120,476	95,170
Less: Non-pledged time deposits with original maturity of over one year and will mature within one year*	—	(21,420)	(33,204)	—
Non-pledged time deposits with original maturity of more than one year**	(51,769)	(32,220)	—	—
Pledged time deposits with original maturity of more than one year and will mature within one year***	—	—	—	(21,707)
Pledged time deposits with original maturity of more than one year***	—	(20,577)	(21,197)	—
Restricted cash	—	(5)	—	—
Cash and cash equivalents	182,899	105,325	66,075	73,463

* Short-term bank deposits were deposits with original maturity over one year and will mature within one year.

** Long-term bank deposits were deposits with original maturity over one year.

*** As at 31 December 2022, 2023 and 2024 and 31 October 2025, the Group's and the Company's time deposits were pledged for interest-bearing bank borrowings amounting to nil, RMB20,577,000, RMB21,197,000 and RMB21,707,000 (note 24).

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents				
Denominated in RMB	174,420	31,796	27,616	28,184
Denominated in USD	8,478	73,528	38,458	45,279
Denominated in HKD	1	1	1	—
Total	182,899	105,325	66,075	73,463
Non-pledged time deposits, pledged deposits and restricted cash				
Denominated in RMB	51,769	74,222	54,401	21,707

The Company

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	228,260	126,758	83,252	59,589
Less: Non-pledged time deposits with original maturity of over one year and will mature within one year*	—	(21,420)	(33,204)	—
Non-pledged time deposits with original maturity of more than one year**	(51,769)	(32,220)	—	—
Pledged time deposits with original maturity of more than one year and will mature within one year***	—	—	—	(21,707)
Pledged time deposits with original maturity of more than one year***	—	(20,577)	(21,197)	—
Restricted cash	—	(5)	—	—
Cash and cash equivalents	176,491	52,536	28,851	37,882

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents				
Denominated in RMB	174,226	30,479	23,934	26,499
Denominated in USD	2,265	22,057	4,917	11,383
Total	176,491	52,536	28,851	37,882
Non-pledged time deposits, pledged deposits and restricted cash				
Denominated in RMB	51,769	74,222	54,401	21,707

21. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of Relevant Periods, based on the invoice date, is as follows:

The Group

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	11,557	15,962	34,748	26,995
1 to 2 years	—	107	641	363
2 to 3 years	—	—	73	206
3 to 4 years	—	—	—	33
Total	11,557	16,069	35,462	27,597

The trade payables are non-interest-bearing and are normally settled within 30 to 60 days upon receipt of the VAT invoice.

The Company

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	8,796	14,389	34,110	26,546
1 to 2 years	—	107	641	361
2 to 3 years	—	—	73	206
3 to 4 years	—	—	—	33
Total	8,796	14,496	34,824	27,146

22. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Accrued listing expenses	—	—	—	2,984
Payroll and welfare payable	6,345	7,951	11,202	5,743
Accrued expenses	767	445	276	38
Other tax payables	469	534	850	969
Others	241	430	376	236
Government grants subject to conditions	1,600	1,600	—	—
Total	9,422	10,960	12,704	9,970

The Company

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Accrued listing expenses	—	—	—	2,984
Payroll and welfare payable	6,345	7,233	10,237	5,450
Accrued expenses	767	445	276	38
Other tax payables	469	534	785	863
Others	239	430	293	168
Government grants subject to conditions	1,600	1,600	—	—
Total	9,420	10,242	11,591	9,503

Other payables are non-interest-bearing, unsecured and repayable on demand.

23. CONTRACT LIABILITIES

The Group

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities	2,414	4,747	7,761	2,279

The Company

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities	—	83	1,081	725

Contract liabilities include advances received from customers for delivery of power amplifier audio chips and other chip products. The increase/decrease in contract liabilities during the Relevant Periods was mainly due to the increase/decrease in short-term advances received from customers in relation to the provision of products.

The analysis of the revenue which was included in the contract liabilities balances at the beginning of the period, recognised during the Relevant Periods, relates to carried-forward contract liabilities, refer to note 5 to the Historical Financial Information.

24. INTEREST-BEARING BANK BORROWINGS

The Group and the Company

	As at 31 December 2023			As at 31 December 2024			As at 31 October 2025		
	Effective interest rate (%)	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*
Current									
Bank loans—unsecured	3.10	2024	16,661	2.60	2025	20,014	2.60–2.85	2025–2026	50,109
Bank loans—secured	2.95	2024	20,016	2.85	2025	20,016	2.60	2026	19,974
Current portion of long-term bank loans—unsecured	—	—	—	—	—	—	2.45–2.70	2026	10,457
Total current			36,677			40,030			80,540
Non-current									
Bank loans -unsecured			—	3.45	2026	19,696	2.70	2027	19,600
Total			36,677			59,726			100,140

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analysed into:				
Bank loans repayable:				
Within one year	—	36,677	40,030	80,540
In the second year	—	—	19,696	19,600
Total	—	36,677	59,726	100,140

Certain of the Group's interest-bearing bank borrowings are secured by the pledges of the Group's time deposits with carrying values at the end of the Relevant Periods of approximately nil, RMB20,577,000, RMB21,197,000 and RMB21,707,000.

25. PROVISION

The Group

	Warranties
	RMB'000
As at 1 January 2022	450
Additional provision	1,793
Amounts utilised during the year	(1,248)
As at 31 December 2022 and 1 January 2023	995
Additional provision	1,668
Reversal of unutilised amounts during the year	(450)
As at 31 December 2023 and 1 January 2024	2,213
Additional provision	2,925
Amounts utilised during the year	(166)
Reversal of unutilised amounts during the year	(512)
As at 31 December 2024 and 1 January 2025	4,460
Additional provision	1,922
Amounts utilised during the period	(1,240)
Reversal of unutilised amounts during the period	(1,168)
As at 31 October 2025	3,974

The Company

	Warranties
	RMB'000
As at 1 January 2022	81
Additional provision	1,248
Amounts utilised during the year	(1,248)
As at 31 December 2022 and 1 January 2023	81
Additional provision	269
Reversal of unutilised amounts during the year	(81)
As at 31 December 2023 and 1 January 2024	269
Additional provision	434
Amounts utilised during the year	(166)
As at 31 December 2024 and 1 January 2025	537
Additional provision	600
Amounts utilised during the period	(300)
Reversal of unutilised amounts during the period	(238)
As at 31 October 2025	599

Under the terms of the Group's sales agreements, the Group offers warranties for its products. Provision is therefore made for the best estimate of the expected settlement under these agreements in respect of sales made within the warranty periods prior to the end of each reporting period. The amount of provision takes into account the Group's recent claim experience and is only made where a warranty claim is probable.

26. REDEMPTION LIABILITIES

The Group and the Company

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Redemption liabilities	30,775	33,244	35,911	38,281

The movements of the redemption liabilities during the reporting period are set out below:

	Redemption liabilities on equity shares
	RMB'000
As at 1 January 2022	—
Grant of redemption right in financing	30,000
Changes in the carrying amounts of redemption liabilities	775
As at 31 December 2022 and 1 January 2023	30,775
Changes in the carrying amounts of redemption liabilities	2,469
As at 31 December 2023 and 1 January 2024	33,244
Changes in the carrying amounts of redemption liabilities	2,667
As at 31 December 2024 and 1 January 2025	35,911
Changes in the carrying amounts of redemption liabilities	2,370
As at 31 October 2025	38,281

A contract that contains an obligation to purchase the equity instruments for cash or another financial asset gives rise to a financial liability for the redemption amount, even if the obligation to purchase is conditional on the counterparty exercising a right to redeem. The redemption liability is initially measured at the carrying amount of the redemption amount and is subsequently measured at amortised cost, with interest expense included in the changes in the carrying amounts of financial instruments issued to the investor. The carrying amount of the redemption liabilities is reclassified to equity upon the termination of the counterparty's redemption right.

In 2022, the Company conducted financing by issuing registered capital to an investor and the investor was granted a right to put back to the Company the registered capital acquired upon occurrence of any of the following events which cannot be controlled by the Company:

(i) The Company failing to achieve a qualified Initial Public Offering (the "**Qualified IPO**") before 31 December 2025;

(ii) The Company, the controlling shareholder, core shareholders or the employee shareholding platform committing material breaches of contract, violating the representations or warranties, or breaching the covenants and obligations, resulting in material adverse impacts on the Group or the investor, and failing to effectively remedy such situations (if such violations are remediable) within 30 working days after receiving a notice from the investor;

(iii) The controlling shareholder violating the non-competition obligation stipulated in the supplementary agreement; or

(iv) Within three years from 2022, the controlling shareholder and core shareholders prior to the investment having seriously breached the principle of good faith, or that the information disclosed by the Group regarding the Group's assets, business operations, or intellectual property status being materially inconsistent with the facts, thereby significantly impairing the investment interests of the investor.

The redemption price is calculated as the higher of (i) the sum of the actual investment amount paid by the investor and the compound annual interest calculated at a rate of 8% on the investment amount from the date of investment payment until the date of full redemption payment; and (ii) the net assets of the Group, as audited by an accounting firm, at the latest accounting period end corresponding to the equity of the Group held by the investor.

According to the investment agreement and the opinion of Company's PRC legal counsel, such redemption rights will be suspended upon the Company's listing application to the Stock Exchange and will automatically revive under the following circumstances: (1) if the initial public offering ("**IPO**") application is withdrawn, becomes invalid, or is rejected; or (2) if the IPO has not been completed within 12 months after the suspension of such special rights.

The redemption rights will automatically terminate upon the successful Qualified IPO. For the details of pre-IPO investments, please refer to Note 28 to the Historical Financial Information.

27. DEFERRED INCOME

The Group and the Company

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Government grants	—	—	—	2,871

The movements in deferred income during the Relevant Periods are as follows:

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	—	—	—	—
Received during the year/period	—	—	—	3,501
Credited to profit or loss during the year/period	—	—	—	(630)
At end of year/period	—	—	—	2,871

Government grants received related to assets invested in servers and computer equipment were credited to deferred income and are recognised as income over the expected useful lives of the relevant assets.

28. PAID-IN CAPITAL/SHARE CAPITAL

The Group and the Company

Shares

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Issued and fully paid:				
Paid-in capital/Share capital	26,122	26,122	26,122	100,000

A summary of movements in the Company's paid-in capital/share capital is as follows:

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	20,368	26,122	26,122	26,122
Capital contribution from shareholders	5,754	—	—	—
Conversion into a joint stock company	—	—	—	73,878
At the end of the year/period	26,122	26,122	26,122	100,000

In August 2022, the Company issued 5,754,000 paid-in capital with a nominal value of RMB1 each to 11 investors for a cash consideration of an aggregate amount of RMB206,679,000. The total proceeds were received in 2022, with RMB5,754,000 and RMB200,925,000 credited to the Company's paid-in capital and capital reserve, respectively.

On 12 June 2025, the Company was converted into a joint stock limited company with limited liability under the Company Law of the PRC. The net assets of the Company as at the conversion date were converted into 100,000,000 shares at RMB1 each. The excess of net assets converted over nominal value of the ordinary shares of RMB was credited to the Company's capital reserves.

Prior to the Relevant Periods and until August 18, 2022, the Company entered into respective investment agreements for the subscription of Shares with various pre-IPO Investors for total net cash proceeds of approximately RMB526,500,000. Of these, as of August 18, 2022, 16,907,470 Shares issued for total net cash proceeds of approximately RMB526,400,000 (collectively the "**Pre-IPO Investments**"), carried special rights ("**Special Rights**") granted by the Company.

Pursuant to the aforementioned agreements, including the investment agreement entered among the Company, Mr. Xu and the Pre-IPO Investors (including Huzhou Zhuosheng) (the "**Pre-IPO Investors**") on August 18, 2022 (the "**Investment Agreement**") and the supplemental agreement to the Investment Agreement entered among the Company, Mr. Xu and the Pre-IPO Investors (including Huzhou Zhuosheng) on August 18, 2022 (the "**First Supplemental Agreement**"), the Pre-IPO Investors were granted Special Rights which included redemption rights, anti-dilution rights, information rights, co-sale rights, right of first refusal and liquidation preferences granted by the Company, as well as redemption rights granted by Mr. Xu.

Prior to their termination, only certain information rights and director nomination rights among the Special Rights granted by the Company had been exercised in the ordinary course for governance and information purposes. There was no exercise of any redemption or other financial Special Rights granted by the Company throughout the Relevant Periods.

On 30 April 2025, the Company and the Pre-IPO Investors except for "Huzhou Zhuosheng Equity Investment Partnership (Limited Partnership) ("**Huzhou Zhuosheng**") subsequently entered into a supplemental agreement (the "**Second Supplemental Agreement**"), pursuant to which the redemption rights granted by the Company to such Pre-IPO Investors (excluding Huzhou Zhuosheng) were irrevocably terminated and became void ab initio. Subsequently, on June 27, 2025, the Company, Mr. Xu and the Pre-IPO Investors (excluding Huzhou Zhuosheng) entered into a further supplemental agreement (the "**Third Supplemental Agreement**"), pursuant to which (i) all other remaining Special Rights granted by the Company to such Pre-IPO Investors (including pre-emptive rights, anti-dilution rights, liquidation preferences and other rights as listed above) were terminated, effective on the date immediately preceding the Listing, and (ii) the redemption rights granted by Mr. Xu to such Pre-IPO Investors were terminated, effective on the date preceding the first submission of the listing application. Taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplemental agreements, the directors considered that it is appropriate to present the Pre-IPO Investments except for Huzhou Zhuosheng as equity.

For the details of redemption liabilities recognised related to Huzhou Zhuosheng, please refer to Note 26 to the Historical Financial Information.

Had the Special Rights granted by the Company to the Pre-IPO Investors been accounted for as financial liabilities measured at present value of the redemption amount prior to entering into the supplemental agreements, (i) the redemption financial liabilities, total current liabilities, net current liabilities and net liabilities would have been:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Redemption financial liabilities	697,684	811,676	876,794
Total current liabilities	724,403	885,232	979,770
Net current liabilities	(443,532)	(642,220)	(699,221)
Net liabilities	(368,570)	(566,978)	(679,010)

(ii) the changes in the carrying amounts of redemption liabilities, the net loss for the year, basic and dilutive loss per share would have been:

	For the year ended 31 December			For the ten months ended 31 October	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Changes in the carrying amounts of redemption liabilities	(44,575)	(59,220)	(65,118)	(53,914)	(34,537)
Total net loss	(109,702)	(150,881)	(119,295)	(98,582)	(83,943)
Loss per share					
Basic and diluted *(RMB)*	(1.27)	(1.51)	(1.19)	(0.99)	(0.84)

29. SHARE-BASED PAYMENTS

In recognition of the contributions of the Group's key employees and to incentivize them to further promote the Group's development, the Group awards the partnership interest in the employee shareholding platforms to the employees and adopts the employee stock ownership plan.

On 10 January 2022 and 28 February 2022, pursuant to the employee stock ownership plan, 19,032 shares and 5,947 shares of the Company were granted to eligible participants through the employee shareholding platforms, respectively, in the form of restricted shares. The grant date fair values of these shares were determined by an external valuer taking into the recent capital injection price from series C+ investors in August 2021 using the back-solve method and adopting the equity allocation model. The difference between the fair value of the shares granted and the subscription price was recorded in the share-based payment reserve within equity with the corresponding "share-based payment expenses" in profit or loss.

Shares granted during the Relevant Periods needs to meet service requirements from the date of grant to the later of (1) four years or five years since the grant date (the "**Service Period**") and (2) the date of successful IPO of the Company (the "**Lock-up Period**"). After taking into consideration of the best estimation of the IPO, the management determined the vesting period of the relevant shares based on the above service requirements. As such, the share-based payment expenses are amortised during the vesting period.

Movements in the number of equity interest shares granted and the respective weighted average grant date fair values were as follows:

	Year ended 31 December						Ten months ended 31 October	
	2022		2023		2024		2025	
	Weighted average grant date fair value	Number of shares	Weighted average grant date fair value	Number of shares	Weighted average grant date fair value	Number of shares	Weighted average grant date fair value	Number of shares
	RMB per share		*RMB per share*		*RMB per share*		*RMB per share*	
At the beginning of the year/period	23.47	5,791,428	23.57	5,761,565	23.53	5,738,727	23.39	5,656,652
Granted	36.28	24,979	—	—	—	—	—	—
Forfeited	19.59	(54,842)	31.79	(22,838)	33.61	(82,075)	26.71	(22,600)
At the end of the year/period	23.57	5,761,565	23.53	5,738,727	23.39	5,656,652	23.37	5,634,052

Share-based payment expenses relating to employees recognised for the Relevant Periods and in the period covered by the Interim Comparative Financial Information are as follows:

	Year ended 31 December			Ten months ended 31 October	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Administrative expenses	1,974	1,974	1,974	1,645	1,239
Research and development costs	4,277	4,291	4,321	3,601	3,674
Selling and marketing expenses	1,573	1,578	1,548	1,290	1,166
Total	7,824	7,843	7,843	6,536	6,079

30. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity of the Historical Financial Information.

(i) Capital reserve

The capital reserve consists of premiums in issuing capitals and the amounts in relation to the recognition of the redemption liabilities as set out in note 26 to the Historical Financial Information.

(ii) Exchange fluctuation reserve

The exchange fluctuation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.

(iii) Share-based payment reserve

The share-based payment reserve represents the equity-settled share awards as set out in note 29 to the Historical Financial Information.

The Company

	Capital reserve	Share-base payment reserve	Accumulated deficits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022	320,632	127,539	(260,353)	187,818
Total comprehensive income for the year	—	—	(57,711)	(57,711)
Contribution from shareholders	200,925	—	—	200,925
Recognition of redemption liabilities *(note 26)*	(30,000)	—	—	(30,000)
Share-based payments	—	7,824	—	7,824
As at 31 December 2022 and 1 January 2023	491,557	135,363	(318,064)	308,856
Total comprehensive income for the year	—	—	(92,626)	(92,626)
Share-based payments	—	7,843	—	7,843
As at 31 December 2023 and 1 January 2024	491,557	143,206	(410,690)	224,073
Total comprehensive income for the year	—	—	(46,697)	(46,697)
Share-based payments	—	7,843	—	7,843

	Capital reserve	Share-base payment reserve	Accumulated deficits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024 and 1 January 2025	491,557	151,049	(457,387)	185,219
Total comprehensive income for the period	—	—	(42,234)	(42,234)
Share-based payments	—	6,079	—	6,079
Conversion into a joint stock company	(411,418)	(122,247)	459,787	(73,878)
As at 31 October 2025	80,139	34,881	(39,834)	75,186

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2022, 2023, 2024, and ten months ended 31 October 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB187,000, RMB5,314,000, RMB188,000 and nil, respectively, in respect of lease arrangements for buildings.

(b) Changes in liabilities arising from financing activities

	Interest- bearing bank borrowings	Lease liabilities	Redemption liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	—	6,195	—	6,195
Changes from financing cash flows	—	(2,284)	30,000	27,716
New leases	—	187	—	187
Interest expense	—	209	—	209
Changes in the carrying amounts of redemption liabilities	—	—	775	775
At 31 December 2022	—	4,307	30,775	35,082
Changes from financing cash flows	36,058	(3,502)	—	32,556
New leases	—	5,314	—	5,314
Interest expense	619	203	—	822
Changes in the carrying amounts of redemption liabilities	—	—	2,469	2,469
At 31 December 2023	36,677	6,322	33,244	76,243
Changes from financing cash flows	21,843	(3,167)	—	18,676
New leases	—	188	—	188
Interest expense	1,206	187	—	1,393
Changes in the carrying amounts of redemption liabilities	—	—	2,667	2,667
At 31 December 2024	59,726	3,530	35,911	99,167
Changes from financing cash flows	38,332	(2,292)	—	36,040
Interest expense	2,082	73	—	2,155
Changes in the carrying amounts of redemption liabilities	—	—	2,370	2,370
At 31 October 2025	100,140	1,311	38,281	139,732

(c) Total cash outflow for leases

The total cash outflow for leases included in the statements of cash flows is as follows:

	As at 31 December			As at 31 October	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Within operating activities	123	406	149	130	202
Within financing activities	2,284	3,502	3,167	2,646	2,292
Total	2,407	3,908	3,316	2,776	2,494

32. CONTINGENT LIABILITIES

During the relevant periods, the Company had been a defendant in a patent dispute lawsuit filed by a party alleging that the Company infringed its invention patent in Chinese mainland. This lawsuit is still ongoing and has not yet been scheduled for court. The Company had obtained an appraisal report issued by an authoritative judicial appraisal center. The report concludes that the technical features of implicated products are neither identical nor equivalent to those covered by the plaintiff's patent. The Company's PRC litigation advisor is of the view that there are reasonable grounds to believe the court would dismiss the claims on the basis that the said chip products should not fall under the protection of such invention patent. The directors, based on the advice from Company's PRC litigation advisor, believe that the Company has a valid defense against the allegation and, accordingly, the Group has not provided for any claim arising from the litigation, other than the related legal and other costs.

33. COMMITMENTS

The Group had the following capital commitments at the end of the Relevant Periods:

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contracted, but not provided for:				
Properties, plant and equipment	189	1,456	—	—

34. RELATED PARTY TRANSACTIONS

The directors are of the opinion that the following parties are related parties that had material transactions or balances with the Group during the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

(a) Names of related parties and their relationship with the Group

Name	Relationship with the Group
Mr. Xu Xiaolin ("**Mr. Xu**")	Founder, chairman of the board and director
Mr. Liu Baoliang	Co-founder and director

(b) Transactions with related parties:

	As at 31 December			As at 31 October	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Loans repaid by directors	2,646	—	—	—	—
Interest income from directors	9	—	—	—	—

The Group and the Company

The Company granted loans to the directors, with interest rates set at 4.85% and 4.75% respectively. As of 31 December 2022, the directors had fully repaid the principal amounts and the accrued interest.

Redemption rights of the Pre-IPO Investors granted by Mr. Xu

Pursuant to the investment agreement entered into on 18 August 2022, the Pre-IPO Investors had been granted the redemption rights by the Company and/or Mr. Xu. According to the supplemental agreements entered into on 27 June 2025 by the Company and the Pre-IPO Investors (excluding "**Huzhou Zhuosheng**"). Mr. Xu has been designated as the sole obligor for the redemption rights, and the Company is no longer a party to the redemption rights. The relevant redemption liabilities shall automatically terminate one day prior to the Company's submission of its initial public offering application to the Hong Kong Stock Exchange (the "**Listing Application**"). However, the provisions relating to the redemption liabilities shall automatically resume effectiveness, and shall have retroactive effect from the earliest of the following events:

(1) the Company voluntarily withdraws the Listing Application;

(2) the Listing Application is rejected or returned by the Hong Kong Stock Exchange;

(3) the Listing Application fails to be approved at the hearing by the Hong Kong Stock Exchange; or

(4) the earlier of the 18-month of the date of signing this agreement and the completion of the Listing Application.

There were no side agreements or arrangements between the Company and Mr. Xu regarding the redemption rights of the Pre-IPO Investors, nor had the Company provided any form of guarantee in connection with any potential default or failure by Mr. Xu to fulfill his obligations relating to such redemption rights. Although the Company was a signing party to the agreements entered into between the Pre-IPO Investors and Mr. Xu, the Company had no connection or involvement in the arrangements concerning redemption rights between the Pre-IPO Investors (excluding "**Huzhou Zhuosheng**") and Mr. Xu, nor did it bear any obligation to repurchase any Shares under such terms. Accordingly, no financial liability pertaining to redemption rights, other than for "Huzhou Zhuosheng", was recognized during the Relevant Periods.

(c) Outstanding balances with related parties:

The Company

	As at 31 December			As at 31 October
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Due from subsidiaries				
Trade related:				
Fourier Technology Limited	65,071	133,815	139,365	168,809
Shenzhen FourSemi Electronics Company Limited	—	—	4,997	5,369
Non-trade related:				
Fourier Technology Limited	4,322	4,251	4,051	3,869
Shanghai FourSemi Electronics Technology Company Limited	4,703	4,049	4,049	4,049
Total	74,096	142,115	152,462	182,096
Due to subsidiaries				
Trade related:				
Fourier Technology Limited	1,162	25,931	47,496	63,703
Shanghai FourSemi Electronics Technology Company Limited	—	—	93	—
Shenzhen FourSemi Electronics Company Limited	—	—	—	487
Total	1,162	25,931	47,589	64,190

As at 31 December 2022, 2023, 2024 and 31 October 2025, all the remaining balances due to related parties were non-interest-bearing, unsecured and repayable on demand.

(d) Compensation of key management personnel of the Group

	Year ended 31 December			Ten months ended 31 October	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Salaries, bonuses, allowances and benefits in kind	3,495	3,425	3,529	2,856	4,270
Performance related bonuses	259	356	1,911	1,593	469
Share-based payments	1,468	1,468	1,468	1,223	1,223
Pension scheme contributions and social welfare	189	219	287	227	301
Total compensation paid to key management personnel	5,411	5,468	7,195	5,899	6,263

Further details of directors' and the chief executive's emoluments are included in note 8 to Historical Financial Information.

35. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

The Group

As at 31 December 2022

Financial assets

	Financial assets at amortised cost
	RMB'000
Financial assets included in prepayments, deposits and other receivables	1,322
Non-pledged time deposits	51,769
Trade receivables	14,153
Cash and cash equivalents	182,899
Total	250,143

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade payables	11,557
Financial liabilities included in other payables and accruals	2,608
Redemption liabilities	30,775
Total	44,940

As at 31 December 2023

Financial assets

	Financial assets at amortised cost
	RMB'000
Financial assets included in prepayments, deposits and other receivables	1,295
Non-pledged time deposits	53,640
Trade receivables	30,457
Pledged time deposits	20,577
Restricted cash	5
Cash and cash equivalents	105,325
Total	211,299

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade payables	16,069
Financial liabilities included in other payables and accruals	2,475
Interest-bearing bank borrowings	36,677
Redemption liabilities	33,244
Total	88,465

As at 31 December 2024

Financial assets

	Financial assets at amortised cost
	RMB'000
Financial assets included in prepayments, deposits and other receivables	1,276
Non-pledged time deposits	33,204
Pledged time deposits	21,197
Trade receivables	41,901
Cash and cash equivalents	66,075
Total	163,653

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade payables	35,462
Financial liabilities included in other payables and accruals	652
Interest-bearing bank borrowings	59,726
Redemption liabilities	35,911
Total	131,751

As at 31 October 2025

Financial assets

	Financial assets at amortised cost
	RMB'000
Financial assets included in prepayments, deposits and other receivables	1,290
Pledged time deposits	21,707
Trade receivables	47,797
Cash and cash equivalents	73,463
Total	144,257

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade payables	27,597
Financial liabilities included in other payables and accruals	3,258
Interest-bearing bank borrowings	100,140
Redemption liabilities	38,281
Total	169,276

For the details of pre-IPO investments, please refer to Note 28 to the Historical Financial Information.

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts			Fair values		
	As at 31 December		As at 31 October	As at 31 December		As at 31 October
	2023	2024	2025	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial liability						
Interest-bearing bank borrowings — non-current	—	19,696	19,600	—	19,784	19,617

Management has assessed that the fair values of cash and cash equivalents, current portion of time deposits, pledged deposits, trade receivables, trade payables, financial assets included in prepayments, deposits and other receivables, short-term interest-bearing bank borrowings, financial liabilities included in other payables and accruals and redemption liabilities 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. The finance manager reports directly to the chief financial officer. 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 non-current portion of time deposits, pledged deposits, interest-bearing bank borrowings 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 Group's own non-performance risk for interest-bearing bank borrowings as at 31 December 2023 and 2024 and 31 October 2025 was assessed to be insignificant.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank borrowings and cash and bank balances. The main purpose of these financial instruments is to raise finance for 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. The board of directors reviews and agrees policies for managing each of these risks and they are recognised 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.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. As at 31 December 2023, 2024 and 31 October 2025, none of the Group's interest-bearing borrowings bore interest at floating rates. Accordingly, as at the end of each of the Relevant Periods, the Group did not have any significant exposure to the interest rate risk in the cash flows.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. The Group principally conducted business in RMB, which is exposed to foreign currency risk with respect to transactions denominated in currencies other than RMB. In addition, the functional currency of the Company's subsidiary incorporated in Hong Kong is USD, which is exposed to foreign currency risk with respect to transactions denominated in currencies other than USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in currencies that are not the functional currencies of the relevant group entities.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the USD/RMB exchange rate, with all other variables held constant, of the Group's loss before tax (arising from USD/RMB denominated financial instruments) and the Group's equity (due to changes in the fair value of forward currency contracts).

	Increase/ (decrease) in RMB/USD rate	Increase/ (decrease) in loss before tax	Increase/ (decrease) in equity
	%	*RMB'000*	*RMB'000*
31 October 2025			
If RMB weakens against USD	(1)	656	656
If RMB strengthens against USD	1	(656)	(656)
2024			
If RMB weakens against USD	(1)	404	404
If RMB strengthens against USD	1	(404)	(404)
2023			
If RMB weakens against USD	(1)	827	827
If RMB strengthens against USD	1	(827)	(827)
2022			
If RMB weakens against USD	(1)	109	109
If RMB strengthens against USD	1	(109)	(109)

Credit risk

The Group only offers credit terms to recognised and creditworthy customers. 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. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific verification procedures.

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 Relevant Periods.

As at 31 December 2022

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*.	—	—	—	14,296	14,296
Financial assets included in prepayments, deposits and other receivables					
— Normal**.	1,322	—	—	—	1,322
Non-pledged time deposits					
— Not yet past due.	51,769	—	—	—	51,769
Cash and cash equivalents					
— Not yet past due.	182,899	—	—	—	182,899
Total.	235,990	—	—	14,296	250,286

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*.	—	—	—	30,765	30,765
Financial assets included in prepayments, deposits and other receivables					
— Normal**.	1,295	—	—	—	1,295
Non-pledged time deposits					
— Not yet past due.	53,640	—	—	—	53,640
Pledged time deposits					
— Not yet past due.	20,577	—	—	—	20,577
Restricted cash					
— Not yet past due.	5	—	—	—	5
Cash and cash equivalents					
— Not yet past due.	105,325	—	—	—	105,325
Total.	180,842	—	—	30,765	211,607

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*.	—	—	—	42,325	42,325
Financial assets included in prepayments, deposits and other receivables					
— Normal**.	1,276	—	—	—	1,276
Non-pledged time deposits					
— Not yet past due.	33,204	—	—	—	33,204
Pledged time deposits					
— Not yet past due.	21,197	—	—	—	21,197
Cash and cash equivalents					
— Not yet past due.	66,075	—	—	—	66,075
Total.	121,752	—	—	42,325	164,077

As at 31 October 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*.	—	—	—	48,280	48,280
Financial assets included in prepayments, deposits and other receivables					
— Normal**.	1,290	—	—	—	1,290
Pledged time deposits.					
— Not yet past due.	21,707	—	—	—	21,707
Cash and cash equivalents . . .					
— Not yet past due.	73,463	—	—	—	73,463
Total.	96,460	—	—	48,280	144,740

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 18 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, deposits and other 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".

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

	31 December 2022				
	Within 1 year or on demand	1 to 2 years	2 to 3 years	3 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	11,557	—	—	—	11,557
Financial liabilities included in other payables and accruals	2,608	—	—	—	2,608
Lease liabilities	2,427	1,129	772	160	4,488
Redemption liabilities	30,775	—	—	—	30,775
Total	47,367	1,129	772	160	49,428

	31 December 2023				
	Within 1 year or on demand	1 to 2 years	2 to 3 years	3 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing bank borrowings	37,076	—	—	—	37,076
Trade payables	16,069	—	—	—	16,069
Financial liabilities included in other payables and accruals	2,475	—	—	—	2,475
Lease liabilities	3,072	2,538	940	41	6,591
Redemption liabilities	33,244	—	—	—	33,244
Total	91,936	2,538	940	41	95,455

	31 December 2024			
	Within 1 year or on demand	1 to 2 years	2 to 3 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing bank borrowings	40,963	19,923	—	60,886
Trade payables	35,462	—	—	35,462
Financial liabilities included in other payables and accruals	652	—	—	652
Lease liabilities	2,637	942	41	3,620
Redemption liabilities	35,911	—	—	35,911
Total	115,625	20,865	41	136,531

	31 October 2025			
	Within 1 year or on demand	1 to 2 years	2 to 3 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing bank borrowings	81,601	20,077	—	101,678
Trade payables	27,597	—	—	27,597
Financial liabilities included in other payables and accruals	3,258	—	—	3,258
Lease liabilities	1,268	61	—	1,329
Redemption liabilities	38,281	—	—	38,281
Total	152,005	20,138	—	172,143

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may 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 Relevant Periods.

The Group monitors capital using a debt-to-asset ratio which is total liabilities divided by total assets. As at 31 December 2022, 2023, 2024 and 31 October 2025, the Group's debt-to-asset ratios were 17%, 34%, 50% and 62%, respectively.

38. EVENTS AFTER THE RELEVANT PERIODS

There are no significant subsequent events undertaken by the Company or by the Group after 31 October 2025.

39. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 October 2025.

The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this prospectus, and is included herein for illustrative purpose only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company has been prepared in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants to illustrate the effect of the Global Offering on the consolidated net tangible assets attributable to owners of the Company as at 31 October 2025 as if the Global Offering had taken place on that date.

The unaudited pro forma statement of adjusted consolidated net tangible assets attributable to owners of the Company has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group as at 31 October 2025 or any future dates following the Global Offering.

	Consolidated net tangible assets of the Group attributable to owners of the Company as at 31 October 2025	Estimated net proceeds from the Global Offering	Estimated impact related to the reclassification of redemption liabilities upon Listing	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company	Unaudited pro forma adjusted consolidated net tangible assets per Share	
	RMB'000 (note 1)	*RMB'000* (note 2)	*RMB'000* (note 3)	*RMB'000*	*RMB* (note 4)	*HK$* (note 5)
Based on an Offer Price of HK$40.00 per share	115,808	385,168	38,281	539,257	4.81	5.46
Based on an Offer Price of HK$45.00 per share	115,808	435,946	38,281	590,035	5.27	5.98
Based on an Offer Price of HK$50.00 per share	115,808	486,723	38,281	640,812	5.72	6.49

Notes:

(1) The consolidated net tangible assets attributable to owners of the Company as at 31 October 2025 is arrived at after deducting other intangible asset of RMB553,000 from the consolidated equity attributable to owners of the Company of RMB116,361,000 as at 31 October 2025, as shown in Appendix I to this prospectus.

(2) The estimated net proceeds from the Global Offering are based on the Offer Price of HK$40.00 per Share, HK$45.00 per Share and HK$50.00 per Share, after deduction of the underwriting fees and other related expenses payable by the Company (excluding the listing expenses that have been charged to profit or loss during the Track Record Period) and does not take into account of any Shares which may be issued upon the exercise of the Over-allotment Option. The estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi at an exchange rate of RMB1 to HK$1.1343.

(3) For the purpose of the unaudited pro forma financial information, considering the estimated impact related to the reclassification of redemption liabilities upon Listing, the unaudited pro forma adjusted net tangible assets attributable to the owners of the Company will be increased by RMB38,281,000, being the carrying amount of the redemption liabilities as at 31 October 2025. The redemption rights will automatically terminate upon the Listing and the completion of the Global Offering. The carrying amount of the redemption liabilities is reclassified to equity upon the termination of the counterparty's redemption right. The amount that is reclassified to equity will be the carrying amount of the redemption liabilities on that date of the Global Offering.

(4) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company and the amounts per share are arrived at after the adjustments referred to in the preceding paragraphs (note 2 and 3) above and on the basis that 112,000,000 shares were in issue assuming that the Global Offering had been completed on 31 October 2025.

(5) The unaudited pro forma adjusted consolidated net tangible assets per Share are converted into Hong Kong dollars at an exchange rate of RMB1 to HK$1.1343.

(6) No adjustment has been made to the unaudited pro forma adjusted net tangible assets to reflect any trading results or other transactions for the Company entered into subsequent to 31 October 2025.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for inclusion in this document, received from the independent reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

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To the Directors of Shanghai FourSemi Semiconductor Co., Ltd.

We have completed our assurance engagement to report on the compilation of pro forma financial information of Shanghai FourSemi Semiconductor Co., Ltd. (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The pro forma financial information consists of the pro forma consolidated net tangible assets as at 31 October 2025 and related notes as set out on pages IIA-1 and IIA-2 of the prospectus dated 23 March 2026 issued by the Company (the "**Pro Forma Financial Information**"). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in Part A of Appendix IIA to the Prospectus.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group's financial position as at 31 October 2025 as if the transaction had taken place at 31 October 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the period ended 31 October 2025, on which an accountants' report has been published.

Directors' responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Ernst & Young
Certified Public Accountants
Hong Kong
23 March 2026

*The following is the preliminary financial information of our Group as of and for the year ended December 31, 2025 (the "**2025 Preliminary Financial Information**"), together with comparative figures as of and for the year ended December 31, 2024 and a discussion and analysis of our Group's financial condition and results of operations. The 2025 Preliminary Financial Information has not been audited. Investors should bear in mind that the 2025 Preliminary Financial Information in this Appendix IIB may be subject to adjustments.*

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes	Year ended 31 December	
		2025	**2024**
		RMB'000 (unaudited)	*RMB'000*
REVENUE	*4*	365,703	355,195
Cost of sales			
Cost of goods and services		(287,606)	(306,007)
Impairment losses on inventories		(2,134)	(2,632)
Gross profit		75,963	46,556
Other income and gains	*4*	4,667	9,582
Selling and marketing expenses		(19,640)	(20,847)
Administrative expenses		(42,326)	(19,673)
Research and development costs		(69,014)	(68,060)
Reversal of/(impairment losses) on financial assets, net		16	(116)
Other expenses		(3,317)	(226)
Finance costs		(2,651)	(1,393)
Changes in the carrying amounts of redemption liabilities		(2,865)	(2,667)
LOSS BEFORE TAX	*5*	(59,167)	(56,844)
Income tax expense	*6*	—	—
LOSS FOR THE YEAR		(59,167)	(56,844)
Loss attributable to:			
Owners of the parent		(59,167)	(56,844)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (RMB)	*8*	(0.59)	(0.57)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2025	2024
	RMB'000 (unaudited)	*RMB'000*
LOSS FOR THE YEAR	(59,167)	(56,844)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	169	(580)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	169	(580)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(58,998)	(57,424)
Attributable to:		
Owners of the parent	(58,998)	(57,424)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December 2025	As at 31 December 2024
		RMB'000 (unaudited)	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		9,920	14,768
Right-of-use assets		1,077	3,648
Other intangible assets		540	434
Prepayments, deposits and other receivables		139	831
Pledged time deposits		—	21,197
Total non-current assets		11,676	40,878
CURRENT ASSETS			
Inventories		101,426	111,921
Trade receivables	*9*	40,310	41,901
Prepayments, deposits and other receivables		23,582	27,448
Non-pledged time deposits		—	33,204
Pledged time deposits		21,811	—
Cash and cash equivalents		118,069	66,075
Total current assets		305,198	280,549
CURRENT LIABILITIES			
Trade payables	*10*	23,418	35,462
Other payables and accruals		14,750	12,704
Contract liabilities		6,537	7,761
Interest-bearing bank borrowings	*11*	96,472	40,030
Lease liabilities		931	2,559
Provision		3,720	4,460
Redemption liabilities		38,776	35,911
Total current liabilities		184,604	138,887
NET CURRENT ASSETS		120,594	141,662
TOTAL ASSETS LESS CURRENT LIABILITIES		131,270	182,540
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	*11*	19,600	19,696
Lease liabilities		40	971
Deferred income		2,661	—
Total non-current liabilities		22,301	20,667
Net assets		109,969	161,873
EQUITY			
Equity attributable to owners of the parent			
Paid-in capital/Share capital		100,000	26,122
Reserves		9,969	135,751
Total equity		109,969	161,873

NOTES TO THE PRELIMINARY FINANCIAL INFORMATION

1. BASIS OF PREPARATION

This Preliminary Financial Information has been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited in relation to annual results announcements.

The consolidated financial statements has been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "**IASB**"), which comprise all standards and interpretations approved by the IASB. They have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value. The consolidated financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

The Preliminary Financial Information does not include all of the information required for a complete set of financial statements prepared in accordance with the IFRS Accounting Standards.

Basis of consolidation

The consolidated financial statements includes the financial statements of the Company and its subsidiaries 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, directly or indirectly, 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.

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 the exchange fluctuation reserve; 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. ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in the consolidated financial statements for the year ended 31 December 2025. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards — Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS10 and IAS 7[1]

[1] Effective for annual periods beginning on or after 1 January 2026

[2] Effective for annual/reporting periods beginning on or after 1 January 2027

[3] No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and amended IFRS Accounting Standards upon initial application. Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of 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. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. Based on a preliminary assessment, the adoption of IFRS 18 is not expected to have any impact on the Group's results of operations and financial position but has impact on the presentation and disclosure of the Group's financial statements.

The Group has already commenced an assessment of the impact of other new and amended IFRS Accounting Standards, which are relevant to the Group's operations. According to the preliminary assessment made by the directors, no significant impact on the financial performance and financial position of the Group is expected when these new and amended IFRS Accounting Standards become effective.

3. OPERATING SEGMENT INFORMATION

Operating segment information

The board of directors reviews the consolidated results of the Group when making decisions about resource allocation and assessing the performance of the Group. The board of directors considers that the Group operates in one business segment and the measurement of segment results is based on the profit from operations as presented in the consolidated statements of profit or loss and the consolidated statements of comprehensive income.

Geographical information

(a) Revenue from external customers

	Year ended 31 December	
	2025	**2024**
	RMB'000 (unaudited)	*RMB'000*
PRC (including Hong Kong)	365,703	355,195

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

(b) Non-current assets

Almost all of the Group's non-current assets were located in Chinese mainland.

Information about major customers

External customers from which the revenue individually amounted to over 10% of total revenue of the Group for the years ended 31 December 2024 and 2025 were as follows:

	Year ended 31 December	
	2025	**2024**
	RMB'000 (unaudited)	*RMB'000*
Customer D	111,129	107,685
Customer E	67,531	67,442
Customer G	*	66,342
Customer H	87,860	*

* Less than 10% of the Group's revenue

The disclosure regarding the aforementioned major customers is consistent with the information provided in the prospectus and should be read in conjunction with the prospectus.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000 (unaudited)	*RMB'000*
Revenue from contracts with customers	365,703	355,195

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December	
	2025	2024
	RMB'000 (unaudited)	*RMB'000*
Types of goods or services		
Low-power audio chips	329,496	322,908
Mid/high-power audio chips	26,548	26,707
Haptic drivers	8,572	5,332
Others	1,087	248
Total	365,703	355,195
Timing of revenue recognition		
Transferred at a point in time	365,703	355,195

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

	Year ended 31 December	
	2025	2024
	RMB'000 (unaudited)	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period	7,761	4,747

(b) Performance obligations

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

Sales of power amplifier audio chips and other chip products

The Group offers low-power audio chips, mid/high-power audio chips, as well as other chip products, including power management chips. The performance obligation is satisfied upon delivery to the agreed-upon locations in accordance with the contracts, and when the customers confirmed the acceptance of the products. The payment is normally received in advance, except for certain customers with established creditworthiness and a long-standing business relationship, where payment is generally due within 30 to 90 days from the invoice date.

All amounts of transaction prices allocated to the performance obligations of sales of goods or services are expected to be recognised as revenue within one year. The Group has no significant unsatisfied performance obligations arising from revenue contracts that have an original expected duration more than one year, thus management applied practical expedient under IFRS 15 and is not disclosing the aggregate amount of the transaction prices allocated to the performance obligations that are unsatisfied or partially satisfied at the end of each reporting period.

An analysis of other income and gains is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000 (unaudited)	*RMB'000*
Other income		
Government grants	2,689	723
Bank interest income	1,845	4,044
Investment income from structured deposits	—	2
Others	133	—
Total other income	4,667	4,769
Gains		
Foreign exchange differences, net	—	4,813
Total other income and gains	4,667	9,582

5. LOSS BEFORE TAX

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

		Year ended 31 December	
	Notes	2025	2024
		RMB'000 (unaudited)	*RMB'000*
Cost of goods and services*		287,606	306,007
Depreciation of property, plant and equipment		5,592	5,669
Depreciation of right-of-use assets		2,571	2,741
Amortisation of other intangible assets		73	48
Research and development costs*		69,014	68,060
Listing expenses		18,766	—
Foreign exchange differences, net		3,239	(4,813)
Investment income from structured deposits	*4*	—	(2)
Bank interest income	*4*	(1,845)	(4,044)
(Reversal of)/ impairment losses on financial assets, net		(16)	116
Impairment losses on inventories		2,134	2,632
Expenses relating to short-term leases and low-value assets		286	149
Employee benefit expense (including directors' and chief executive's remuneration):			
Wages, salaries and other allowances		59,038	58,320
Pension scheme contributions and social welfare		12,062	9,971
Share-based payments		7,094	7,843

* The depreciation of property, plant and equipment, the depreciation of right-of-use assets and the amortisation of other intangible assets related to manufacturing and research and development for the reporting periods are included in "Depreciation of property, plant and equipment", "Depreciation of right-of-use assets" and "Amortisation of other intangible assets", respectively. The labour costs related to the manufacturing and research and development for the reporting periods are included in "Employee benefit expense".

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the countries/jurisdictions in which members of the Group are domiciled and/or operate.

Chinese mainland

The subsidiaries established in Chinese mainland are subject to tax at the statutory rate of 25% on the taxable profits determined in accordance with the PRC Corporate Income Tax Law which became effective on 1 January 2008, except for these subject to tax preferential set out below:

Shanghai FourSemi Semiconductor Co., Ltd. obtained its "High and New Technology Enterprise" qualification on 14 December 2022. The Company is currently in the process of renewing its "High and New Technology Enterprise" qualification. The Company's application for the renewal of "High and New Technology Enterprise" qualification has successfully passed the review and is now in the public announcement phase. Based on management's assessment, the Company meets the qualifying criteria, so it was entitled to the preferential tax rate of 15% during the reporting periods.

Certain subsidiary met the criteria as small-scaled and minimal profit enterprise with its annual taxable income less than RMB3,000,000, its actual income amount subject to tax was calculated at 25% of its annual taxable income. The aforesaid calculated taxable income of this subsidiary was entitled to a reduced corporate income tax rate of 20% for the period from 1 January 2023 and expiring on 31 December 2027.

Hong Kong

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 8.25% for taxable income not exceeding HKD2,000,000, and 16.5% for taxable income exceeding HK$2,000,000 on any estimated assessable profits arising in Hong Kong during the reporting periods. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the reporting periods.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Year ended 31 December	
	2025	2024
	RMB'000 (unaudited)	*RMB'000*
Current income tax	—	—
Deferred tax expense	—	—
Total tax expense for the year	—	—

A reconciliation of the tax expense applicable to loss before tax at the statutory rates for the jurisdiction in which the Company and its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate, is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000 (unaudited)	*RMB'000*
Loss before tax	(59,167)	(56,844)
Tax at the statutory tax rates of each entities' jurisdictions	(14,578)	(13,858)
Effect of preferential tax rates	6,358	5,899
Expenses not deductible for tax (a)	1,948	1,935
Additional deductible allowance for qualified research and development costs (b)	(8,926)	(8,617)
Deductible temporary differences not recognised	167	680
Deductible temporary differences utilised from previous years	(416)	(455)
Tax losses not recognised	15,447	14,416
Tax expense at the Group's effective tax rate	—	—

(a) Tax effect of non-deductible expenses mainly represent the changes in the carrying amounts of redemption liabilities, share-based payments expenses and certain other costs and expenses, which all are not deductible in accordance with relevant tax regulations in the PRC.

(b) Additional deductible allowance was for qualified research and development costs. According to the relevant laws and regulations promulgated by the State Taxation Administration of the Chinese mainland, enterprises engaging in research and development activities are entitled to claim 200% of their research and development costs so incurred as tax deductible expenses when determining their assessable profits for the reporting periods.

The Group had accumulated tax losses arising in Chinese mainland of RMB523,186,000 and RMB418,221,000 as at 31 December 2025 and 2024, respectively, that would expire in one to ten years for offsetting against future taxable profits. The Group had accumulated tax losses in Hong Kong of RMB33,897,000 and RMB32,155,000 in aggregate as at 31 December 2025 and 2024, respectively, which can be carried forward indefinitely to offset against future taxable profits of the entity in which the losses were incurred. Deferred tax assets have not been recognised with respect to tax losses and deductible temporary differences for the Company and certain subsidiaries as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

7. DIVIDENDS

No dividends have been paid or declared by the Company during the year ended 31 December 2025 (2024: Nil).

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The basic loss per share is calculated by dividing the loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares in issue was determined assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio of 1:3.83 as upon the Company's transformation into a joint-stock company on 12 June 2025.

	Year ended 31 December	
	2025	2024
	RMB'000 (unaudited)	*RMB'000*
Loss		
Loss for the year attributable to ordinary equity shareholders of the Company	(59,167)	(56,844)
Shares		
Issued ordinary shares at 1 January	100,000,000	100,000,000
Effect of ordinary shares of contribution from shareholders	—	—
Weighted average number of ordinary shares	100,000,000	100,000,000
Loss per share		
Basic and diluted (RMB)	(0.59)	(0.57)

No adjustment has been made to the basic loss per share amounts presented during the years ended 31 December 2024 and 2025 as the impact of the potential ordinary shares had an anti-dilutive effect on the basic loss per share amounts presented.

9. TRADE RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000 (unaudited)	*RMB'000*
Trade receivables	40,718	42,325
Less: Impairment losses	(408)	(424)
Net carrying amount	40,310	41,901

The Group provides credit terms to certain customers with satisfied creditworthiness and long-term relationship. The credit period is generally around 30 to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing. As with other customers, the Group normally demands payment in advance.

An ageing analysis of the Group's trade receivables, based on the past due information and net of loss allowance, as at the end of each of the reporting periods is as follows:

	As at 31 December	
	2025	2024
	RMB'000 (unaudited)	*RMB'000*
Within 3 months	39,557	41,901
3 to 6 months	753	—
Total	40,310	41,901

10. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of reporting periods, based on the invoice date, is as follows:

	As at 31 December	
	2025	2024
	RMB'000 (unaudited)	*RMB'000*
Within 1 year	23,226	34,748
1 to 2 years	112	641
2 to 3 years	80	73
Total	23,418	35,462

The trade payables are non-interest-bearing and are normally settled within 30 to 60 days upon receipt of the VAT invoice.

11. INTEREST-BEARING BANK BORROWINGS

	As at 31 December 2025			As at 31 December 2024		
	Effective interest rate (%)	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*
Current						
Bank loans — unsecured	2.20–2.85	2026	66,045	2.60	2025	20,014
Bank loans — secured	2.60–2.85	2026	19,974	2.85	2025	20,016
Current portion of long-term bank loans — unsecured	2.45–2.70	2026	10,453	—	—	—
Total current			96,472			40,030
Non-current						
Bank loans -unsecured	2.70	2027	19,600	3.45	2026	19,696
Total			116,072			59,726

	As at 31 December	
	2025	2024
	RMB'000 (unaudited)	*RMB'000*
Analysed into:		
Bank loans repayable:		
Within one year	96,472	40,030
In the second year	19,600	19,696
Total	116,072	59,726

Certain of the Group's interest-bearing bank borrowings are secured by the pledges of the Group's time deposits with carrying values at 31 December 2024 and 2025 of approximately RMB21,197,000 and RMB21,811,000.

12. CONTINGENT LIABILITIES

Since August 2023, the Company had been a defendant in a patent dispute lawsuit filed by a party alleging that the Company infringed its invention patent in Chinese mainland. The Company had obtained an appraisal report issued by an authoritative judicial appraisal center. The report concludes that the technical features of implicated products are neither identical nor equivalent to those covered by the plaintiff's patent. The Company's PRC litigation advisor is of the view that there are reasonable grounds to believe the court would dismiss the claims on the basis that the said chip products should not fall under the protection of such invention patent. The directors, based on the advice from Company's PRC litigation advisor, believe that the Company has a valid defense against the allegation and, accordingly, the Group has not provided for any claim arising from the litigation, other than the related legal and other costs.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Business Review

We are a provider of power amplifier audio chips and haptic drivers in China. We specialize in the design of low-power audio chips, mid/high-power audio chips and haptic drivers under a fabless model to offer a wide array of solutions for emerging application scenarios in high-growth industries. Our portfolio of products empowers high-growth industries including consumer electronics and intelligent vehicles. We first introduced our power amplifier audio chip products for portable consumer electronics to optimize audio, create effects and protect speakers using our algorithms. With the success of our first power amplifier audio chip products, we expanded our product portfolio by adding a more powerful line of power amplifier audio chip products that are primarily for larger electronics and intelligent vehicles and a new line of chips that process haptic feedback to provide users with a diverse way of interacting with their devices. Our products primarily consist of power amplifier audio chips. Power amplifier audio chips are integrated circuit modules based on mixed-signal design that incorporate some, or all of the following characteristics, including built-in or externally paired audio algorithms, digital input interfaces and integrated sound processing modules. Power amplifier chips leverage power control algorithms and audio processing algorithms to efficiently process audio signals and optimize output performance. They deliver low power consumption, high integration density and capabilities for intelligent control, catering to customized requirements of downstream industries.

Future Plans and Prospects

We intend to pursue the following key strategies to grow our business sustainably and maintain our market position: (1) strengthening research and development in power amplifier audio chips, (2) diversifying product portfolio and broaden customer base in key application scenarios, (3) building an ATE testing platform to strengthen supply chain stability, (4) fortifying our sales network to expand global reach, and (5) pursuing strategic alliances, investments and acquisitions to integrate industry resources.

Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since December 31, 2025 and up to the date of this document.

Discussion of Certain Key Items of the Consolidated Statement of Profit or Loss

The following table sets forth summary of our consolidated profit or loss items for the years indicated.

	Year ended 31 December	
	2025	2024
	RMB'000	*RMB'000*
REVENUE	365,703	355,195
Cost of sales		
Cost of goods and services	(287,606)	(306,007)
Impairment losses on inventories	(2,134)	(2,632)
Gross profit	75,963	46,556
Other income and gains	4,667	9,582
Selling and marketing expenses	(19,640)	(20,847)
Administrative expenses	(42,326)	(19,673)
Research and development costs	(69,014)	(68,060)
Reversal of/(impairment losses) on financial assets, net	16	(116)
Other expenses	(3,317)	(226)
Finance costs	(2,651)	(1,393)
Changes in the carrying amounts of redemption liabilities	(2,865)	(2,667)
LOSS BEFORE TAX	(59,167)	(56,844)
Income tax expense	—	—
LOSS FOR THE YEAR	(59,167)	(56,844)

Revenue

Our revenue remained relatively stable at RMB355.2 million in 2024 and RMB365.7 million in 2025, primarily due to the reasons below.

- **Low-power audio chips.** Our revenue from low-power audio chips increased slightly from RMB322.9 million in 2024 to RMB329.5 million in 2025, primarily due to an increase in revenue from adaptive power control audio chips from RMB172.3 million in 2024 to RMB184.7 million in 2025.
- **Mid/high-power audio chips.** Our revenue from mid/high-power audio chips decreased slightly from RMB26.7 million in 2024 to RMB26.5 million in 2025, primarily due to a decrease in revenue from our FS2105 series products resulting from a deliberate strategic reallocation of resources towards the R&D and promotion of newer models.
- **Haptic drivers.** Our revenue from haptic drivers increased by 60.8% from RMB5.3 million in 2024 to RMB8.6 million in 2025, primarily because the increased sales volume as we strategically directed more resources to promoting new haptic driver models, such as the FS3002 series, to expand our portfolio of available haptic driver models.

Cost of sales

Our cost of sales decreased by 6.1% from RMB308.6 million in 2024 to RMB289.7 million in 2025, which was generally due to the improved economies of scale, reductions in chip size achieved through sustained research and development and the lowered market procurement cost, driven by intense price competition in the mature-process node segment.

Gross profit and Gross profit margin

Our gross profit increased by 63.2% from RMB46.6 million in 2024 to RMB76.0 million in 2025, primarily due to revenue growth outpacing the increase in cost of sales, supported by our enhanced market recognition, increasingly diversified product portfolio, and a product iteration cycle that enables the introduction of products with a lower cost structure. Our gross profit margin increased from 13.1% in 2024 to 20.8% in 2025, primarily driven by the improved economies of scale and reductions in chip size, as well as effective cost control, which reduced raw material prices and processing fees, coupled with a favorable shift in product metrics towards higher-margin PA audio chip products.

- **Low-power audio chips.** Our gross profit from low-power audio chips increased by 66.8% from RMB40.9 million in 2024 to RMB68.2 million in 2025, primarily due to a reduction in the cost structure of our adaptive power control audio chips achieved through product iteration, declining raw material and procurement costs, the realization of economies of scale as business expanded, combined with a higher revenue contribution from the higher-margin PA audio chip product category, collectively driving an increase in the overall gross profit margin for our low-power audio chips.

- **Mid/high-power audio chips.** Our gross profit from mid/high-power audio chips increased by 42.2% from RMB4.8 million in 2024 to RMB6.8 million in 2025, primarily due to higher sales volume and consequently increased gross profit from the FS2105 series.

- **Haptic drivers.** Our gross profit for haptic drivers decreased slightly from RMB3.5 million in 2024 to RMB2.6 million in 2025.

Other income and gains

Our other income and gains decreased by 51.3% from RMB9.6 million in 2024 to RMB4.7 million in 2025, primarily due to a foreign exchange gain of RMB4.8 million in 2024, compared to a foreign exchange gain of nil in 2025, as a result of exchange rate fluctuation.

Selling and marketing expenses

Our selling and marketing expenses remained relatively stable at RMB20.8 million in 2024 and RMB19.6 million in 2025, primarily due to our consistent marketing headcount.

Administrative expenses

Our administrative expenses increased significantly from RMB19.7 million in 2024 and RMB42.3 million in 2025, primarily driven by higher listing-related expenses, an increase in employee benefit expenses and additional professional service fees. The professional fees included costs of our shareholding restructuring and recruitment services.

Research and development costs

Our research and development costs remained relatively stable at RMB68.1 million in 2024 and RMB69.0 million in 2025, primarily due to the effective management and oversight of R&D projects, strict cost control measures, and the retention of key R&D personnel.

Impairment losses on financial assets, net

In 2024, we recognized net impairment losses on financial assets of RMB116 thousand. In 2025, we recorded a net reversal of impairment losses of RMB16 thousand, primarily due to the enhanced customer credit management and the subsequent recovery of previously impaired receivables.

Other expenses

Our other expenses increased significantly from RMB0.2 million in 2024 to RMB3.3 million in 2025, primarily due to a net foreign exchange loss of RMB3.2 million recognized in other expenses in 2025, compared to a net gain of RMB4.8 million recognized in other income and gains in 2024, due to exchange rate fluctuations.

Finance costs

Our finance costs increased from RMB1.4 million in 2024 to RMB2.7 million in 2025, primarily due to the increased bank borrowing to support our business operations as we expanded our business scale.

Changes in the carrying amounts of redemption liabilities

In 2024 and 2025, we recognized changes in the carrying amounts of redemption liabilities of RMB2.7 million and RMB2.9 million, respectively, relating to the accrued interests on a financial liability of RMB30.0 million arising from one of our Pre-IPO Investors' redemption rights. Upon the Listing, we expect that our redemption liabilities will automatically be re-classified to equity and therefore no more changes in carrying amount of the redemption liabilities will be recognized on our consolidated statements of profit or loss.

Income tax expense

We did not recognize any income tax expense in 2024 and 2025.

Loss for the period

As a result of the foregoing, our loss for the period increased by 4.1% from RMB56.8 million in 2024 and RMB59.2 million in 2025.

Discussion of Certain Key Items of the Consolidated Statement of Financial Position

Net Current Assets

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,	
	2025	**2024**
	RMB'000	*RMB'000*
CURRENT ASSETS		
Inventories	101,426	111,921
Trade receivables	40,310	41,901
Prepayments, deposits and other receivables	23,582	27,448
Non-pledged time deposits	—	33,204
Pledged time deposits	21,811	—
Cash and cash equivalents	118,069	66,075
Total current assets	305,198	280,549

	As of December 31,	
	2025	2024
	RMB'000	*RMB'000*
CURRENT LIABILITIES		
Trade payables	23,418	35,462
Other payables and accruals	14,750	12,704
Contract liabilities	6,537	7,761
Interest-bearing bank borrowings	96,472	40,030
Lease liabilities	931	2,559
Provision	3,720	4,460
Redemption liabilities	38,776	35,911
Total current liabilities	184,604	138,887
NET CURRENT ASSETS	120,594	141,662

Our net current assets decreased from RMB141.7 million as of December 31, 2024 to RMB120.6 million as of December 31, 2025, primarily due to the increased operating costs associated with our R&D and administrative activities.

Cash and Cash Equivalent, Time Deposits, and Pledged Deposits

	As of December 31,	
	2025	2024
	RMB'000	*RMB'000*
Cash and bank balances	139,880	120,476
Less: Non-pledged time deposits with original maturity of over one year and will mature within one year*	—	(33,204)
Pledged time deposits with original maturity of more than one year and will mature within one year***	(21,811)	—
Pledged time deposits with original maturity of more than one year**	—	(21,197)
Cash and cash equivalents	118,069	66,075

* Short-term bank deposits were deposits with original maturity over one year and will mature within one year.

** Long-term bank deposits were deposits with original maturity over one year.

*** As at 31 December 2025, the Group's time deposits were pledged for interest-bearing bank borrowings amounting to RMB21,811,000. (2024: nil)

Trade Payables

An ageing analysis of the trade payables as at the end of reporting periods, based on the invoice date, is as follows:

	As of December 31,	
	2025	2024
	RMB'000	*RMB'000*
Within 1 year	23,226	34,748
1 to 2 years	112	641
2 to 3 years	80	73
Total	23,418	35,462

The trade payables are non-interest-bearing and are normally settled within 30 to 60 days upon receipt of the VAT invoice. Our trade payable decreased from RMB35.5 million in 2024 to RMB23.4 million in 2025, primarily due to our enhanced inventory control and the subsequent decreased procurement.

Indebtedness

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

	As of December 31,	
	2024	2025
	RMB'000	*RMB'000*
Current		
Interest-bearing bank borrowings	40,030	96,472
Lease liabilities	2,559	931
Redemption liabilities	35,911	38,776
Non-current		
Lease liabilities	971	40
Interest-bearing bank borrowings	19,696	19,600
Total	**99,167**	**155,819**

Key Financial Ratio

The following table sets forth the current ratio as of the dates indicated:

	As of December 31,	
	2024	2025
Current ratio[(1)]	2.0	1.7
Quick ratio[(2)]	1.2	1.1
Gearing ratio[(3)]	61.3%	141.7%

Note:

(1) Current ratio equals current assets divided by current liabilities as of the same date.

(2) The calculation of quick ratio is based on current assets less inventories divided by current liabilities as of period end.

(3) The calculation of gearing ratio is based on our debt (being our interest-bearing bank borrowings, lease liabilities and redemption liabilities) divided by our total equity as of the respective dates and multiplied by 100%.

Our current ratio decreased from 2.0 as of December 31, 2024 to 1.7 as of December 31, 2025, mainly due to an increase in our current liabilities from RMB138.9 million in 2024 to RMB184.6 million in 2025, which was in turn primarily due to an increase of current interest-bearing bank borrowings from RMB40.0 million in 2024 to RMB96.5 million in 2025, as a result of our financing activities.

DISCLOSURE ABOUT MARKET RISK

See "Financial Information—Financial Risk Disclosure" in this prospectus for further information.

CODE ON CORPORATE GOVERNANCE PRACTICES

Since we were not yet listed on the Stock Exchange during the year ended December 31, 2025, the Corporate Governance Code set forth in Appendix C1 to the Listing Rules was not applicable to us during such period under review. After the Listing, we will comply with all the code provisions set forth in the Corporate Governance Code.

REVIEW OF OUR PRELIMINARY FINANCIAL INFORMATION

The unaudited financial information in respect of our consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of comprehensive income and the related notes thereto for the year ended December 31, 2025 as set out in the 2025 Preliminary Financial Information above have been agreed by the Reporting Accountants to the amounts set out in our draft consolidated financial statements for the year ended December 31, 2025, following their work under Practice Note 730 "Guidance for Auditors Regarding Preliminary Announcement of Annual Results" issued by the Hong Kong Institute of Certified Public Accountants. The work performed by the Reporting Accountants in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Reporting Accountants on the Preliminary Financial Information.

PURCHASE, SALE OR REDEMPTION OF OUR COMPANY'S SHARES

Since we were not yet listed on the Stock Exchange during the year ended December 31, 2025, this disclosure requirement is not applicable to us.

This appendix contains a summary of the main provision of the Articles of Association of our Company adopted on June 17, 2025, which will take effect from the date of the Listing of H Shares on the Stock Exchange. The main purpose of this appendix is to provide potential investors with an overview of the Articles of Association of our Company, so it may not contain all the information that is important to potential investors.

SHARES AND REGISTERED CAPITAL

The shares of our Company shall be issued in a transparent, fair and equal manner, and each share shall rank pari passu with other shares of the same class. Shares of the same class issued at the same time shall be issued with the same conditions and price per share; any individual shall pay the same price per share for the subscription of shares.

The domestic unlisted shares issued by our Company shall be registered and deposited at the domestic securities registration and settlement institution in a centralized manner. H shares issued by our Company may be kept by custodian companies in accordance with laws, securities regulatory rules and requirements of securities registration and depository of the place where our Company's shares are listed.

All the shares issued by our Company are denominated in Renminbi.

SHARE ADDITIONS, REPURCHASES AND TRANSFERS

Share increase or decrease

Our Company may, pursuant to a resolution passed by a general meeting of shareholders, adopt the following methods to increase its capital according to its operation and development needs and in compliance with the provisions of laws and regulations:

(1) share issuance to unspecified parties;

(2) share issuance to specified parties;

(3) distribution of bonus shares to existing shareholders;

(4) conversion of the common reserve fund into additional share capital;

(5) other means as stipulated by laws and administrative regulations and approved by the relevant regulatory authorities.

When our Company reduces its registered capital, it will prepare a balance sheet and an inventory of assets. Our Company shall notify its creditors within ten days from the date of making the decision in a general meeting of shareholders to reduce the registered capital, and make an announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days. The creditors have the right to demand our Company to pay off its debts or provide corresponding guarantees within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if it has not received the notice.

Share repurchase

Our Company shall not acquire our Company's shares except in any of the following circumstances:

(1) reduce the registered capital of our Company;

(2) merger with other companies which hold shares of our Company;

(3) use shares in employee shareholding plans or equity incentives;

(4) the shareholder requests our Company to purchase its shares due to objection to the resolution on the merger or division of our Company made by the shareholders' meeting;

(5) use the shares for conversion of corporate bonds issued by our Company that are convertible into shares

(6) necessary for our Company to safeguard our Company's value and shareholders' interests;

(7) other circumstances permitted by laws, regulations and rules of the securities regulatory authorities where our Company's shares are listed.

Where our Company acquires our Company's shares due to the circumstances specified in items (3), (5) and (6) of the above, the acquisition shall be conducted through a public centralized transactions. Where our Company acquires our Company's shares due to the circumstances specified in items (1) and (2) of the above, the acquisition shall be subject to a resolution of our shareholders' meeting. Where our Company acquires our Company's shares due to the circumstances specified in items (3), (5) and (6) of the above, the acquisition shall be resolved by a meeting of the Board of Directors attended by more than two-thirds of all directors according to the provisions of the Articles of Association or as authorized by the shareholders' meeting, provided that it complies with the applicable securities regulatory rules of the place where our Company's shares are listed. For the acquisition of our Company's shares, our Company shall perform its information disclosure obligation in accordance with the laws, regulations and rules of the regulatory authorities where our Company's shares are listed. For the domestic unlisted shares, after our Company acquires the shares of our Company held by them pursuant to the above provisions, such shares shall be canceled within ten days from the date of acquisition in circumstance specified in (1); the shares shall be transferred or canceled within six months in circumstances specified in (2) and (4); the total number of shares of our Company held by our Company shall not exceed 10% of the total issued shares of our Company under the circumstances specified in (3), (5) and (6) and shall be transferred or canceled within three years. Where the laws, regulations and the securities regulatory authorities of the place where our Company's shares are listed have other provisions on the relevant matters involved in the repurchase of shares, such provisions shall prevail.

Our Company may acquire the shares of our Company by public centralized transaction, or other methods approved by the laws, administrative regulations, the CSRC and the securities regulatory authorities where our Company's shares are listed.

Transfer of shares

The shares issued by our Company prior to the public issuance of shares shall not be transferred within one year from the date of listing of our Company's shares on the stock exchange.

Directors and senior management of our Company shall report to our Company the shares of our Company held by them and their changes. During their term of office as determined at the time of their appointment, the shares transferred each year shall not exceed 25% of the total number of shares of the same class they held in our Company. The shares of our Company shall not be transferred within one year from the date of listing. The above-mentioned personnel shall not transfer the shares of our Company held by them within half a year after their resignation.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Shareholders

Our Company shall establish a register of shareholders on the basis of the certificates provided by the securities depository and clearing institution, and the register of shareholders shall be a sufficient evidence that shareholders hold the shares of our company. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

Shareholders of our Company shall enjoy the following rights:

(1) being entitled to dividends and any other form of distribution of benefits based on the number of shares held by them;

(2) requesting to hold, convene, preside over, attend or appoint a proxy to attend a shareholders' meeting pursuant to the law and exercising the corresponding speaking and voting rights;

(3) supervising our Company's business operations, proposing recommendations or raising queries;

(4) transferring, donating or pledging shares held by them pursuant to the provisions of laws, administrative regulations, departmental rules, Listing Rules and the Articles of Association;

(5) consulting and making copies of our Company's Articles of Association, register of shareholders, minutes of shareholders' meetings, resolutions of board meetings and financial accounting reports;

(6) participating in the distribution of residual property based on their shareholding upon termination or liquidation of our Company;

(7) requesting by a shareholder who objects to the resolution on merger or division passed by the shareholders' meeting that our Company acquire his/her shares; and

(8) other rights stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where our Company's shares are listed, Listing Rules or Articles of Association of our Company.

Shareholders who separately or aggregately hold 3% or more of our Company's shares for 180 consecutive days or more may request to consult the accounting books and accounting vouchers of our Company. Where a shareholder requests to access the accounting books or accounting vouchers of our Company, it shall make a written request and state the purposes therefor. If our Company, with justifiable reasons, considers that the shareholder's request to consult the accounting books or accounting vouchers has any improper purpose and may damage the lawful rights and interests of our Company, it may refuse to grant inspection, and shall, within 15 days from the date of the shareholder's written request, give the shareholder a written reply and state the reasons therefor. If our Company refuses to provide access, the shareholder may bring a lawsuit to a people's court.

If the resolutions of the shareholders' meeting or the Board of our Company violate the laws or administrative regulations, shareholders shall have the right to request the People's Court to determine that the resolutions are invalid. If the procedures for convening the meetings of our shareholders' or the Board, or the way of voting violates the provisions of the laws, administrative regulations or the Articles of Association of our Company, or the content of the resolutions violates the provisions of the Articles of Association of our Company, shareholders shall have the right to request the People's Court to revoke the resolutions within 60 days from the date when the resolutions are made, unless there is only a minor defect in the procedures for convening a shareholders' general meeting or the Board meeting or in the manner of voting thereat, which does not materially affect the resolution.

Shareholders of our Company have the following obligations:

(1) comply with laws, administrative regulations, securities regulatory rules of the place where our Company's shares are listed and the Articles of Association;

(2) pay for the shares in accordance with the shares subscribed for and the manner of share purchase;

(3) shall not withdraw the shares except for the circumstances stipulated by laws and regulations;

(4) not abuse the rights of shareholders to damage the interests of our Company or other shareholders; not to abuse the independent status of our Company as a legal person and the limited liability of shareholders to damage the interests of the creditors of our Company;

(5) other obligations stipulated by laws, administrative regulations, Listing Rules, the Articles of Association and securities regulatory rules of the place where our Company's shares are listed.

General requirements of shareholders' meetings

The shareholders' meeting is an organization of authority of our Company and exercises the following powers pursuant to the law:

(1) electing and replacing directors, and deciding the remuneration matters of the directors;

(2) deliberating and approving the reports of the Board of Directors;

(3) deliberating and approving the profit distribution plan and loss recovery plan of our Company;

(4) making resolution on increasing or decreasing the registered capital of our Company;

(5) making resolution on the issuing of company bonds, and other securities and the plans for their listing;

(6) making resolution on merger, division, dissolution, liquidation or changing the form of our Company;

(7) amending the Articles of Association;

(8) making resolution on engagement and dismissal of the accountant firm that undertakes the auditing of our Company;

(9) deliberating and approving the guarantees under Article 43 of the Articles of Association;

(10) deliberating purchases and sales of significant assets within a year exceeding 30% of the most recently audited total assets of our Company;

(11) deliberating and approving changes in usage of raised funds;

(12) deliberating equity incentive plans and employee stock ownership plans;

(13) deliberating on matters concerning the acquisition of our Company's shares that are required to be considered by the shareholders' meeting as stipulated by laws, administrative regulations, the Articles of Association and securities regulatory rules of the place where our Company's shares are listed;

(14) deliberating on matters concerning connected transactions that are required to be considered by the shareholders' meeting as stipulated by laws, administrative regulations, the Articles of Association and securities regulatory rules of the place where our Company's shares are listed; and

(15) deliberating other matters which shall be decided by the shareholders' meeting as required by the laws, administrative regulations, departmental rules, Listing Rules, the Articles of Association and securities regulatory rules of the place where our Company's shares are listed.

A shareholders' meeting may authorize the board of directors to decide on the issuance of company bonds.

Unless otherwise provided in these Articles of Association, the functions and powers of the shareholders' meeting may not be exercised by the board of directors or other organization or individual through authorization.

The following external guarantees by our Company must be deliberated and approved by the shareholders' meeting:

(1) any external guarantee by our Company or its subsidiary, whose total amount exceeds 50% of the most recently audited net assets;

(2) any external guarantee by our Company, whose total amount exceeds 30% of the most recently audited total assets;

(3) any guarantee to other persons provided by our Company within one year, whose total amount exceeds 30% of the most recently audited total assets;

(4) any guarantee provided to guaranteed objects with asset-liability ratio exceeding 70%;

(5) any guarantee whose single amount exceeds 10% of the most recently audited net assets; or

(6) any guarantee for shareholders, actual controllers and their related parties; and

(7) other circumstances of guarantee which shall be approved by the shareholders' meeting as stipulated by laws, administrative regulations, departmental rules the Articles of Association and securities regulatory rules of the place where our Company's shares are listed.

Convening of shareholders' meeting

The Board shall convene the shareholders' meeting in accordance with the laws and the Chairman of the Board of Directors shall preside over the meeting.

The independent directors have the right to propose in writing to the Board to convene an extraordinary general meeting. With regard to the proposal made by the independent directors for convening an extraordinary general meeting, the Board shall, in accordance with the laws, administrative regulations and the Articles of Association, provide a written response indicating whether it agree or disagree to convene the extraordinary general meeting within ten days upon receipt of the proposal. Where the Board agrees to convene the extraordinary general meeting, a notice of convening the shareholders' meeting shall be issued within five days after the resolution of the Board is made. Where the Board does not agree to convene the extraordinary general meeting, it shall provide reasons and make an announcement.

The Audit Committee shall propose to the Board to convene an extraordinary general meeting in writing. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, provide a written response indicating whether it agree or disagree to convene the extraordinary general meeting within ten days upon receipt of the proposal. Where the Board agrees to convene the extraordinary general meeting, a notice of convening the shareholders' meeting shall be issued within five days after the resolution of the Board is made, and the changes to the original proposal in the notice shall be agreed with the Audit Committee. Where the Board does not agree to convene the extraordinary general meeting, or fails to give feedback within ten days after receiving the proposal, the Board shall be deemed to be unable to perform or fail to perform its duties of convening the shareholders' meeting, and the Audit Committee may convene and preside over the meeting by itself.

Shareholders who individually or collectively hold more than 10% of our Company's shares shall make a request in writing to the Board to convene an extraordinary general meeting. The Board shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide a written response indicating whether it agree or disagree to convene the extraordinary general meeting within ten days upon receipt of the request. Where the Board agrees to convene the

extraordinary general meeting, a notice of convening the shareholders' meeting shall be issued within five days after the resolution of the Board is made, and the changes to the original request in the notice shall be agreed with relevant shareholders. Where the Board does not agree to convene the extraordinary general meeting, or fails to give feedback within ten days after receiving the request, shareholders individually or collectively holding more than 10% of our Company's shares have the right to propose to the Audit Committee to convene an extraordinary general meeting in writing.

Where the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice to convene the shareholders' meeting within five days of receiving the request, and the changes to the original request in the notice shall be agreed with relevant shareholders. Where the Audit Committee fails to issue a notice of the shareholders' meeting within the prescribed period, the Audit Committee shall be deemed to not convene or preside over the shareholders' meeting, and the shareholders who individually or collectively hold more than 10% of our Company's shares for more than 90 consecutive days may convene and preside over the meeting on their own.

Notice of shareholders' meeting

The convener will notify shareholders by announcement 20 days before the annual shareholders' meeting, and for the extraordinary shareholders' meeting, shareholders will be notified by announcement 15 days before the meeting. When calculating the starting period, our Company shall not include the date of the meeting. Notice of shareholders' meeting shall be given to shareholders in a manner consistent with the laws, administrative regulations, the Listing Rules of the Hong Kong Stock Exchange, securities regulatory rules of the place where our Company's shares are listed and the Articles of Association.

The notice of the shareholders' meeting includes the following:

(1) time, place and duration of the meeting;

(2) matters and proposals submitted to the meeting for consideration;

(3) explain in obvious words: All shareholders have the right to attend the shareholders' meeting and can entrust a proxy in writing to attend the meeting and participate in voting. The shareholder's proxy does not have to be a shareholder of our Company;

(4) equity registration date of shareholders who have the right to attend the shareholders' meeting;

(5) name and telephone number of the permanent contact person for conference affairs;

(6) voting time and voting procedures online or by other means;

(7) the time and place for the delivery of the proxy power of attorney for the meeting voting; and

(8) other requirements stipulated by laws, administrative regulations, departmental rules, Listing Rules, the Articles of Association and securities regulatory rules of the place where our Company's shares are listed.

All specific contents of all proposals shall be fully and completely disclosed in the shareholder meeting notice and supplementary notice.

Proposals of shareholders' meeting

The content of the proposal should fall within the scope of functions of the shareholders' meeting, have clear topics and specific resolution matters, and comply with the relevant provisions of laws, administrative regulations, securities regulatory rules of the place where our Company's shares are listed and Articles of Association.

When our Company convenes a shareholders' meeting, the Board, the Audit Committee and shareholders individually or jointly holding more than 1% of our Company's shares have the right to propose proposals to our Company.

Shareholders who individually or collectively hold 1% or more of our Company's shares may make a provisional proposal and submit it in writing to the convener ten days before the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting within two days of receipt of the proposal, announcing the content of the provisional proposal, and the provisional proposal shall be submitted to the shareholders' meeting for deliberation, unless the provisional proposal is in violation of any law, administrative regulation or the Articles of Association or fails to fall into the scope of functions of the shareholders' meeting.

Save for the circumstances specified in the preceding paragraph, the convener shall not modify the proposals listed in the notice of shareholders' meeting or add new proposals after issuing the notice of shareholders' meeting.

Proposals that are not listed in the notice of shareholders' meeting or do not comply with the provisions of the Articles of Association shall not be voted on and resolutions made by the shareholders' meeting.

Delegations of the shareholders' meeting

Shareholders may attend the shareholders' meeting in person or entrust a proxy to attend and vote on their behalf. Each shareholder has the right to appoint one proxy, but the proxy does not need to be a shareholder of our Company. The proxy may exercise the following rights in accordance with the entrustment of such shareholder:

(1) the shareholder's right to speak at a shareholders' meeting;

(2) individually, or collectively with others, request to vote by poll;

(3) exercise the right to vote by hands or on a poll, unless otherwise prescribed by relevant laws, administrative regulations, the Listing Rules of the Hong Kong Stock Exchange or other securities regulatory rules of the place where our Company's shares are listed.

If an individual shareholder attends the meeting in person, he/she shall produce his/her identity card or other valid documents or certificates that can identify him/herself, if a shareholder authorizes a proxy to attend a meeting on his/her behalf, the proxy shall produce his/her own valid identity card and the power of attorney from the shareholder.

Legal person shareholders shall be represented by their legal representative or a proxy entrusted by the legal representative to attend the meeting. If a legal representative attends the meeting, he or she shall present his or her identity card and a valid certificate proving his or her qualifications as a legal representative; if a proxy is appointed to attend the meeting, the proxy shall present his or her identity card and a written power of attorney issued by the legal representative of the legal person shareholder unit in accordance with the law (except where the shareholder is a recognized clearing house or its proxy (hereinafter referred to as the "**Recognized Clearing House**") as defined in the relevant regulations of Hong Kong law in force from time to time or the securities regulatory rules of the place where our Company's shares are listed).

If the shareholder is a Recognized Clearing House (or its proxy), the Recognized Clearing House may authorize one or more persons it considers appropriate to act as its representative at any shareholders' meeting or any creditors' meeting; however, if more than one person is authorized, the power of attorney should specify the number and type of shares for each such authorized person. A person so authorized may exercise rights on behalf of a Recognized Clearing House (without having to present share certificates, notarized power of attorney, and/or further evidence of due authorization) as if such person were an individual shareholder in our Company.

Voting on the Shareholders' meeting

Resolutions of shareholders' meetings are divided into ordinary resolutions and special resolutions.

Ordinary resolutions made on the shareholders' meeting shall be passed by more than half of the voting rights held by shareholders (including shareholders' proxies) present at the shareholders' meeting.

Special resolutions made on a shareholders' meeting shall be passed by more than two-thirds of the voting rights held by shareholders (including shareholders' proxies) present at the shareholders' meeting.

The following matters shall be passed by ordinary resolutions at the shareholders' meeting:

(1) work reports of the Board;

(2) the profit distribution plan and loss recovery plan drawn up by the Board;

(3) the appointment and removal of members of the Board and their remuneration and payment methods;

(4) the annual report of our Company;

(5) making resolution on engagement and dismissal of the accountant firm that undertakes the auditing of our Company;

(6) other matters that shall be passed by special resolutions except those stipulated by laws, administrative regulations, securities regulatory rules of the place where our Company's shares are listed or the Articles of Association.

The following matters shall be passed by special resolutions at the shareholders' meeting:

(1) our Company increases or decreases its registered capital;

(2) the division, spin-off, merger, dissolution and liquidation of our Company;

(3) modification of the Articles of Association;

(4) our Company purchases or sells major assets within one year or the amount of guarantee provided to others exceeds 30% of our Company's latest audited total assets;

(5) equity incentive plan;

(6) making resolution on the issuing of company bonds, securities and listing;

(7) other matters that are stipulated in laws, administrative regulations, securities regulatory rules of the place where our Company's shares are listed or the Articles of Association, as well as those that are determined by the shareholders' meeting to have a significant impact on our Company through ordinary resolutions and need to be passed through special resolutions.

Shareholders (including shareholders' proxies) exercise their voting rights based on the number of voting shares they represent, and each share is entitled to one vote. However, our Company's shares held by our Company carry no voting rights, and such shares are not included in the total number of voting shares held by shareholders present.

DIRECTORS AND THE BOARD

Directors

Directors are elected or changed by the shareholders' meeting. The term of directors is three years. Upon expiration of the term, directors may be re-elected.

The term of office of a director shall be calculated from the date of assuming office until the expiration of the term of the current Board. If a director's term of office expires and is not re-elected in time, until the re-elected director takes office, the original director shall still perform his or her duties as a director in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association. Directors may resign before the expiration of their terms of office.

The senior management may concurrently serve as a director, provided that the aggregate number of the directors who concurrently serve as the senior management, shall not exceed one half of all the directors of our Company.

No employee representative director in the Board of our Company.

The chairman of the Board

The board of directors shall appoint one chairman, who shall be elected by a majority of all directors on the board. The chairman of the Board exercises the following functions and powers:

(1) preside over shareholders' meetings and convene and preside over Board meetings;

(2) supervise and inspect the implementation of Board resolutions;

(3) sign our Company's share certificates, corporate bonds, and other securities;

(4) sign important board documents;

(5) in the event of force majeure emergencies such as natural disasters, exercising special disposal rights over company affairs that are consistent with legal regulations and our Company's interests, and reporting to our Company's board of directors and shareholders' meeting afterward;

(6) other authorities granted by the board of directors, laws, administrative regulations, securities regulatory rules of the place where our Company's shares are listed.

The Board

The Board consists of 9 directors, including 3 independent directors.

The Board exercises the following functions and powers:

(1) convening the shareholders' meeting and reporting its work to the shareholders' meeting;

(2) executing resolutions of the shareholders' meeting;

(3) deciding the operational plans and investment plans of our Company;

(4) preparing the profit distribution plans and loss compensation plans of our Company;

(5) preparing plans for our Company to increase or decrease its registered capital, issue bonds or other securities as well as the listing of our Company;

(6) drafting plans for our Company with respect to significant acquisitions, purchase of shares, mergers, divisions, dissolution or change of the form of our Company;

(7) deciding our Company's outbound investments, purchase and sale of assets, pledge of assets, external guarantees, entrusted wealth management, related-party transactions, external donations and other matters within the scope authorized by the shareholders' meeting;

(8) deciding to establish the internal management organizations of our Company;

(9) deciding on the appointment or dismissal of the president, and other senior executives, as well as deciding on their remuneration, reward and disciplinary matters; deciding on the appointment or dismissal of senior executives such as vice president, financial controller, and deciding on their remuneration, reward and disciplinary matters based on the president's nominations;

(10) preparing the basic management system of our Company;

(11) preparing plans to amend the Articles of Association;

(12) managing the disclosure of information by our Company;

(13) requesting the shareholders' meeting to engage or replace the accounting firm that provides audit services to our Company;

(14) listening to the president's work report and checking the president's work; and

(15) other powers authorized by the laws, administrative regulations, departmental rules, Listing Rules, securities regulatory rules of the place where our Company's shares are listed and the Articles of Association or the shareholders' meeting.

Any matters that are beyond the scope of authorization of the shareholders' meeting shall be submitted for consideration at the shareholders' meeting.

The Board shall meet at least 4 times a year, at the call of the chairman of the Board. Regular meetings of the Board referred to in these Articles of Association shall be notified in writing to all directors 14 days prior to the meeting.

Shareholders representing more than 1/10 of the voting rights, more than 1/3 of the directors or the Audit Committee may propose to convene an extraordinary meeting of the Board. The chairman of the Board shall convene and preside over the Board meeting within ten days after receiving the proposal.

The notification time limit for the extraordinary meeting of the Board is three days prior to the meeting. In cases of emergency where an extraordinary meeting of the Board needs to be convened as soon as possible, the time limit for the delivery of the meeting notice may not be subject to the time limit stipulated in the preceding paragraph.

Board meetings should be attended by more than half of the directors. Resolutions made by the Board should be approved by more than half of all directors.

Directors who are related to the corporates or individuals involved in the matters resolved at the Board meeting may not exercise voting rights on the resolution, nor may they exercise voting rights on behalf of other directors. The Board meeting may be held if more than half of the unrelated directors are present, and resolutions made at the Board meeting shall be passed by more than half of the unrelated directors. If the number of unrelated directors present at the Board is less than 3, the matter shall be submitted to the shareholders' meeting for consideration.

The Articles of Association do not specifically provide for the manner in which Directors may own or exercise borrowing rights, but in connection with the issuance of corporate bonds, the Articles of Association contain an understanding that (1) the Board of Directors will formulate a plan for the issuance of corporate bonds, and (2) the issuance of corporate bonds will be authorised by a resolution of the general meeting.

Special committees of the Board

The Board of our Company has an Audit Committee in place to exercise the functions and powers of the Board of Supervisors as stipulated in our Company Law.

The Board of our Company sets up other special committees, such as the Nomination Committee and the Remuneration and Appraisal Committee, to perform their duties in accordance with the Articles of Association and the authorization of the Board, and the proposals of the special committees shall be submitted to the Board for consideration and decision. The Board shall be responsible for formulating the working procedures of the special committees. The composition of the special committees shall comply with the laws, administrative regulations, departmental rules, the Listing Rules of Hong Kong Stock Exchange and other securities regulatory rules of the place where our Company's shares are listed or the relevant requirements stipulated by the relevant regulatory authorities.

Senior Management

Our Company has a president, several vice presidents and a financial controller, all of whom are appointed or dismissed by the Board.

Our Company's president is elected for a term of three years, and may be re-appointed.

The president is responsible to the Board and exercises the following functions and powers:

(1) preside over our Company's production, operation and management work, organize the implementation of Board resolutions, and report work to the Board;

(2) organize and implement our Company's annual business plan and investment plan;

(3) formulate a plan for the establishment of our Company's internal management organization;

(4) formulate our Company's basic management system;

(5) formulate specific regulations of our Company;

(6) propose to the Board to appoint or dismiss our Company's vice president, financial controller;

(7) decide on the appointment or dismissal of management personnel other than those who shall be appointed or dismissed by the Board;

(8) propose to convene the extraordinary meeting of the Board;

(9) other powers granted by the Articles of Association or by the Board.

The president attends Board meetings.

FINANCIAL ACCOUNTING SYSTEM

Our Company formulates its financial accounting system in accordance with laws, administrative regulations, securities regulatory rules of the place where our Company's shares are listed and regulations of relevant national departments.

Our Company shall prepare its annual financial accounting report within four months from the end of each accounting year and interim financial accounting report within three months from the end of the first six months of each accounting year.

The aforesaid financial accounting reports are prepared and published in accordance with the relevant laws, administrative regulations, the China securities regulatory commission and other securities regulatory rules of the places where our Company's shares are listed.

Other than the statutory accounting books, our Company will not maintain separate accounting books. Our Company's funds are not stored in accounts opened in any individual's name.

When our Company distributes after-tax profits for the year, it shall withdraw 10% of the profits and include them in our Company's statutory reserve fund. If the cumulative amount of our Company's statutory reserve fund is more than 50% of our Company's registered capital, no further withdrawals may be made.

If our Company's statutory reserve fund is insufficient to make up for losses in previous years, it shall first utilize the current year's profits to make up for the losses before withdrawing the statutory reserve fund in accordance with the provisions of the preceding paragraph.

After our Company withdraws the statutory reserve fund from the after-tax profits, it can also withdraw the discretionary reserve fund from the after-tax profits upon resolution of the shareholders' meeting.

The remaining after-tax profits after our Company has made up for its losses and withdrawn the reserve fund shall be distributed according to the proportion of shares held by shareholders.

If the shareholders' meeting violates our Company Law and distributes profits to shareholders, shareholders shall return the profits distributed in violation of the regulations to our Company. If any loss is caused to our Company, the shareholders and the responsible directors and senior management shall be liable for compensation.

Our Company's shares held by our Company will not participate in the distribution of profits.

Our Company shall appoint one or more collection agents in Hong Kong for H share shareholders. The collection agent shall collect and keep the dividends distributed by our Company in respect of H shares and other amounts payable on behalf of the relevant H-share holders, to make payments to such H-share holders. The collection agent appointed by our Company shall comply with the requirements of laws, regulations and the securities regulatory rules of the place where our Company's shares are listed.

Our Company's reserve fund is used to make up for our Company's losses, expand our Company's production and operations, or increase our Company's registered capital. However, our Company's capital reserve may not be used to cover losses of our company.

When the statutory reserve fund is converted to increase the registered capital, the remaining reserve fund will not be less than 25% of our Company's registered capital prior to the conversion.

APPOINTMENT OF ACCOUNTING FIRM

Our Company engages an accounting firm that complies with the provisions of the Securities Law to conduct accounting statement audits, net asset verification and other related consulting services. The appointment period is one year and can be renewed.

Our Company's appointment and dismissal of an accounting firm shall be submitted to the Board for deliberation and decided by the shareholders' meeting after being approved by a majority of all the members of the Audit Committee. The Board may not appoint an accounting firm before a decision is made at the shareholders' meeting.

Our Company guarantees to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information to the accounting firm engaged, and shall not refuse, conceal or make false statements.

MERGERS, DIVISIONS, CAPITAL INCREASES AND CAPITAL REDUCTIONS

Company mergers may take the form of mergers by absorption or mergers by new establishment.

When a company absorbs other companies, it is called a merger by absorption, and the absorbed company is dissolved. The merger of two or more companies to establish a new company is a merger by new establishment, and the merging parties are dissolved.

If our Company merges, the merging parties shall sign a merger agreement and prepare a balance sheet and inventory of assets. Our Company shall notify creditors within ten days from the date of making the merger resolution, and shall make an announcement within 30 days in newspapers or the National Enterprise Credit Information Disclosure System.

Creditors may require our Company to pay off debts or provide corresponding guarantees within 30 days from the date of receipt of the notice, or within 45 days from the date of announcement if no notice is received.

If our Company merges, the claims and debts of the merging parties shall be inherited by the continuing company or the newly established company after the merger.

If our Company is divided, its property will be divided accordingly.

If our Company is divided, a balance sheet and inventory of assets shall be prepared. Our Company shall notify its creditors within ten days from the date of making the division resolution, and shall make an announcement within 30 days in newspapers or the National Enterprise Credit Information Disclosure System.

The companies resulting from the division shall bear joint and several liability for the debts incurred by our Company before the division. However, this shall not be the case unless otherwise agreed upon in a written agreement between our Company and its creditors regarding debt settlement before the division.

If our Company needs to reduce its registered capital, it must prepare a balance sheet and inventory of assets.

Our Company shall notify creditors within ten days from the date of making the resolution to reduce the registered capital at the shareholders' meeting, and shall make an announcement within 30 days in newspapers or the National Enterprise Credit Information Disclosure System. Creditors have the right to require our Company to pay off debts or provide corresponding guarantees within 30 days from the date of receipt of the notice, or within 45 days from the date of announcement if no notice is received.

If our Company is merged or divided and the registered items are changed, the registration of the change shall be carried out with our Company registration authority in accordance with the law; if our Company is dissolved, the registration of the cancelation of our Company shall be carried out in accordance with the law; if a new company is established, the registration of the establishment of such company shall be carried out in accordance with the law.

If our Company increases or decreases its registered capital, it shall apply for a registration of the change with our Company registration authority in accordance with the law.

DISSOLUTION AND LIQUIDATION

Our Company will be dissolved for the following reasons:

(1) the business period stipulated in the Articles of Association expires or other reasons for dissolution stipulated in the Articles of Association occur;

(2) the shareholders' meeting makes a resolution to dissolve;

(3) dissolution is required due to company merger or division;

(4) the business license has been revoked, ordered to close, or revoked in accordance with the law;

(5) if our Company encounters serious difficulties in its operation and management, and its continued existence will cause heavy losses to the interests of shareholders, and cannot be solved through other means, shareholders holding more than 10% of the voting rights of all shareholders of our Company may request the People's Court to dissolve our Company.

If our Company encounters the above-mentioned reasons for dissolution, it shall publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System within ten days.

The liquidation team shall exercise the following functions and powers during the liquidation period:

(1) clean up our Company's properties and prepare a balance sheet and inventory of assets respectively;

(2) notify and announce creditors;

(3) handle our Company's uncompleted businesses related to liquidation;

(4) pay the taxes owed and the taxes incurred during the liquidation process;

(5) clear claims and debts;

(6) distribute our Company's remaining property after paying off its debts;

(7) participate in civil litigation activities on behalf of our Company.

The liquidation team shall notify creditors within ten days from the date of establishment, and shall publish an announcement within 60 days in newspapers or the National Enterprise Credit Information Publicity System. Creditors shall declare their claims to the liquidation team within 30 days from the date of receipt of the notice, or within 45 days from the date of announcement if the notice is not received.

When a creditor declares claims, he or she shall explain the relevant matters of the claims and provide supporting materials. The liquidation team shall register the claims.

During the period of reporting claims, the liquidation team shall not make settlements with creditors.

After cleaning up our Company's assets and preparing a balance sheet and inventory of assets, the liquidation team shall formulate a liquidation plan and submit it to shareholders' meeting or the People's Court for confirmation.

Our Company's remaining property, after paying liquidation expenses, employees' wages, social insurance fees, statutory compensation, taxes owed, and our Company's debts, shall be distributed to the shareholders in proportion to their shareholdings.

During the liquidation period, our Company continues to exist, but it cannot carry out business activities unrelated to the liquidation. Our Company's property will not be distributed to shareholders before it is settled in accordance with the provisions of the preceding paragraph.

After clearing our Company's property and preparing a balance sheet and inventory of assets, if the liquidation team finds that our Company's property is insufficient to pay off its debts, it shall apply to the People's Court for liquidation of bankruptcy in accordance with the law.

After the People's Court accepts the bankruptcy application, the liquidation team shall transfer the liquidation matters to the bankruptcy administrator designated by the People's Court.

After our Company's liquidation is completed, the liquidation team shall prepare a liquidation report, submit it to the shareholders' meeting or the People's Court for confirmation, and submit it to our Company registration authority to apply for cancelation of our Company registration.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Under any of the following circumstances, our Company shall amend the Articles of Association:

(1) after our Company Law or relevant laws, administrative regulations, Listing Rules or securities regulatory rules of the place where our Company's shares are listed are amended, the matters stipulated in the Articles of Association contradict with the provisions of the revised laws, administrative regulations, Listing Rules or securities regulatory rules of the place where our Company's shares are listed;

(2) our Company's situation changes and is inconsistent with the matters recorded in the Articles of Association;

(3) the shareholders' meeting makes a resolution to amend the Articles of Association.

If the amendments to the Articles of Association passed by the resolution of the shareholders' meeting should be reviewed and approved by the competent authority, they must be reported to the competent authority for approval;

If such amendments involve Company registration matters, the registration of change shall be handled in accordance with the law.

The Board amends the Articles of Association in accordance with the resolution of the shareholders' meeting to amend the Articles of Association and the approval of the relevant competent authorities.

If amendments to the Articles of Association constitute information that is required to be disclosed by laws and regulations, they shall be announced as required.

1. FURTHER INFORMATION ABOUT OUR COMPANY

A. Incorporation

Our Company was incorporated as a limited liability company in the PRC on May 17, 2016 and was converted into a joint stock company with limited liability on June 12, 2025. Our registered address and principal place of business is at Room 303, Building 4 Second Street, Gangcheng Square, No. 88 Yunjuan Road, Lane 11, Lin-gang Special Area, China (Shanghai) Free Trade Pilot Zone, PRC.

We have established a place of business in Hong Kong at 46/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on July 4, 2025. Mr. Chow Shing Lung, our joint company secretary, is the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong under Part 16 of the Companies Ordinance. The address for service of process on our Company in Hong Kong is the same as its principal place of business in Hong Kong as set out above.

As our Company was established in the PRC, we are subject to the relevant laws and regulations of the PRC. An overview of the relevant aspects of laws and regulations of the PRC is set out in the section headed "Regulatory Overview" in this prospectus. A summary of our Articles of Association is set out in Appendix III to this prospectus.

B. Changes in the Share Capital

On June 12, 2025, our Company was converted into a joint stock company with limited liability under the PRC Company Law. Upon completion of such conversion, the share capital of our Company was RMB100,000,000 divided into 100,000,000 Shares with a nominal value of RMB1.00 each.

Immediately following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares, assuming that the Over-allotment Option is not exercised, our registered share capital will be increased to RMB112,000,000, divided into 1,110,200 Domestic Shares and 110,889,800 H Shares, fully paid up or credited as fully paid up, representing approximately 0.99% and approximately 99.01% of our enlarged share capital, respectively.

Save as disclosed above, there has been no alteration in the share capital of our Company and its subsidiaries within two years immediately preceding the date of this prospectus.

C. Resolutions Passed by Our Shareholders' General Meeting in relation to the Global Offering

At the extraordinary general meeting of the Shareholders held on June 17, 2025, the following resolutions, among others, were duly passed:

(1) the issue by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be listed on the Stock Exchange;

(2) the proposed number of H Shares to be offered under the Global Offering and the grant of the Over-allotment Option. The number of H Shares to be issued pursuant to the exercise of the Over-allotment Option shall not exceed 15% of the total number of H Shares to be offered initially pursuant to the Global Offering;

(3) subject to the completion of the Global Offering, the conditional adoption of the revised Articles of Association, which shall become effective on the Listing Date; and

(4) authorization of our Board and its authorized persons to handle all matters relating to, among other things, the Global Offering.

D. Restriction on Share Repurchases

For details of the restrictions on share repurchases by our Company, see the section headed "Appendix III—Summary of Articles of Association" in this prospectus.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of Our Material Contract

We have entered into the following contract (not being contract entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus that is or may be material:

(1) the Hong Kong Underwriting Agreement.

B. Our Intellectual Property Rights

As of the Latest Practicable Date, our Company had registered, or has applied for the registration of the following intellectual property rights which were material to our Group's business.

Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we considered to be material to our business:

No.	Trademark	Class	Owner	Place of Registration	Registration No.	Validity Period
1. . . .	傅里叶	9	Our Company	PRC	21688273	December 14, 2017 – December 13, 2027
2. . . .		9	Our Company	PRC	65626270	March 21, 2023 – March 20, 2033
3. . . .	FourSemi	9	Our Company	PRC	81500298	April 14, 2025 – April 13, 2035

Patents

As of the Latest Practicable Date, we had registered the following patents which we considered to be material to our business:

No.	Owner	Description	Patent No.	Types of Patents	Application Date	Authorization Announcement Date
1. . . .	Our Company	Method for Calibrating Speaker Impedance Mismatch (校準喇叭非一致性阻抗的方法)	ZL201610626083.4	Invention	August 3, 2016	June 2, 2020
2. . . .	Our Company	Integrated Device and Method for Micro-Speaker Control and Temperature Measurement (微型揚聲器控制測溫整合裝置及方法)	ZL201711080667.7	Invention	November 6, 2017	October 22, 2024

No.	Owner	Description	Patent No.	Types of Patents	Application Date	Authorization Announcement Date
3. . . .	Our Company	Intelligent Audio Effect Amplifier Chip and Intelligent Audio Effect Switching Method (智能音效功放芯片及智能音效切換方法)	ZL201711117196.2	Invention	November 13, 2017	July 3, 2020
4. . . .	Our Company	Digital Amplifier Chip with DC Protection Function and Its DC Protection Method (具有直流保護功能的數字功放芯片及其直流保護方法)	ZL201811032992.0	Invention	September 5, 2018	May 28, 2021
5. . . .	Our Company	Adaptive Boost Circuit Device Suitable for Digital Audio Chips (一種適用於數字音頻芯片的自適應Boost電路裝置)	ZL201811072193.6	Invention	September 14, 2018	September 8, 2020
6. . . .	Our Company	Variable-Frequency Automatic Gain Control Device Suitable for Intelligent Amplifier Chips (一種適用於智能功放芯片的變頻自動增益控制裝置)	ZL201811257389.2	Invention	October 26, 2018	April 12, 2022
7. . . .	Our Company	LRA Drive Pulse Waveform Design Method Based on Kaiser Window (一種基於Kaiser窗的LRA驅動脈衝波形設計方法)	ZL202010186443.X	Invention	March 17, 2020	April 14, 2023
8. . . .	Our Company	Method for Mobile Phone Speaker f0 Testing and Tracking (一種手機喇叭諧振頻率f0測試和跟蹤方法)	ZL202010186763.5	Invention	March 17, 2020	June 18, 2021
9. . . .	Our Company	Double Charge Pump (一種雙倍電荷泵)	ZL202010207163.2	Invention	March 23, 2020	March 12, 2021
10. . .	Our Company	Multi-Channel Seamless Switching Method (多聲道無縫切換方法)	ZL202110626730.2	Invention	June 4, 2021	August 5, 2022
11. . .	Our Company	Adaptive Control Device and Method for Boost Circuits (升壓電路的自適應控制裝置及控制方法)	ZL202110727733.5	Invention	June 29, 2021	July 7, 2023

No.	Owner	Description	Patent No.	Types of Patents	Application Date	Authorization Announcement Date
12. . .	Our Company	Linear Resonant Actuator Resonance Frequency Detection Method and System (一種線性諧振馬達諧振頻率檢測方法及系統)	ZL202210626774.X	Invention	June 5, 2022	October 1, 2024
13. . .	Our Company	Speaker Short-Circuit/ Open-Circuit Detection Method and Speaker Fault Detection System (揚聲器短路開路檢測方法和揚聲器故障檢測系統)	ZL202410176565.9	Invention	February 8, 2024	July 19, 2024
14. . .	Our Company	Speaker Resonance Frequency Detection Method and Device, Speaker Fault Detection System (揚聲器諧振頻率檢測方法及裝置、揚聲器故障檢測系統)	ZL202410176566.3	Invention	February 8, 2024	June 28, 2024
15. . .	Our Company	Speaker Fault Detection Circuit and Method, Electronic Device (揚聲器故障檢測電路及方法、電子設備)	ZL202410176567.8	Invention	February 8, 2024	August 20, 2024

Domain Name

As of the Latest Practicable Date, we had registered the following domain name which we considered to be material to our business:

No.	Domain Name	Name of Registered Proprietor	Date of Registration
1.	foursemi.com	Our Company	August 23, 2022

Software Copyrights

As of the Latest Practicable Date, we had registered the following software copyrights which we considered to be material to our business:

No.	Software Name	Version	Owner	Registration No.	Date of Registration
1. . . .	SmartPa Operation and Control Software for MTK Platform (MTK平台SmartPa運行與控制軟件)	V1.0	Our Company	2023SR0099549	January 17, 2023
2. . . .	SmartPa Operation and Control Software for Qcomm Platform (Qcomm平台SmartPa運行與控制軟件)	V1.0	Our Company	2023SR0099550	January 17, 2023

No.	Software Name	Version	Owner	Registration No.	Date of Registration
3. . . .	Fourier Feedforward Function Intelligent Amplifier Drive Software (傅里葉前饋功能智能功放驅動軟件)	V1.0	Our Company	2024SR0840492	June 20, 2024

3. FURTHER INFORMATION ABOUT OUR DIRECTORS

A. Particulars of Directors' Contracts

Each of our Directors has entered into a service contract with our Company. Each service contract is for an initial term of three years. The service contracts may be renewed in accordance with the Articles and the applicable laws, rules and regulations.

Save as disclosed above, none of our Directors has or is proposed to enter into a service contract with any member of our Group, other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation).

B. Remuneration of Directors

See "Directors and Senior Management" and Note 8 to the Accountants' Report in Appendix I to this prospectus for the remuneration or benefits in kind paid to our Directors for each of the three years ended December 31, 2024 and the ten months ended October 31, 2025.

During the Track Record Period, no fees were paid by our Group to any of our Directors or the five highest paid individuals as an inducement to join us or as compensation for loss of office.

4. DISCLOSURE OF INTERESTS

A. Disclosure of Interests of Directors

Save as disclosed below, immediately following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares (assuming that the Over-allotment Option is not exercised), none of our Directors has any interest and/or short position in the Shares, underlying Shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short position which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules to be notified to our Company, once the H Shares are listed on the Stock Exchange.

Name of Director	Our Company/ associated corporation	Capacity/ nature of interest	As of the Latest Practicable Date: Number of Domestic Shares	As of the Latest Practicable Date: Approximate percentage of shareholding in the total issued share capital of our Company	Immediately following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares (assuming the Over-allotment Option is not exercised): Number of H Shares	Immediately following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares (assuming the Over-allotment Option is not exercised): Approximate percentage of shareholding in our H Shares	Immediately following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares (assuming the Over-allotment Option is not exercised): Approximate percentage of shareholding in the total issued share capital of our Company
Mr. Xu[(1)(2)]	Our Company	Beneficial owner, interest in controlled corporation, interest held jointly with other person	35,275,900	35.28%	35,275,900	31.81%	31.50%
Mr. Liu[(2)]	Our Company	Beneficial owner, interest held jointly with other person	35,275,900	35.28%	35,275,900	31.81%	31.50%
Mr. Qian Shun[(3)]	Our Company	Interest in controlled corporation	7,073,700	7.07%	7,073,700	6.38%	6.32%

(1) As of the Latest Practicable Date, Mr. Xu acted as the general partner of Shanghai FourSemi Management, Xiamen FourSemi Management and Xiamen FourSemi Chuangke. Under the SFO, Mr. Xu is deemed to be interested in the entire Shares held by Shanghai FourSemi Management, Xiamen FourSemi Management and Xiamen FourSemi Chuangke.

(2) Pursuant to the Concert Party Agreement, Mr. Liu irrevocably agreed to, among others, act in concert with Mr. Xu and follow his instructions in exercising his vote at the general meetings of our Company. Under the SFO, Mr. Xu is deemed to be interested in the Shares held by Mr. Liu, and Mr. Liu is deemed to be interested in the Shares held by Mr. Xu.

(3) As of the Latest Practicable Date, Xiamen FourSemi Management was owned as to approximately 35.60% by Mr. Qian Shun as a limited partner. Under the SFO, Mr. Qian Shun is deemed to be interested in the Shares held by Xiamen FourSemi Management.

Up to the Latest Practicable Date, none of our Directors or their respective spouses and children under 18 years of age had been granted by our Company or had exercised any rights to subscribe for shares or debentures of our Company or any of its associated corporations.

B. Substantial Shareholders

Save as disclosed in the section headed "Substantial Shareholders" in this prospectus, our Directors or chief executive are not aware of any other person, not being a Director or chief executive of our Company, who has an interest or short position in the Shares and underlying Shares of our Company, which following the completion of the Global Offering and the Conversion of Domestic Shares into H Shares, would fall to be disclosed to our Company 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 or any member of our Group.

C. Disclaimers

(1) None of our Directors has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this prospectus been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(2) None of our Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole; and

(3) So far as is known to our Directors, none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders of our Company who are interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Group.

5. OTHER INFORMATION

A. Estate Duty

Our Directors have been advised that no material liability for estate duty under the PRC laws is likely to fall on our Company or its subsidiaries.

B. Litigation

As of the Latest Practicable Date, save as disclosed in this Prospectus, no member of our Group was engaged in any outstanding material litigation or arbitration which may have material and adverse effect on the Global Offering and, so far as our Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of our Group.

C. Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Listing Committee for the listing of, and permission to deal in, our H Shares. The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The Joint Sponsors will be paid by our Company a total fee of USD650,000 to act as the sponsors in connection with the Listing.

D. Compliance Advisor

Our Company has appointed Orient Capital (Hong Kong) Limited as the compliance advisor upon the Listing in compliance with Rule 3A.19 of the Listing Rules.

E. Preliminary Expenses

We have not incurred any material preliminary expenses.

F. Promoters

The information of our promoters when we were converted into a joint stock company on June 12, 2025 is as follows:

Name of Shareholder	Number of Shares	Shareholding percentage
		(%)
Mr. Xu	8,859,800	8.86
Shanghai FourSemi Management	12,617,800	12.62
Xiamen FourSemi Management	7,073,700	7.07
Xiamen FourSemi Chuangke	4,206,100	4.21
Mr. Liu	2,518,500	2.52
Gansheng Investment	6,406,800	6.41
Moqin Intelligent	6,361,400	6.36
Vinno Intelligent and Health	5,776,900	5.78
Fortune Chuanghong	4,696,800	4.70
Ark Investment	4,601,600	4.60

Name of Shareholder	Number of Shares	Shareholding percentage
		(%)
Junyi Kaixiang	3,527,500	3.53
Chaoyue Moore	3,022,300	3.02
Junsheng Investment	2,921,500	2.92
Mr. Liu Changjiang	2,458,100	2.46
Zhanxiang Information	1,981,800	1.98
Xingtou Youxuan	1,850,300	1.85
Wentianxia	1,687,300	1.69
Weitai Shenghong	1,680,000	1.68
Junyi Borui	1,473,700	1.47
Zhengchu Venture Capital	1,356,700	1.36
Kuanlian Investment	1,322,800	1.32
Junqing Investment	1,302,300	1.30
Chufeng Investment	1,222,700	1.22
Huzhou Zhuosheng	1,110,200	1.11
Shunke Investment	1,052,500	1.05
Ms. Jiang Yan	950,000	0.95
Yahe Xinghua	906,700	0.91
Shunying Investment	747,100	0.75
Junxin Ruizhi	670,400	0.67
Jicui Meibai	604,500	0.60
Longcheer Intelligence	604,500	0.60
Haisheng Xianting	576,900	0.58
Fumiao Investment	560,500	0.56
Xiamen Innovation	555,100	0.56
Sanming Innovation	555,100	0.56
Huide Investment	555,100	0.56
Shuimu Xinchi	384,600	0.38
Furui Chuangxin	383,900	0.38
Mr. Deng Tianshun	336,000	0.34
Caizhi Chuangying	221,300	0.22
Zhiyou Management	181,300	0.18
Xinda Venture Capital	117,900	0.12
Total	**100,000,000**	**100**

Within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor is any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus.

G. Qualification of Experts

The qualifications of the experts, as defined under the Listing Rules, who have given opinions in this prospectus, are as follows:

Name	Qualification
Guotai Junan Capital Limited	A licensed corporation under the SFO for type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
Orient Capital (Hong Kong) Limited	A licensed corporation under the SFO for type 6 (advising on corporate finance) of the regulated activities as defined under the SFO

Name	Qualification
Ernst & Young	Certified public accountants and public interest entity auditors
Commerce & Finance Law Offices	Legal advisor of our Company as to the PRC laws
Commerce & Finance Law Offices LLP	Legal advisor of our Company as to the International Sanction Law
Fangda Partners	Legal advisor of our Company as to the Litigation
SHINEWING Tax and Business Advisory Limited	Transfer Pricing Advisor to the Company
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

H. Consents of Experts

Each of the experts named in "5. Other Information—G. Qualification of Experts" above has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

As of the Latest Practicable Date, none of the experts named above had any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe.

I. Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer is effected on the H Share register of members of our Company, including in circumstances where such transaction is effect on the Stock Exchange. For further information in relation to taxation, see "Regulatory Overview".

J. No Material and Adverse Change

Our Directors confirm that there has been no material and adverse change in the financial or trading position of our Group since October 31, 2025.

K. Binding Effect

This prospectus shall have the effect, if an application is made in pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Hong Kong Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

L. Related Party Transactions

Our Group entered into certain related party transactions within the two years immediately preceding the date of this prospectus as mentioned in Note 33 to the Accountants' Report in Appendix I to this prospectus.

M. Restriction on Share Repurchases

See Appendix III to this prospectus for details.

N. Miscellaneous

(1) Within the two years immediately preceding the date of this prospectus:

(i) save as disclosed in the section headed "History and Corporate Structure", no share or loan capital of our Group has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;

(ii) no share or loan capital of our Group is under option or is agreed conditionally or unconditionally to be put under option;

(iii) save as disclosed in the section headed "Underwriting", no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share of our Group; and

(iv) save as disclosed in the section headed "Underwriting", no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company.

(2) There are no founder, management or deferred shares or any debentures in our Group.

(3) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus.

(4) Our Company has no outstanding convertible debt securities or debentures.

(5) There is no arrangement under which future dividends are waived or agreed to be waived.

(6) Save as disclosed in the section headed "History and Corporate Structure", none of our equity and debt securities is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought.

(7) All necessary arrangements have been made to enable the H shares to be admitted into CCASS for clearing and settlement.

(8) No company within our Group is presently listed on any stock exchange or traded on any trading system.

O. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

(1) copy of the material contract referred to in "2. Further Information about Our Business—A. Summary of Our Material Contract" in Appendix IV; and

(2) the written consents referred to in "5. Other information—H. Consents of Experts" in Appendix IV.

2. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of our Company at **www.foursemi.com** and on the website of the Stock Exchange at **www.hkexnews.hk** up to and including the date which is 14 days from the date of this prospectus:

(1) the Articles of Association;

(2) the Accountants' Report from Ernst & Young, the text of which is set out in Appendix I;

(3) the audited consolidated financial statements of our Group for the three years ended December 31, 2024 and the ten months ended October 31, 2025;

(4) the report from Ernst & Young relating to the unaudited pro forma financial information, the text of which is set out in Appendix IIA;

(5) the material contract referred to in "2. Further Information about Our Business—A. Summary of Our Material Contract" in Appendix IV;

(6) the written consents referred to in "5. Other information—H. Consents of Experts" in Appendix IV;

(7) the contracts referred to in "3. Further Information about Our Directors—A. Particulars of Directors' Contracts" in Appendix IV;

(8) the legal opinions issued by Commerce & Finance Law Offices, our legal advisor as to PRC laws, in respect of certain general corporate matters and our Group's business operations in the PRC;

(9) the legal memorandum issued by Commerce & Finance Law Offices LLP, our legal advisor as to International Sanction Law;

(10) the legal memorandum issued by Fangda Partners, our legal advisor as to the Litigation;

(11) the transfer pricing analysis report issued by SHINEWING Tax and Business Advisory Limited, our Transfer Pricing Advisor;

(12) the PRC Company Law and the Trial Administrative Measures together with their unofficial English translations; and

(13) the industry report issued by Frost & Sullivan.

Shanghai FourSemi Semiconductor Co., Ltd.
上海傅里葉半導體股份有限公司