Ingenic 君正

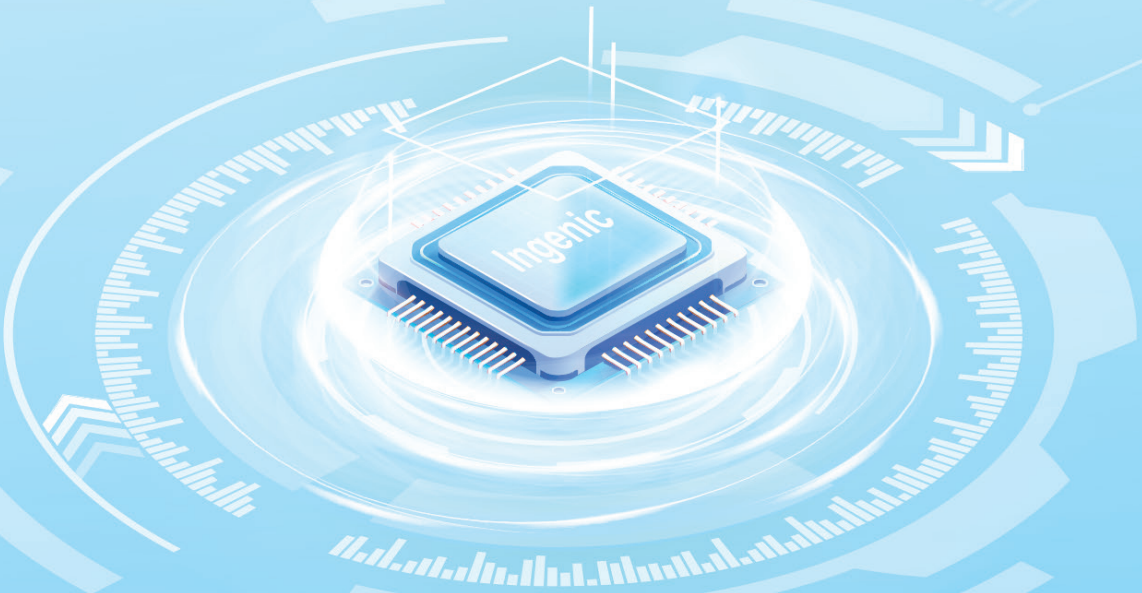
北京君正集成電路股份有限公司

Ingenic Semiconductor Co., Ltd.

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

Stock Code : 3223

GLOBAL OFFERING



Sole Sponsor, Sponsor-Overall Coordinator, Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

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

Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

华泰国际 HUATAI INTERNATIONAL

中国平安 平安证券(香港) PING AN SECURITIES (HONG KONG)

Joint Bookrunners and Joint Lead Managers

老虎證券 TIGER BROKERS

浙商國際 ZHESHANG INTERNATIONAL

富途證券 FUTU Securities International

IMPORTANT: If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

Ingenic 君正

Ingenic Semiconductor Co., Ltd.

北京君正集成電路股份有限公司

(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	**:**	**31,287,300 H Shares (subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	**:**	**3,128,800 H Shares (subject to reallocation)**
Number of International Offer Shares	**:**	**28,158,500 H Shares (subject to reallocation and the Over-allotment Option)**
Maximum Offer Price	**:**	**HK$102.80 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	**:**	**3223**

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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 "Appendix V — Documents Delivered to the Registrar of Companies and Available on Display," 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 and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other documents referred to above.

The Offer Price is expected to be determined by agreement between the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters), and the Company on the Price Determination Date, which is expected to be on or before Friday, August 21, 2026 (Hong Kong time) and, in any event, not later than 12:00 noon on Friday, August 21, 2026 (Hong Kong time). The Offer Price will not be more than HK$102.80 per Offer Share unless otherwise announced. If, for any reason, the Offer Price is not agreed by 12:00 noon on Friday, August 21, 2026 (Hong Kong time) between the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and the Company, the Global Offering will not proceed and will lapse.

Applicants for Hong Kong Offer Shares may be required to pay, on application (subject to application channels), the maximum Offer Price of HK$102.80 for each Hong Kong Offer Share together with a brokerage fee of 1.0%, a SFC transaction levy of 0.0027%, a Stock Exchange trading fee of 0.00565% and an AFRC transaction levy of 0.00015%, subject to refund if the Offer Price as finally determined is less than HK$102.80.

The Sponsor-Overall Coordinator, on behalf of the Underwriters, may, where considered appropriate and with the Company's consent, reduce the number of Offer Shares being offered under the Global Offering at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, notices of the reduction in the number of Offer Shares being offered under the Global Offering will be published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.ingenic.com.cn as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. See "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" sections for further details.

Prospective investors of the Hong Kong Offer Shares should note that the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. See "Underwriting" 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 law in the United States and may be offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

ATTENTION

The Company has adopted a fully electronic application process for the Hong Kong Public Offering. The Company 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 the Company's website at www.ingenic.com.cn. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

August 17, 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 Hong Kong Stock Exchange at **www.hkexnews.hk** under the "HKEXnews > New Listings > New Listing Information" section, and our website at **www.ingenic.com.cn**. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

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 document as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

To apply for the Hong Kong Offer Shares, you may: (1) apply online through the **White Form eIPO** service at **www.eipo.com.hk**; or (2) apply electronically through the **HKSCC EIPO** channel and cause HKSCC Nominees to apply on your behalf 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.

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.

See "How to Apply for Hong Kong Offer Shares" for further details on 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 for a minimum of 100 Hong Kong Offer Shares and in one of the numbers set out in the table.

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.

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.

No. of Hong Kong Offer Shares applied for	Amount payable[2] on application	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application
	HK$		*HK$*		*HK$*		*HK$*
100	10,383.68	2,000	207,673.48	10,000	1,038,367.38	300,000	31,151,021.40
200	20,767.35	2,500	259,591.85	20,000	2,076,734.75	400,000	41,534,695.20
300	31,151.02	3,000	311,510.21	30,000	3,115,102.15	500,000	51,918,369.00
400	41,534.69	3,500	363,428.58	40,000	4,153,469.52	600,000	62,302,042.80
500	51,918.37	4,000	415,346.95	50,000	5,191,836.90	700,000	72,685,716.60
600	62,302.04	4,500	467,265.32	60,000	6,230,204.28	800,000	83,069,390.40
700	72,685.72	5,000	519,183.69	70,000	7,268,571.65	900,000	93,453,064.20
800	83,069.39	6,000	623,020.43	80,000	8,306,939.05	1,000,000	103,836,738.00
900	93,453.07	7,000	726,857.17	90,000	9,345,306.42	1,250,000	129,795,922.50
1,000	103,836.74	8,000	830,693.90	100,000	10,383,673.80	1,564,400[1]	162,442,192.93
1,500	155,755.10	9,000	934,530.64	200,000	20,767,347.60		

(1) Maximum number of Hong Kong Offer Share 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).

No application for any other number of the Hong Kong Offer Shares will be considered and any such 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 Company on **www.ingenic.com.cn**.*

Date[(1)]

Hong Kong Public Offering commences . . . . . .9:00 a.m. on Monday, August 17, 2026

Latest time to complete electronic applications under **White Form eIPO** service through the designated website at **www.eipo.com.hk** . . . . . .11:30 a.m. on Thursday, August 20, 2026

Application lists open[(3)] . . . . . .11:45 a.m. on Thursday, August 20, 2026

Latest time for (a) completing payment for **White Form eIPO** applications by effecting internet banking transfer(s) or PPS payment transfer(s) and (b) giving **electronic application instructions** to HKSCC[(4)] . . . . . .12:00 noon on Thursday, August 20, 2026

If you are instructing your **broker** or **custodian** who is a HKSCC Participant who will submit an **electronic application instruction** on your behalf through HKSCC's FINI system in accordance with your instruction, 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.

Application lists close[(3)] . . . . . .12:00 noon on Thursday, August 20, 2026

Expected Price Determination Date[(5)] . . . . . .by 12:00 noon on Friday, August 21, 2026

Announcement of the Offer Price, the level of indication 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 under the Hong Kong Public Offering to be published of the website of the Stock Exchange at **www.hkexnews.hk** and our Company's website at **www.ingenic.com.cn**[(6)] . . . . . no later than 11:00 p.m. on Monday, August 24, 2026

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 announcement to be published on our website at **www.ingenic.com.cn**(5) and the website of the Stock Exchange at **www.hkexnews.hk** . . . . . no later than 11:00 p.m. on Monday, August 24, 2026

- from 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, August 24, 2026 to 12:00 midnight on Sunday, August 30, 2026

- from the allocation results telephone enquiry by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. on . . . . . Tuesday, August 25, 2026, Wednesday, August 26, 2026, Thursday, August 27, 2026 and Friday, August 28, 2026

Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before(7) . . . . . .Monday, August 24, 2026

White Form e-Refund payment instructions/refund checks in respect of (i) wholly or partially successful applications if the final Offer Price is less than the price payable on application (if applicable) and (ii) wholly or partially unsuccessful applications under the Hong Kong Public Offering to be dispatched on or before(8)(9) . . . . . .Tuesday, August 25, 2026

Dealings in the Shares on the Stock Exchange expected to commence at . . . . . .9:00 a.m. on Tuesday, August 25, 2026

Notes:—

(1) All times refer to Hong Kong local time, except as otherwise stated.

(2) You will not be permitted to submit your application 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 at or before 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/are a tropical cyclone warning signal number 8 or above, a "black" rainstorm warning and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, August 20, 2026, the application lists will not open or close on that day. Please see "How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements."

(4) Applicants who apply for Hong Kong Offer Shares through **HKSCC EIPO** channel should see "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, August 21, 2026 and, in any event, not later than 12:00 noon on Friday, August 21, 2026. If, for any reason, the Offer Price is not agreed between the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and us by 12:00 noon on Friday, August 21, 2026, the Global Offering will not proceed and will lapse.

(6) None of the website or any of the information contained on the website forms part of this prospectus.

(7) The Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional and the right of termination described in "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" has not been exercised. Investors who trade Shares on the basis of publicly available allocation details or prior to the receipt of Share certificates or the Share certificates becoming valid do so entirely at their own risk.

(8) **White Form** e-Refund payment instructions/refund checks will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and also in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable per Offer Share on application. Part of the applicant's identification document number, or, if the application is made by joint applicants, part of the identification document number of the first-named applicant, provided by the applicant(s) may be printed on the refund check, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's identification document number before encashment of the refund check. Inaccurate completion of an applicant's identification document number may invalidate or delay encashment of the refund check.

(9) Applicants who have applied for Hong Kong Offer Shares through **HKSCC EIPO** channel should refer to "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies" for details.

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

Applicants being individuals who are eligible for personal collection may not authorize any other person to collect 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 evidence of identity acceptable to our H Share Registrar at the time of collection. Any uncollected H Share certificates and/or refund cheques will be dispatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications.

Further information is set out in "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies."

The above expected timetable is a summary only. You should see "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" for details of the structure of the Global Offering, including the conditions of the Global Offering and the procedures for application for the Hong Kong Offer Shares.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such a case, our Company will make an announcement as soon as practicable thereafter.

CONTENTS

IMPORTANT NOTICE TO INVESTORS

This prospectus is issued by the Company solely in connection with the Hong Kong Public Offering 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 offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of, and does not constitute, an offer or a solicitation of an offer to subscribe for or buy any security 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 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 the 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. The 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 the Company, the Sole Sponsor, the Sponsor-Overall Coordinator, 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, officers, employees, agents, advisers or representatives, or any other person or party involved in the Global Offering.

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This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety before you decide to invest in the Offer Shares.

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

OVERVIEW

We are an IC provider with a product portfolio spanning across memory, computing, and analog ICs. Our products are widely adopted in automotive electronics, industrial and medical applications, as well as the AIoT and intelligent security devices.

We operate a fabless model whereby we focus on R&D and design of ICs, while partnering with leading foundries and outsourced semiconductor assembly and test ("**OSAT**") companies to ensure scalability. Through organic growth and strategic acquisitions, we have become a company with a comprehensive product portfolio. According to Frost & Sullivan, we hold leading positions in key markets worldwide, continuously enabling the advancement and innovation of automotive electronics, edge computing, and other technology frontiers. Specifically, in terms of revenue in 2025:

- **Niche DRAM**: Among DRAM products, we focus on niche DRAM, which is designed for applications with specific requirements for performance, reliability or operating environments, as opposed to mass-produced commodity DRAM. We ranked seventh globally, second among companies headquartered in Chinese Mainland.

- **SRAM**: We ranked second globally, first among companies headquartered in Chinese Mainland.

- **NOR Flash**: Our Flash memory IC product line includes NOR Flash and NAND Flash. NOR Flash is optimized for fast and reliable code execution. We ranked seventh globally, third among companies headquartered in Chinese Mainland.

- **IP-Cam SoC**: Our Intelligent Vision SoC product line primarily includes IP-Cam SoCs, Image Signal Processors ("**ISP**"), and Network Video Recorder ("**NVR**") SoCs, and IP-Cam SoC integrates ISP, video encoding, and other key functions to provide all-in-one computing power for network cameras. We ranked second globally among IP-Cam SoC providers.

Our Business Approach

We offer products that combine ICs, hardware, software, toolchains, and algorithms that serve a diverse array of applications. At the core of our business approach is a comprehensive product portfolio across three product lines: memory, computing, and analog ICs.

OUR PRODUCTS

Our product portfolio encompasses three major product lines: memory, computing, and analog ICs. Through years of accumulation and innovation, we have developed memory ICs — including DRAM, SRAM, NOR Flash, and NAND Flash — primarily for automotive electronics, and industrial and medical, and computing ICs for AIoT and security; and analog ICs, including LED driver ICs and Combo ICs, for automotive electronics, industrial, and home appliances. Our products comply with automotive-grade and industrial-grade standards, and are characterized by high quality, high reliability, low power consumption, and product longevity.

Memory IC

Our memory IC product line includes DRAM, SRAM, NOR Flash, and NAND Flash, which are designed to meet the stringent requirements of automotive electronics, and industrial and medical. For automotive, these requirements include extended temperature and humidity grades, long-term supply and lifecycle support, enhanced data retention and endurance, and low acceptable defect rate all supported by automotive-grade production, screening, and change-control processes. These products are engineered for high performance, reliability, and efficiency in challenging operating environments.

Computing IC

Our computing IC product line includes a series of SoCs based on our proprietary core computing units, such as central processing unit ("**CPU**"), vision processing unit ("**VPU**"), neural processing unit ("**NPU**"), image signal processor and artificial intelligence image signal processor ("**AI-ISP**"). These encompass three sub-product lines: Intelligent Vision SoCs, embedded MPUs, and AI-MCUs. Designed to deliver high performance and low-power consumption, these products address the evolving needs of a wide range of devices, primarily including security cameras, doorbells, AR glasses, sweeping robots, QR/bar code recognition, and facial and fingerprint recognition applications. We are also in the process of adopting RISC-V, an open-standard Reduced Instruction Set Computer architecture, as the predominant architecture for our computing ICs, fully leveraging its openness and flexibility to further enhance our technological competitiveness.

As of the Latest Practicable Date, we have completed the engineering sample verification test for the Multi-Project Wafer ("**MPW**") and completed full-mask sample validation for our AI-MCU.

Analog IC

We design analog ICs for the automotive electronics, industrial, and home appliances in lighting, touch, sound, power, and control applications. We also offer multi-function Combo ICs that combine microcontroller units ("**MCUs**"), LED drivers, power management, and communication interfaces (e.g., controller area network ("**CAN**") or local interconnect network ("**LIN**")) into a single chip.

RESEARCH AND DEVELOPMENT

Research and development are essential to maintaining our competitive position and driving the long-term growth of our business by enabling us to meet the evolving demands of downstream applications. We have implemented the Integrated Product Development ("**IPD**") framework, a systematic R&D management model that treats product development

as a strategic investment decision. Underpinned by market demand and driven by cross-departmental collaboration to achieve commercial success, this framework unifies our product business lines into a cohesive R&D process. See "Business — Research and Development."

Our R&D efforts focus on the in-house development of core IPs for our products, while we also strategically incorporate mature licensed IPs to enhance our technical capabilities and optimize product performance.

SALES AND MARKETING

Our products are sold to downstream customers in approximately 50 countries and regions across Asia, the Americas, and Europe. We maintain an international team of sales and marketing professionals as well as engineers who provide localized support to our sales and service network. This team excels at gathering and acting on real-time market insights, ensuring prompt and effective responses to customer needs.

The following table sets forth the revenue attributable to distributors and direct sales during the Track Record Period.

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	(in RMB thousands, except for percentages)						*(unaudited)*			
Distributorship										
Buy-sell	3,143,088	69.4%	2,940,396	69.8%	3,436,650	72.4%	737,672	69.6%	1,153,578	74.0%
Consignment	421,405	9.3%	338,185	8.0%	334,567	7.1%	79,556	7.5%	110,998	7.1%
Subtotal, distributorship	**3,564,493**	**78.7%**	**3,278,581**	**77.8%**	**3,771,217**	**79.5%**	**817,228**	**77.1%**	**1,264,576**	**81.1%**
Direct sales	**966,433**	**21.3%**	**934,045**	**22.2%**	**969,791**	**20.5%**	**243,004**	**22.9%**	**295,191**	**18.9%**
Total	**4,530,926**	**100.0%**	**4,212,626**	**100.0%**	**4,741,008**	**100.0%**	**1,060,232**	**100.0%**	**1,559,767**	**100.0%**

CUSTOMERS AND SUPPLIERS

Our Customers

Our customers are distributors and direct sales customers which mainly include manufacturers and sellers of electronic components. In 2023, 2024 and 2025 and the three months ended March 31, 2026, sales to our five largest customers amounted to RMB2,470.4 million, RMB2,187.6 million, RMB2,406.0 million and RMB784.9 million, respectively, accounting for 54.5%, 51.9%, 50.7% and 50.3% of our total sales in the respective periods. In 2023, 2024 and 2025 and the three months ended March 31, 2026, sales to our largest customer amounted to RMB953.7 million, RMB817.3 million, RMB812.5 million and RMB243.2 million, accounting for 21.0%, 19.4%, 17.1% and 15.6% of our total sales in the respective periods.

Our Suppliers

Our suppliers are mainly our foundry partners for IC fabrication and OSAT partners for IC testing and packaging. In 2023, 2024 and 2025 and the three months ended March 31, 2026, purchases from our five largest suppliers amounted to RMB1,701.0 million, RMB1,423.3 million, RMB1,555.1 million and RMB430.4 million, respectively, accounting for 58.3%, 47.8%, 45.1% and 41.6% of our total purchases in the respective periods. In 2023,

2024 and 2025 and the three months ended March 31, 2026, purchases from our largest supplier amounted to RMB773.9 million, RMB350.4 million, RMB479.7 million and RMB126.6 million, accounting for 26.5%, 11.8%, 13.9% and 12.3% of our total purchases in the respective periods.

OUR COMPETITIVE STRENGTHS

We believe the following advantages position us well to seize future industry opportunities and achieve sustained growth:

- a provider across memory, computing, and analog ICs;
- wide array of core technologies developed in-house;
- product portfolio through core technology integration;
- robust supply chain and quality management systems;
- international sales network with localized service; and
- international talents with cross-cultural collaboration.

OUR STRATEGIES

We are committed to becoming an excellent world-class technology company. To achieve this goal, we will implement the following strategies:

- enhancing technology and product portfolio;
- upgrading automotive IC and expanding product portfolio;
- reinforcing our sales network;
- pursuing targeted investment and M&A along the value chain; and
- strengthening talent resources.

COMPETITION

We operate in a highly competitive market, and we compete with other IC providers. The competitive landscape is shaped by multiple factors, including the growth of our customers and their respective industries, advancements in technology, emergence of new materials or technology, production capacity, regulatory changes and general economic conditions. New market participants may emerge, introducing innovative or cost-effective products that challenge existing players. If we are unable to keep pace with such advancements or fail to differentiate our products in terms of quality or cost, we risk losing market share to our competitors.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information during the Track Record Period. The summary financial data set forth below should be read together with, and is qualified in its entirety by reference to, the consolidated financial statements as set out in the Accountants' Report in Appendix I to this prospectus, including the related notes. Our consolidated financial information was prepared in accordance with IFRS Accounting Standards.

Results of Operations

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	(in RMB thousands, except for percentages)						*(unaudited)*			
Revenue	**4,530,926**	**100.0%**	**4,212,626**	**100.0%**	**4,741,008**	**100.0%**	**1,060,232**	**100.0%**	**1,559,767**	**100.0%**
Cost of sales	(2,922,894)	(64.5)%	(2,739,501)	(65.0)%	(3,186,442)	(67.2)%	(689,166)	(65.0)%	(895,696)	(57.4)%
Gross profit	**1,608,032**	**35.5%**	**1,473,125**	**35.0%**	**1,554,566**	**32.8%**	**371,066**	**35.0%**	**664,071**	**42.6%**
Other income, gains and losses, net	149,868	3.3%	139,931	3.3%	176,666	3.7%	29,867	2.8%	24,358	1.6%
Selling and distribution expenses	(323,145)	(7.1)%	(303,206)	(7.2)%	(332,961)	(7.0)%	(81,933)	(7.7)%	(95,530)	(6.1)%
Administrative expenses	(180,155)	(4.0)%	(217,108)	(5.2)%	(271,956)	(5.7)%	(58,364)	(5.5)%	(57,264)	(3.7)%
Research and development expenses	(708,345)	(15.6)%	(681,339)	(16.2)%	(712,027)	(15.0)%	(176,327)	(16.6)%	(171,903)	(11.0)%
Finance cost	(142)	(0.0)%	(1,083)	(0.0)%	(866)	(0.0)%	(213)	(0.0)%	(198)	(0.0)%
Share of results of associates	(909)	(0.0)%	(355)	(0.0)%	258	0.0%	(45)	(0.0)%	(22)	(0.0)%
Profit before tax	**545,204**	**12.0%**	**409,965**	**9.7%**	**413,680**	**8.7%**	**84,051**	**7.9%**	**363,512**	**23.3%**
Income tax expenses	(29,480)	(0.7)%	(45,767)	(1.1)%	(38,349)	(0.8)%	(10,376)	(1.0)%	(43,164)	(2.8)%
Profit for the year/period	**515,724**	**11.4%**	**364,198**	**8.6%**	**375,331**	**7.9%**	**73,675**	**6.9%**	**320,348**	**20.5%**

Non-IFRS Measure

To supplement our consolidated financial statements that are presented in accordance with the IFRSs, we also use adjusted profit for the year/period (a non-IFRS measure) and adjusted net margin (a non-IFRS measure), as additional financial measures, which are not required by, or presented in accordance with IFRSs. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period by eliminating potential impact of certain items. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated financial statements in the same manner as they help our management. However, our presentation of adjusted profit for the year/period (a non-IFRS measure) and adjusted net margin (a non-IFRS measure) may not be comparable to similar measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our consolidated financial statements or financial condition as reported under IFRS. We define adjusted profit for the year/period (a non-IFRS measure) as profit for the year adjusted for listing expenses and share-based compensation (a non-cash item). We define adjusted net margin (a non-IFRS measure) as adjusted profit for the year/period (a non-IFRS measure), expressed as a percentage of our revenue.

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	(in RMB thousands, except for percentages)			*(unaudited)*	
Profit for the year/period	**515,724**	**364,198**	**375,331**	**73,675**	**320,348**
Add:					
Listing expense	–	–	1,193	–	90
Share-based compensation	–	45,128	54,553	11,892	7,264
Adjusted profit for the year/period (a non-IFRS measure)	**515,724**	**409,326**	**431,077**	**85,567**	**327,702**
Adjusted net margin (a non-IFRS measure)	11.4%	9.7%	9.1%	8.1%	21.0%

Revenue

During the Track Record Period, we mainly generated revenue from sales of memory ICs, computing ICs and analog ICs.

	Years ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	(in RMB thousands, except for percentages)						*(unaudited)*			
Memory IC										
DRAM	1,590,161	35.1%	1,328,242	31.5%	1,414,456	29.8%	338,247	31.9%	522,348	33.5%
Flash	868,836	19.2%	883,461	21.0%	1,095,127	23.1%	231,991	21.9%	372,613	23.9%
SRAM	452,561	10.0%	377,789	9.0%	401,671	8.5%	92,317	8.7%	122,909	7.9%
Subtotal	**2,911,558**	**64.3%**	**2,589,492**	**61.5%**	**2,911,254**	**61.4%**	**662,555**	**62.5%**	**1,017,870**	**65.3%**
Computing IC										
Intelligent Vision SoCs	945,450	20.9%	906,385	21.5%	997,410	21.1%	216,836	20.5%	308,200	19.7%
Embedded MPUs	162,921	3.6%	183,719	4.4%	296,001	6.2%	53,270	5.0%	94,507	6.1%
Subtotal	**1,108,371**	**24.5%**	**1,090,104**	**25.9%**	**1,293,411**	**27.3%**	**270,106**	**25.5%**	**402,707**	**25.8%**
Analog IC										
LED Driver IC	393,214	8.7%	450,874	10.7%	484,889	10.3%	113,268	10.6%	128,214	8.2%
Combo IC	15,704	0.3%	20,648	0.5%	20,750	0.4%	6,001	0.6%	4,200	0.3%
Subtotal	**408,918**	**9.0%**	**471,522**	**11.2%**	**505,639**	**10.7%**	**119,269**	**11.2%**	**132,414**	**8.5%**
Others[(1)]	**102,079**	**2.3%**	**61,508**	**1.5%**	**30,704**	**0.6%**	**8,302**	**0.8%**	**6,776**	**0.4%**
Total	**4,530,926**	**100.0%**	**4,212,626**	**100.0%**	**4,741,008**	**100.0%**	**1,060,232**	**100.0%**	**1,559,767**	**100.0%**

Note:

(1) Mainly includes sales of other goods including development boards, provision of technical services and rental income.

Our total revenue decreased from RMB4,530.9 million in 2023 to RMB4,212.6 million in 2024, primarily due to decreases in revenue from sales of memory ICs. Our total revenue increased to RMB4,741.0 million in 2025, primarily due to increases in revenue from sales of memory ICs and computing ICs. From the three months ended March 31, 2025 to the same period in 2026, total revenue increased from RMB1,060.2 million to RMB1,559.8 million primarily due to increases in revenue from sales of memory ICs and computing ICs.

	Years ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	Sales volume	Average Selling Price[1]	Sales volume	Average Selling Price[1]	Sales volume	Average Selling Price[1]	Sales volume	Average Selling Price[1]	Sales volume	Average Selling Price[1]
	(Unit'000)	*(RMB)*	*(Unit'000)*	*(RMB)*	*(Unit'000)*	*(RMB)*	*(Unit'000)*	*(RMB)*	*(Unit'000)*	*(RMB)*
Memory IC	415,932	7.0	479,042	5.4	602,424	4.8	137,678	4.8	191,036	5.3
Computing IC	75,503	14.7	93,526	11.7	120,868	10.7	23,739	11.4	26,632	15.1
Analog IC	179,356	2.3	217,335	2.2	250,252	2.0	56,748	2.1	64,340	2.1

Note:

(1) Average selling price is calculated through dividing revenue by the relevant sales volume during the same year/period, which represented the average price at which our products were sold to our customers.

Memory ICs

- ***Revenue trends***. Revenue from sales of memory ICs decreased from RMB2,911.6 million in 2023 to RMB2,589.5 million in 2024 and increased to RMB2,911.3 million in 2025. It then increased from RMB662.6 million for the three months ended March 31, 2025 to RMB1,017.9 million for the same period in 2026. Sales volume moved from 415.9 million units in 2023 to 479.0 million units in 2024 and 602.4 million in 2025, and increased from 137.7 million units for the three months ended March 31, 2025 to 191.0 million units for the same period in 2026. The average selling price was RMB7.0 per unit in 2023, RMB5.4 per unit in 2024, and RMB4.8 per unit in 2025. On an interim basis, the average selling price increased from RMB4.8 per unit for the three months ended March 31, 2025 to RMB5.3 per unit for the same period in 2026.

- ***Revenue fluctuation***. Our memory ICs are primarily used in automotive and industrial and medical applications. Trends at these end-markets, together with a product mix shift within our DRAMs, the mix of products we were able to offer and the limited manufacturing capacity available to us from our foundry partners, which began to tighten in the second half of 2025 and has continued since then, as well as the recovery of end-market demand from the industry downturn and its continued improvement in the course of 2024, were the primary reasons for the fluctuations of revenue from sales of our memory ICs. The increase in revenue, sales volume and average selling price for the three months ended March 31, 2026 as compared to the same period in 2025 was primarily driven by robust demand for memory IC products. See "Financial Information — Significant Factors Affecting Our Results of Operations — Industry Cycle."

- ***Product milestones***. As we had not yet secured a suitable process node for our high-density LPDDR4 products in recent years, their mass production launch came later than the shift in mainstream market demand, limiting our ability to capture the growth opportunity during that period. In 2025, our 1x-nm high-density LPDDR4 products have been sampled and commenced sales ramp-up in the second half of 2025, with certain devices in early scale-up and expected to generate meaningful sales primarily for automotive use cases. Our 1x-nm high-density LPDDR4 products entered mass production and commenced sale at large scale in the three months ended March 31, 2026. LPDDR5 is under planning as of the Latest Practicable Date.

Computing ICs

- ***Revenue trends***. Revenue from sales of computing ICs decreased from RMB1,108.4 million in 2023 to RMB1,090.1 million in 2024, and increased to RMB1,293.4 million in 2025. It then increased from RMB270.1 million for the three months ended March 31, 2025 to RMB402.7 million for the same period in 2026. Sales volume increased from 75.5 million units in 2023 to 93.5 million units in 2024 and 120.9 million units in 2025, and increased from 23.7 million units for the three months ended March 31, 2025 to 26.6 million units for the same period in 2026. The average selling price decreased from RMB14.7 per unit in 2023 to RMB11.7 per unit in 2024, and further to RMB10.7 per unit in 2025. On an interim basis, the average selling price increased from RMB11.4 per unit for the three months ended March 31, 2025 to RMB15.1 per unit for the same period in 2026.

- ***Revenue fluctuation***. Our computing ICs are predominantly used in consumer applications, including security and AIoT. During the Track Record Period, the end markets of our computing ICs experienced short cycles. In 2024, while sales volume continued to grow, revenue declined as intensified competition and a downgrade in consumer spending weighed on average selling prices. In 2025, both revenue and sales volume recovered, supported by improved market conditions and continued demand for our computing IC products. The increase in revenue for the three months ended March 31, 2026 as compared to the same period in 2025 was mainly driven by a shortage and resulting price increase of key raw materials such as Known Good Die ("**KGD**"), which tightened the supply of computing ICs and drove up their selling prices. Such shortage and price increase were primarily attributable to the surging demand for AI-driven applications, which prompted upstream suppliers to reallocate production capacity towards raw materials used in AI-related chips at the expense of the supply available for other applications, including our computing ICs, against a backdrop of limited upstream production capacity across the industry.

  The gross margin of our computing ICs also increased for the three months ended March 31, 2026 as compared to the same period in 2025. This was primarily because the increase in the average selling prices of our computing ICs outpaced the increase in our unit cost of sales over the same period. While the shortage of key raw materials such as KGD raised our procurement costs, a substantial portion of the computing ICs we sold during the period were manufactured using raw materials that we had procured and held in inventory prior to the price increase, and we were therefore able to pass on the higher market prices to our customers ahead of any corresponding increase in our own cost of sales. As a result, the shortage and resulting price increase of key raw materials had a greater positive effect on our selling prices than on our cost of sales during the period, leading to an expansion in the gross profit margin of our computing ICs.

Analog ICs

- ***Revenue trends***. Revenue from sales of analog ICs increased from RMB408.9 million in 2023 to RMB471.5 million in 2024 and RMB505.6 million in 2025. It then increased from RMB119.3 million for the three months ended March 31, 2025 to RMB132.4 million for the same period in 2026. Sales volume increased from 179.4 million units in 2023 to 217.3 million units in 2024 and 250.3 million units in 2025, and increased from 56.7 million units for the three months ended March 31, 2025 to 64.3 million units for the same period in 2026. The average selling price

decreased from RMB2.3 per unit in 2023 to RMB2.2 per unit in 2024, and to RMB2.0 per unit in 2025. On an interim basis, the average selling price remained stable at RMB2.1 per unit for the three months ended March 31, 2025 and for the same period in 2026.

- ***Revenue fluctuation***. Our analog ICs are primarily used in automotive applications, with smaller exposure to the consumer market. In 2023, our revenue declined due to the downturn in the automotive market. Subsequently, our revenue achieved continuous growth in 2024 and 2025, underpinned by the roll-out of new products and a gradual market rebound, demonstrating signs of recovery since 2025. Such industry trend, along with continued expansion of product series, supported our volume and revenue growth during the Track Record Period. The increase in revenue for the three months ended March 31, 2026 as compared to the same period in 2025 was mainly attributable to stronger demand from the automotive electronics sector, underpinned by the growing market demand for automotive lighting and the development of automotive intelligence systems, which together resulted in a consequential expansion in the procurement volume of our automotive-grade analog ICs.

The following table sets forth a further breakdown of revenue by downstream application. For details, see "Financial Information — Principal components of results of operations — By application."

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	(in RMB thousands, except for percentages)						*(unaudited)*			
Automotive[1]										
Memory IC	1,435,892	31.7%	1,269,123	30.1%	1,341,264	28.3%	303,847	28.7%	453,450	29.1%
Analog IC	175,321	3.9%	222,467	5.3%	247,191	5.2%	62,992	5.9%	61,620	4.0%
Subtotal	**1,611,213**	**35.6%**	**1,491,590**	**35.4%**	**1,588,455**	**33.5%**	**366,839**	**34.6%**	**515,070**	**33.0%**
Industrial and medical[1]										
Memory IC	1,007,221	22.2%	856,640	20.3%	1,022,397	21.6%	231,072	21.8%	357,175	22.9%
Analog IC	95,266	2.1%	88,987	2.1%	96,362	2.0%	22,678	2.1%	25,223	1.6%
Subtotal	**1,102,487**	**24.3%**	**945,627**	**22.4%**	**1,118,759**	**23.6%**	**253,750**	**23.9%**	**382,398**	**24.5%**
Consumer[1]										
Memory IC	233,913	5.2%	205,405	4.9%	238,530	5.0%	52,632	5.0%	91,134	5.8%
Computing IC	1,108,371	24.5%	1,090,104	25.9%	1,293,411	27.3%	270,106	25.5%	402,707	25.8%
Analog IC	126,322	2.8%	142,411	3.4%	132,511	2.8%	29,730	2.8%	30,678	2.0%
Subtotal	**1,468,606**	**32.4%**	**1,437,920**	**34.1%**	**1,664,452**	**35.1%**	**352,468**	**33.3%**	**524,519**	**33.6%**
Other Applications[1][2]										
Memory IC	234,532	5.2%	258,324	6.1%	309,063	6.5%	75,004	7.1%	116,111	7.4%
Analog IC	12,009	0.3%	17,657	0.4%	29,575	0.6%	3,869	0.4%	14,893	1.0%
Subtotal	**246,541**	**5.4%**	**275,981**	**6.6%**	**338,638**	**7.1%**	**78,873**	**7.4%**	**131,004**	**8.4%**
Others[3]	**102,079**	**2.3%**	**61,508**	**1.5%**	**30,704**	**0.7%**	**8,302**	**0.8%**	**6,776**	**0.5%**
TOTAL	**4,530,926**	**100.0%**	**4,212,626**	**100.0%**	**4,741,008**	**100.0%**	**1,060,232**	**100.0%**	**1,559,767**	**100.0%**

Notes:

(1) We present revenue by downstream application primarily based on the application-grade of our products. While each application-grade is primarily designed for its corresponding end use, our customers may deploy the same grade across different scenarios (for example, certain consumer-grade products may be used in automotive domains with lower quality or reliability requirements, and automotive-grade products are sometimes adopted in non-automotive platforms for lifecycle or qualification reasons).

(2) Mainly including communication application, which refers to end-market uses of our ICs in communication and networking equipment and infrastructure.

(3) Mainly including sales of other goods, including development boards, provision of technical services, and rental income.

Gross Profit and Gross Margin

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Margin[1]	Gross Profit	Gross Margin[1]	Gross Profit	Gross Margin[1]	Gross Profit	Gross Margin[1]	Gross Profit	Gross Margin[1]
	(in RMB thousands, except for percentages)						*(unaudited)*			
Memory IC	1,000,369	34.4%	833,930	32.2%	872,650	30.0%	216,986	32.7%	381,807	37.5%
Computing IC	299,620	27.0%	358,076	32.8%	398,052	30.8%	87,847	32.5%	209,020	51.9%
Analog IC	208,925	51.1%	222,390	47.2%	255,469	50.5%	58,527	49.1%	67,118	50.7%
Others	99,118	97.1%	58,729	95.5%	28,395	92.5%	7,706	92.8%	6,126	90.4%
Total/ Overall[1]	**1,608,032**	**35.5%**	**1,473,125**	**35.0%**	**1,554,566**	**32.8%**	**371,066**	**35.0%**	**664,071**	**42.6%**

Note:

(1) The gross margin is calculated as gross profit for the year/period divided by revenue for the corresponding year/period and multiplied by 100%.

Our gross profit increased by 79.0% from RMB371.1 million for the three months ended March 31, 2025 to RMB664.1 million for the same period in 2026, primarily due to an increase in our revenue and an increase in our gross margin from 35.0% for the three months ended March 31, 2025 to 42.6% for the same period in 2026. Our gross profit increased by 5.5% from RMB1,473.1 million in 2024 to RMB1,554.6 million in 2025, primarily due to an increase in our revenue, partially offset by a decrease in our gross margin from 35.0% in 2024 to 32.8% in 2025. Our gross profit decreased by 8.4% from RMB1,608.0 million in 2023 to RMB1,473.1 million in 2024, primarily due to a decrease in our revenue. The gross margin remained relatively stable at 35.5% in 2023 and 35.0% in 2024 and further decreased to 32.8% in 2025. For the three months ended March 31, 2025 and 2026, our gross margin increased from 35.0% to 42.6%. Our overall gross margin nevertheless remained relatively stable at 35.5% and 35.0% in 2023 and 2024, respectively, before declining to 32.8% in 2025. Our gross margin was relatively resilient over the period because, despite the market-driven decline in our average selling prices, our wafer costs generally trended in the same direction and with a similar magnitude, which helped offset the pricing pressure and stabilize our gross margin. The improvement in gross profit and gross margin for the three months ended March 31, 2026 was mainly due to the increase in average selling prices driven by surging market demand of memory ICs and computing ICs. See also "Financial Information — Principal Components of Results of Operations — Gross Profit and Gross Margin."

Plan to improve our profitability

We plan to enhance our profitability through coordinated initiatives across revenue growth, cost optimization and expense discipline. See "Financial Information — Results of Operations — Plan to Improve Our Profitability."

Net Profit

Our profit for the period increased by 334.6% from RMB73.7 million for the three months ended March 31, 2025 to RMB320.3 million for the same period in 2026, primarily due to the increase in revenue, and the increase in net profit margin from 6.9% for the three months ended March 31, 2025 to 20.5% for the same period in 2026. The increase in net profit and net margin was mainly driven by the improvement in our revenue from RMB1,060.2 million to RMB1,559.8 million, and gross margin from 35.0% to 42.6%, primarily attributable to our memory ICs and computing ICs, as well as the lower proportion of research and development expenses to revenue, which decreased from 16.6% to 11.0% as revenue grew faster than such expenses.

Our profit for the year increased by 3.1% from RMB364.2 million in 2024 to RMB375.3 million in 2025, primarily due to the increase in revenue from RMB4,212.6 million to RMB4,741.0 million, partially offset by the decrease in net margin from 8.6% in 2024 to 7.9% in 2025. The decrease in net margin was mainly because the increase in our cost of sales outpaced the increase in revenue, which lowered our gross profit margin from 35.0% to 32.8%, together with higher administrative expenses as a percentage of revenue.

Our profit for the year decreased by 29.4% from RMB515.7 million in 2023 to RMB364.2 million in 2024 primarily due to the decrease in revenue from RMB4,530.9 million to RMB4,212.6 million, and our net margin decreased from 11.4% in 2023 to 8.6% in 2024. The decline in our net profit therefore reflected both lower revenue and narrower margins, as our gross profit margin decreased and our administrative expenses rose from 4.0% to 5.2% of revenue, partially offset by a slight reduction in research and development expenses.

Summary of Consolidated Statements of Financial Position

	As of December 31,			As of March 31,
	2023	2024	2025	2026
		(in RMB thousands)		
Non-current assets	5,159,014	4,878,490	4,879,847	4,949,007
Current assets	7,583,012	8,048,454	8,693,358	8,877,728
Current liabilities	784,596	738,109	999,978	979,435
Net current assets	6,798,416	7,310,345	7,693,380	7,898,293
Total assets less current liabilities	11,957,430	12,188,835	12,573,227	12,847,300
Non-current liabilities	127,907	105,922	84,311	90,897
Net assets	11,829,523	12,082,913	12,488,916	12,756,403
Non-controlling interests	38,300	28,988	40,058	40,916

Our net current assets increased from RMB6,798.4 million as of December 31, 2023 to RMB7,310.3 million as of December 31, 2024, primarily due to an increase in financial assets at fair value through profit or loss, partially offset by an increase in trade and bills receivables. Our net current assets further increased to RMB7,693.4 million as of December 31, 2025, primarily due to an increase in inventories and financial assets at fair value through profit or loss, partially offset by an increase in trade and other payables. Our net current assets further increased to RMB7,898.3 million as of March 31, 2026, primarily due to an increase in financial assets at fair value through profit or loss, partially offset by a decrease in bank balances and cash.

Our net assets increased from RMB11,829.5 million as of December 31, 2023 to RMB12,082.9 million as of December 31, 2024, primarily due to (i) profit for the year of RMB364.2 million and (ii) equity-settled share-based compensation expense of RMB45.1 million, partially offset by (iii) dividends recognised as distribution of RMB96.3 million and (iv) other comprehensive expense of RMB59.6 million, primarily arising from unfavourable movements in our translation reserve and fair value reserve.

Our net assets increased to RMB12,488.9 million as of December 31, 2025, primarily due to (i) profit for the year of RMB375.3 million, (ii) capital contribution by a non-controlling interest of a subsidiary of RMB39.9 million, (iii) shares issued of RMB30.0 million and (iv) equity-settled share-based compensation expense of RMB54.6 million, partially offset by (v) dividends recognised as distribution of RMB48.2 million and (vi) other comprehensive expense of RMB45.7 million.

Our net assets increased to RMB12,756.4 million as of March 31, 2026, primarily due to (i) profit for the period of RMB320.3 million and (ii) equity-settled share-based compensation expense of RMB7.3 million, partially offset by (iii) other comprehensive expense of RMB60.1 million, primarily arising from an unfavourable movement in our translation reserve, partially offset by a favourable movement in our fair value reserve.

Cash Flows

The table below sets forth our cash flows for the years/period indicated.

	Year ended December 31,			Three months ended March 31,	
	2023	**2024**	**2025**	**2025**	**2026**
	(in RMB thousands)			*(unaudited)*	
Net cash from operating activities	558,152	363,455	622,603	175,150	216,689
Net cash used in investing activities	(14,213)	(413,205)	(233,657)	(616,217)	(732,039)
Net cash used in financing activities	(32,770)	(106,806)	(7,248)	(2,846)	(4,573)
Net increase/(decrease) in cash and cash equivalents	**511,169**	**(156,556)**	**381,698**	**(443,913)**	**(519,923)**
Cash and cash equivalents at beginning of the year/period	3,398,066	3,924,646	3,711,868	3,711,868	4,087,149
Effects of foreign exchange rate changes	15,411	(56,222)	(6,417)	(9,985)	(155,487)
Cash and cash equivalents at end of the year/period	**3,924,646**	**3,711,868**	**4,087,149**	**3,257,970**	**3,411,739**

Our cash conversion cycle during the Track Record Period was affected by our inventory turnover days. Inventory turnover days increased from 294 days in 2023 to 338 days in 2024. The increase was mainly driven by: (i) supply outpacing demand during the industry down-cycle, which slowed sell-through; (ii) strategic inventory builds when wafer prices were relatively low to secure cost and supply advantages; and (iii) capacity-securing purchases under long-term arrangements with foundries, which affected the timing of wafer deliveries and elevated average inventory levels. In 2025, as we began to implement various inventory management measures, our inventory turnover days decreased to 323 days. Our inventory turnover days further decreased to 297 days for the three months ended March 31, 2026, due to our inventory management measures coupled with robust demand for our IC products, which together accelerated inventory turnover. See "Financial Information — Selected Balance Sheet Items — Inventories."

Key Financial Ratios

	Year ended/As of December 31,			Three months ended/As of March 31,
	2023	2024	2025	2026
Gross margin (%)[(1)]	35.5	35.0	32.8	42.6
Net margin (%)[(2)]	11.4	8.6	7.9	20.5
Adjusted net margin (a non-IFRS measure) (%)[(3)]	11.4	9.7	9.1	21.0
Current ratio[(4)]	9.7	10.9	8.7	9.1

Notes:

(1) Gross margin is calculated as gross profit for the year/period divided by revenue for the corresponding year/period and multiplied by 100%.

(2) Net margin is calculated as net profit for the year/period divided by revenue for the corresponding year/period and multiplied by 100%.

(3) Adjusted net margin (a non-IFRS measure) is calculated as adjusted net profit for the year/period (a non-IFRS measure) divided by revenue for the corresponding year/period and multiplied by 100%. Adjusted net profit (a non-IFRS measure) is calculated by excluding listing expenses and share-based compensation from profit for the year/period as defined in "— Non-IFRS Measure."

(4) Current ratio is calculated as current assets divided by current liabilities as of the end of the relevant year/period.

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commissions and fees incurred in connection with the Listing and the Global Offering. Our listing expenses are estimated to be approximately HK$75.1 million (including underwriting commissions), accounting for approximately 2.4% of the gross proceeds of the Global Offering, assuming the maximum Offer Price of HK$102.80 per Offer Share. Among our listing expenses, approximately HK$71.2 million is directly attributable to the issuance of Shares and will be charged to equity upon completion of the Listing, and approximately HK$3.9 million has been or will be charged to our consolidated statement of comprehensive income. The listing expenses we incurred during the Track Record Period and expect to incur consist of approximately HK$34.7 million in underwriting-related expenses and fees (including underwriting commissions, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy), approximately HK$31.9 million in non-underwriting-related expenses and fees including fees for the Sole Sponsor, legal advisors and reporting accountant, and approximately HK$8.5 million for other non-underwriting-related fees and expenses. During the Track Record Period, we incurred approximately HK$1.5 million of listing expenses.

The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

RISK FACTORS

We face risks including those set out in the section headed "Risk Factors." As different investors may have different interpretations and criteria when determining the significance of risks, you should read the "Risk Factors" section in its entirety before you decide to invest in our H Shares. Some of the major risks that we face include:

- If we fail to properly anticipate or respond to changing market conditions, or develop and introduce new or enhanced products on a timely basis, our ability to attract and retain customers could be impaired and our competitive position could be harmed.

- Our performance is subject to fluctuations in demand from downstream industries that adopt our products and the prices of the end products.

- The industry in which we operate has historically been cyclical and has experienced downturns with declines in average selling prices.

- A substantial portion of our revenue has been derived from a small number of customers. The loss of, or significant reduction in the purchases by, one or more of such customers could materially and adversely affect our business, financial condition and results of operations.

- Our sales through distributors increase the complexity of our business and may reduce our ability to forecast revenue.

FUTURE PLANS AND USE OF PROCEEDS

Assuming the maximum Offer Price of HK$102.80 per Offer Share, we estimate that we will receive net proceeds of approximately HK$3,141.2 million from the Global Offering after deducting the underwriting commissions and other estimated expense in connection with the Global Offering (assuming the Over-allotment Option is not exercised). We intend to use our proceeds for the purposes and in the amounts set forth below.

- Approximately 50.0% or HK$1,570.6 million will be used to enhance technological innovation and product development across our three core business segments;

- Approximately 25.0% or HK$785.3 million will be used for strategic investments and/or acquisitions to capture growth opportunities;

- Approximately 15.0% or HK$471.2 million will be used to expand our sales network and promote our products; and

- Approximately 10.0% or HK$314.1 million will be used for working capital and other general corporate purposes, including day-to-day operations and general corporate expenditures.

GLOBAL OFFERING STATISTICS

	Based on the maximum Offer Price of HK$102.80 per H Share
Market value of the H Shares[(1)]	HK$3,216.3 million
Total market capitalization of the Company[(2)]	HK$75,307.8 million
Unaudited pro forma adjusted net tangible assets per Share[(3)(4)(5)]	HK$26.93

Notes:

(1) The calculation of market value of the H shares is based on 31,287,300 H Shares expected to be issued immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

(2) The calculation of market capitalization of the Company is based on 483,664,367 A Shares in issue as of the Latest Practicable Date and 31,287,300 H Shares expected to be issued immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised). The calculation of market value of the A shares is based on the average closing price of the A Shares of RMB129.02 per A Share for the five business days immediately preceding the Latest Practicable Date.

(3) The unaudited pro forma adjusted net tangible assets per Share is arrived at after adjustments referred to in "Appendix IIA — Unaudited Pro Forma Financial Information" in this prospectus. The number of A Shares adopted in the calculation of the unaudited pro forma adjusted net tangible assets per Share is different from the number of A Shares adopted in the calculation of market capitalization of the Company in note 2, the difference arises from 1,123,644 restricted shares previously granted under the 2024 Restricted Share Incentive Plan vested on June 8, 2026.

(4) No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to March 31, 2026.

(5) If the Company had taken into account the approval and payment of 2025 final dividend of approximately RMB72,381,000 as at March 31, 2026, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per share would be HK$26.77 based on the Offer Price of HK$102.80 per share.

DIVIDEND POLICY

Subject to PRC laws and regulations, including the PRC Company Law (《中華人民共和國公司法》) and the No. 3 Guideline for the Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies (2025 Revision) (《上市公司監管指引第3號—上市公司現金分紅(2025年修訂)》), and the Articles of Association, and provided that the conditions for cash dividend distribution are met, we are required to distribute no less than 5% of the distributable profits attributable to the parent company for the relevant fiscal year in the form of cash dividends each year. Moreover, over any consecutive three-year period, the total amount of cash dividends distributed shall be no less than 30% of the average annual distributable profits attributable to the company realized during those three years. Save for the above statutory requirements under the PRC Company Law and the No. 3 Guideline for the Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies (2025 Revision), we do not have any other formal dividend policy or pre-determined dividend payout ratio.

We typically review and determine the annual profit distribution plan at the annual general meeting of shareholders. Taking the 2024 Annual Profit Distribution Plan as an example, on May 12, 2025, we convened the 2024 Annual General Meeting of Shareholders, at which the "2024 Annual Profit Distribution Plan" was deliberated and approved. Pursuant to this plan, in June 2025, we distributed a cash dividend of RMB0.997988 per 10 shares (inclusive of taxes) to all shareholders, based on the total share capital of 482,540,723 shares as of that date. On May 7, 2026, we convened the 2025 Annual General Meeting of Shareholders, at which the "2025 Annual Profit Distribution Plan" was deliberated and

approved. Pursuant to this plan, in May 2026, we distributed a cash dividend of RMB1.5 per 10 shares (inclusive of taxes) to all shareholders, based on the total share capital of 482,540,723 shares as of that date.

During the Track Record Period, we declared dividends as follows:

	Year ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
	(in RMB thousands)			
Dividends attributable to the year/period . . .	38,527	96,314	48,156	–

Future profit distributions may be carried out in the form of cash dividends or stock dividends or a combination of cash dividends and stock dividends. Any proposed distribution of dividends is subject to the discretion of our Board and the approval at our Shareholders' meetings. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders' interests and any other conditions that our Board may deem relevant.

LISTING ON THE CHINEXT OF THE SHENZHEN STOCK EXCHANGE

Since May 2011, the A Shares of the Company have been listed on the ChiNext of the Shenzhen Stock Exchange. The Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, there had been no instances of material non-compliance of the Company with the applicable rules of the Shenzhen Stock Exchange and other applicable PRC securities laws and regulations. To the best knowledge of the Directors, there are no material matters in relation to the compliance record of the Company on the Shenzhen Stock Exchange that should be brought to the attention of the Stock Exchange or potential investors of the Global Offering. The PRC Legal Advisor is of the view that, during the Track Record Period and up to the Latest Practicable Date, the Company had not been subject to any administrative penalties imposed by the PRC securities regulatory authorities and the Company had therefore complied with the relevant laws and regulations on the A-Share Listing in all material respects. Based on the independent due diligence conducted by the Sole Sponsor and the PRC Legal Advisor's view above, no material matter has come to the Sole Sponsor's attention that would cause them to disagree with the Directors' confirmation with regard to the compliance records of the Company on the Shenzhen Stock Exchange.

TRADE RESTRICTIONS, TARIFF AND SANCTIONS

We operate in a regulatory environment where trade restrictions, tariff measures, and sanctions-related laws (including export controls and rules governing dealings with sanctioned or embargoed parties) apply to participants in our industry. The recent U.S.-China trade tensions have led to high tariffs, export controls and other restrictive measures targeting high-technology goods, semiconductors, and electronics. Our legal adviser for international sanctions and U.S. outbound investment laws, Sheppard, Mullin, Richter & Hampton LLP, has advised that our products are classified in heading 8542 of the U.S. Harmonized Tariff Schedule because that heading expressly states that it applies to "Electronic integrated circuits," which exactly describes the products we sell, and such products produced in China are generally subject to a U.S. tariff of 50% plus a so-called "fentanyl" tariff of 10% under the trade agreement reached between China and the United States on October 30, 2025. On July 24, 2026, the President imposed a 12.5% tariff on many

Chinese products, but Annex I.A.2, § 52(b) and Annex II.A of the July 24, 2026 Notice of Action state that this new tariff does not apply to items in heading 8542, so the Company's products are not subject to this tariff. The latest effective tariff rate for our products sold to the United States from Chinese Mainland is therefore 60%. We believe the tariff regime mentioned above has no material adverse impact on our operations or financial performance during the Track Record Period. The sales to the United States that are subject to the aforementioned U.S. tariffs are those made by our subsidiaries in Chinese Mainland and Hong Kong, as the products sold through such sales are predominantly manufactured by foundries located in Chinese Mainland and are therefore subject to such tariffs. Such sales accounted for less than 2% of our total revenue in each period comprising the Track Record Period. We also benefit from structurally diversified operations through our subsidiaries outside Chinese Mainland, such as those in the United States and Taiwan. Sales to the United States made through these subsidiaries are not subject to the aforementioned U.S. tariffs, as the products sold through such sales are manufactured by wafer foundries located in Taiwan or other regions outside Chinese Mainland. We plan to mitigate these potential tariff impacts through diversified manufacturing and logistics footprints, selective price adjustments, and closer engagement with distributors to redesign bills of materials where needed to reduce tariff exposure.

In addition, our ICs are components that are incorporated by our downstream customers into a wide range of end products across the automotive, industrial and medical, and consumer sectors, such as automotive electronic systems, industrial control and medical equipment, and consumer electronic devices. Where such end products are exported to the United States, they may, depending on their product category and country of origin, be subject to U.S. tariffs. Even if U.S. tariffs were to apply to our downstream customers' end products incorporating our ICs when such end products are exported to the United States, we believe that any indirect impact of such tariffs on our operations and financial performance is not, and is not expected to be, material, primarily for the following reasons: (i) such tariffs are borne by our downstream customers rather than by us, and, during the Track Record Period, none of our downstream customers has required us to bear any tariffs on their end products incorporating our ICs; (ii) our ICs represent only a small proportion of the total value of our downstream customers' end products (for example, the value of our memory ICs incorporated into an automotive vehicle typically represents less than 1% of the total value of such vehicle, according to Frost & Sullivan), and accordingly, even if our downstream customers were to be affected by such tariffs, the cost impact of our ICs on such customers would not be significant; and (iii) the fact that our ICs' downstream applications and end markets and our customer base are diversified.

The EAR applies to all items (i.e., commodities, software, and technology) "subject to the EAR," which includes not just U.S.-made items or items physically in the United States, but also to certain foreign-made commodities. Non-U.S. made items are subject to the EAR if they meet the "direct product" rule or have more than "de minimis" controlled U.S. content. In addition, under the EAR, the relevant restrictions depend on whether a footnote designation applies and, if so, which footnote applies. Each transaction we conducted with the supplier on the Entity List during the Track Record Period involved only a footnote 5 designation or no footnote designation. Footnote 5 means that we must not deliver items for the design or manufacture of integrated circuit "production equipment". During the Track Record Period, we delivered only design files for integrated circuits and did not deliver any items for the design or manufacture of any production equipment in connection with any such dealing.

Our transfer of design files to the foundry on the Entity List does not implicate the EAR, for the following reasons: (i) our design files delivered to such foundry were not delivered from the United States; (ii) we did not transfer anything subject to the EAR to such foundry after it was added to the Entity List; and (iii) in any event, design files do not constitute integrated circuit "production equipment" for the purpose of footnote 5.

Certain PRC video surveillance camera and surveillance technology producers are subject to sanctions, trade restrictions and government procurement bans (collectively, the "**Restrictions**"). Among the three categories of our ICs, only our computing IC were used in security camera application — cameras used in consumer electronics and ordinary commercial scenarios, solely applied in basic video applications such as home cameras, video doorbells, or action sports cameras — during the Track Record Period. Computing ICs used in security camera application were primarily sold through distributors.

The Restrictions have been implemented by the U.S., EU and UK governments in four ways: (i) by adding specific individuals and entities to sanctions lists (for example, the U.S. list of Specially Designated Nationals, the UK Sanctions List, and the Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions); (ii) in the case of the United States, placing certain entities on the Entity List under the EAR, such that items subject to the EAR cannot be delivered to them; (iii) by designating specific items, including specific ICs as subject to stricter export controls based upon their technical characteristics and capabilities (specifically, the advanced computing and high performance ICs meeting the criteria of 3A090, or ICs specially designed to serve as components in mass video surveillance equipment covered by 3A981, or other high performance ICs subject to significant export controls under 3A001); and (iv) in the case of the United States, prohibiting the U.S. government from procuring telecommunications or video surveillance from specific Chinese companies and their subsidiaries pursuant to section 889 of the 2019 National Defense Authorization Act ("NDAA").

Given that our products are primarily sold through our distribution network, we utilized a broad network of distributors during the Track Record Period. Consequently, we do not have direct visibility into, or control over, the full list of end customers of each distributor (i.e. manufacturers of security cameras), which limits our ability to fully trace end customers or to ascertain with absolute certainty whether any of our end customers are subject to the Restrictions. According to Frost & Sullivan, it is common industry practice for IC design companies to sell their products primarily through distributors and, as a result, to be unable to obtain complete information on their end customers.

Through the implementation of the measures mentioned below, we did not identify, during the Track Record Period and up to the Latest Practicable Date, any circumstances that would expose the Group to the Restrictions. During the Track Record Period and up to the Latest Practicable Date, we have not received any notice, inquiry, or warning from any relevant governmental authorities regarding the sale of our products to any of our end-customers. Our distributors for computing ICs confirmed that none of our computing ICs have been sold to end customers who are subject to the Restrictions during the Track Record Period and up to the Latest Practicable Date. Furthermore, as the export classifications of our computing ICs are not among those that the relevant governments have used to implement the Restrictions, even in the hypothetical event that any of our computing ICs were indirectly transferred to end customers that are subject to such Restrictions, our legal adviser as to international sanctions and U.S. outbound investment laws considers our potential sanctions risk to be low.

Notwithstanding that we do not have a complete list of our end customers, we have implemented the following measures to manage the risks associated with the Restrictions:

(i) strict contractual covenants and end-use controls — our agreements with distributors contain contractual terms prohibiting sales to customers subject to the export and sanctions Restrictions, and we are entitled to pursue remedies against distributors for any breach;

(ii) independent export classification and general-purpose product positioning — we have used U.S. export control experts on an ongoing basis to classify our ICs, and our ICs are general-purpose, mass market products used in consumer electronics and ordinary commercial scenarios, solely applied in basic video applications such as home cameras, video doorbells, or action sports cameras, which are not subject to the Restrictions. They do not have the functionality required for use in mass video surveillance, which is subject to the Restrictions; and

(iii) technical tracing and market monitoring mechanisms — we implement chip-level serialization by injecting unique identifiers (UIDs) and map shipments against our distributor databases, and we are able to perform periodic market sampling and product teardowns of finished products. If any sanctions-related risk event were to arise in connection with a finished product incorporating our ICs, we would be able to obtain the relevant product, read the UIDs of the IC incorporated therein, identify the production batch corresponding to such UID, and compare such batch against our shipment records, so as to narrow down the possible distributors through which the relevant IC may have been shipped to a limited number of distributors or a batch of distributors.

In addition, to the extent that section 889 applies more broadly to prohibit U.S. government procurement of ordinary video surveillance equipment from specific Chinese companies, we have not been relying upon any sales that are affected by section 889 of the NDAA.

Taking into consideration the factors stated above, we consider the risk to our Group from the Restrictions and through our distributor sales to be low.

PARTICIPATION OF U.S. PERSONS IN THE GLOBAL OFFERING UNDER THE FINAL RULE

Based on the analysis of our legal advisor for international sanctions and U.S. outbound investment laws, Sheppard, Mullin, Richter & Hampton LLP, the Group is a Covered Foreign Person under 31 C.F.R. part 850 (the "**Final Rule**") concerning investment by U.S. persons in Chinese companies because we design integrated circuits. The integrated circuits are of a type that for investments outside of public stock exchanges would require notification to the U.S. Department of the Treasury, but such investments are not prohibited. Provided that such acquisitions are effected as purchases of publicly traded securities and the U.S. person does not obtain any governance or other rights beyond applicable standard minority shareholder protections listed in 31 C.F.R. § 850.501(a)(2), U.S. persons will be able to participate in both of i) the Global Offering and ii) acquiring our H Shares in secondary market trading following the listing and the Global Offering without notification of such investment to the Department of the Treasury. This conclusion is based on the exception set out in 31 C.F.R. § 850.501(a)(1)(i), and the exclusion of such transactions in publicly traded securities from the definition of "covered transaction", which would otherwise capture certain equity acquisitions, debt financings with certain features, joint ventures, and limited partner interests in non-U.S. pooled investment funds.

In reaching this conclusion, our legal advisor has taken into account the frequently asked questions on the Outbound Investment Security Program published by the U.S. Department of the Treasury (the "**FAQs**"). According to FAQ X.4 published by the U.S. Department of the Treasury on December 23, 2025, the acquisition of an equity interest in a covered foreign person is treated as the acquisition of a "publicly traded security," and therefore falls within the exception under 31 C.F.R. § 850.501(a)(1)(i), where the relevant security is publicly traded at the time of the acquisition, regardless of when the relevant subscription or purchase agreement was entered into. On this basis, our legal advisor is of the view that, upon the completion of the Global Offering and the Listing, our H Shares subscribed for by U.S. persons in the Global Offering will be publicly traded on the Stock Exchange at the time such acquisitions take effect, and such H Shares will accordingly constitute "publicly traded securities" for the purpose of 31 C.F.R. § 850.501(a)(1)(i). As such, a U.S. person's acquisition of our H Shares in the Global Offering falls within the said exception and does not give rise to any notification obligation to the Department of the Treasury. For the same reason, the acquisition of our H Shares by U.S. persons in secondary market trading following the Listing, being an acquisition of securities that are by then publicly traded, likewise falls within the same exception. Neither we nor our legal advisor are advising investors on compliance with the Final Rule. Any investors that are U.S. persons should consult their own legal counsel regarding the applicable compliance requirements.

For the avoidance of doubt, our legal advisor is of the view that a U.S. person's acquisition of our H Shares under the Global Offering will be completed only upon the completion of the Global Offering, at which time our H Shares will constitute "publicly traded securities" for the purpose of 31 C.F.R. § 850.501(a)(1)(i). Our H Shares will not be publicly traded, and no such acquisition will be completed, prior to the completion of the Global Offering and the Listing. Accordingly, such acquisition does not give rise to any notification obligation to the Department of the Treasury.

SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, the Company was held as to approximately 8.37%, 3.29% and 0.42% by each of Dr. Liu Qiang, Mr. Li Jie and Sihai Junxin, respectively.

In order to maintain stability in the Group's management and operations, Dr. Liu Qiang and Mr. Li Jie entered into the Acting-in-Concert Agreement, pursuant to which, Dr. Liu Qiang and Mr. Li Jie have agreed, among other things, to act in concert when voting at general meetings of the Company and meetings of the Board. As of the Latest Practicable Date, Sihai Junxin was controlled by Qingdao Junpin Investment Partnership (Limited Partnership) (青島君品投資合夥企業(有限合夥), "**Qingdao Junpin**"), which was in turn controlled by Lhasa Junpin Enterprise Management Co., Ltd. (拉薩君品企業管理有限公司, formerly known as Lhasa Junpin Venture Capital Co., Ltd. (拉薩君品創業投資有限公司), "**Lhasa Junpin**") as its general partner. Lhasa Junpin was wholly owned by Dr. Liu Qiang.

Accordingly, immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no additional Shares are issued pursuant to the 2024 Restricted Share Incentive Plan), Dr. Liu Qiang and Mr. Li Jie, collectively, will be able to exercise approximately 11.34% of the voting power at general meetings of the Company, and Dr. Liu Qiang, Mr. Li Jie, Sihai Junxin, Qingdao Junpin and Lhasa Junpin will constitute the single largest group of shareholders of the Company after the Listing. See "History and Corporate Structure" for details.

CONNECTED TRANSACTION

The Company has entered into a transaction which will constitute a continuing connected transaction under Chapter 14A of the Listing Rules upon the Listing. See "Connected Transaction" for details.

PROFIT ESTIMATE FOR THE SIX MONTHS ENDED JUNE 30, 2026

On the bases set out in Appendix IIB to this prospectus, and in the absence of unforeseen circumstances, the Company estimates that its unaudited consolidated profit attributable to owners of the Company for the six months ended June 30, 2026 is as follows:

Estimated consolidated profit attributable to owners of the Company for the six months ended June 30, 2026	Not less than RMB1,078.6 million (equivalent to HK$1,246.1 million)

Pursuant to Rule 11.18 of the Listing Rules, the Company has given an undertaking to the Stock Exchange that the interim financial statements of the Group for the six months ended June 30, 2026 will be audited.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Subsequent to March 31, 2026 and up to the Latest Practicable Date, we achieved steady growth in our business operations and development. For the three months ended June 30, 2026, our sales volumes for memory ICs, computing ICs, and analog ICs amounted to 209.2 million units, 24.8 million units, and 66.4 million units, respectively. Subsequent to the Track Record Period and up to the Latest Practicable Date, we did not experience any material adverse change in our production capacity, major product sales or order fulfilment.

Our Directors confirmed that, as of the date of this prospectus, there has been no material adverse change in our financial position since March 31, 2026, and there has been no event since March 31, 2026 that would materially affect the information as set out in the Accountants' Report in Appendix I to this prospectus.

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

"**2024 Restricted Share Incentive Plan**"	the 2024 Restricted Share Incentive Plan of the Company approved by the Shareholders on May 13, 2024
"**A Share(s)**"	ordinary shares issued by the Company, with a nominal value of RMB1.00 each, which are listed on the ChiNext of the Shenzhen Stock Exchange and traded in Renminbi
"**Accountants' Report**"	the accountants' report of the Company, the text of which is set out in Appendix I to this prospectus
"**Acting-in-Concert Agreement**"	the acting-in-concert agreement dated December 1, 2009 entered into by Dr. Liu Qiang and Mr. Li Jie, as renewed on July 8, 2014 and supplemented on December 14, 2016, details of which are set out in the section headed "History and Corporate Structure — Acting-in-Concert Agreement" in this prospectus
"**affiliate(s)**"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"**AFRC**"	Accounting and Financial Reporting Council
"**Articles**" or "**Articles of Association**"	the articles of association of the Company with effect upon the Listing Date (as amended from time to time), a summary of which is set out in Appendix III to this prospectus
"**associate(s)**"	has the meaning ascribed thereto under the Listing Rules
"**Audit Committee**"	the audit committee of the Board
"**Beijing ISSI**"	Integrated Silicon Solution, Inc. Beijing (北京矽成半導體有限公司), a limited liability company established in the PRC on November 2, 2014 and a wholly-owned subsidiary of the Company
"**Board**" or "**Board of Directors**"	the board of Directors of the Company
"**Business Day**"	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

"**Capital Market Intermediary(ies)**" or "**CMI(s)**"	the capital market intermediaries participating in the Global Offering and has the meaning ascribed thereto under the Listing Rules
"**CCASS**"	the Central Clearing and Settlement System established and operated by HKSCC
"**China**," "**Chinese Mainland**" or "**the PRC**"	the People's Republic of China, unless the context requires otherwise, excluding, for the purposes of this prospectus only, the regions of Hong Kong, Macau and Taiwan of the People's Republic of China
"**close associate(s)**"	has the meaning ascribed thereto under the Listing Rules
"**Companies Ordinance**"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"**Companies (Winding Up and Miscellaneous Provisions) Ordinance**" or "**CWUMPO**"	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**," "**we,**" "**our**" or "**us**"	Ingenic Semiconductor Co., Ltd. (北京君正集成電路股份有限公司), a limited liability company established in the PRC on July 15, 2005 which was converted into a joint stock company with limited liability on December 24, 2009, formerly known as Ingenic Semiconductor Company Limited (北京君正集成電路有限公司)
"**Compliance Advisor**"	Rainbow Capital (HK) Limited
"**connected person(s)**"	has the meaning ascribed thereto under the Listing Rules
"**connected transaction(s)**"	has the meaning ascribed thereto under the Listing Rules
"**core connected person(s)**"	has the meaning ascribed thereto under the Listing Rules
"**Corporate Governance Code**"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"**CSRC**"	China Securities Regulatory Commission (中國證券監督管理委員會)
"**Director(s)**"	the director(s) of the Company
"**EIT**"	enterprise income tax

"**EIT Law**"	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得税法》)
"**ESG**"	environmental, social and governance
"**Exchange Participant**"	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 as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale seriously affect the working public's ability to resume work or brings safety concern for a prolonged period
"**FINI**"	"Fast Interface for New Issuance," the 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 the Listing
"**Frost & Sullivan**"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent market research and consulting company
"**General Rules of HKSCC**"	General Rules of HKSCC published by the Stock Exchange and as amended from time to time
"**Global Offering**"	the Hong Kong Public Offering and the International Offering
"**Group**," "**we**," "**our**" or "**us**"	the Company and its subsidiaries, or any one of them as the context may require, and where the context requires, the businesses operated by the Company and/or its subsidiaries and their predecessors (if any)
"**Guide**" or "**Guide for New Listing Applicants**"	the Guide for New Listing Applicants issued by the Stock Exchange effective from January 1, 2024, as amended, supplemented or otherwise modified from time to time
"**H Share(s)**"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and to be listed on the Stock Exchange
"**H Share Registrar**"	Computershare Hong Kong Investor Services Limited
"**Hefei Ingenic**"	Hefei Ingenic Technology Co., Ltd. (合肥君正科技有限公司), a limited liability company established on February 14, 2014 and a wholly-owned subsidiary of the Company

"**HKSCC**"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"**HKSCC EIPO**"	the application for 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 Hong Kong Offer Shares on your behalf
"**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 the 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
"**HKSCC Nominees**"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"**Hong Kong**" or "**HK**"	the Hong Kong Special Administrative Region of the PRC
"**Hong Kong dollars**" or "**HK$**"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"**Hong Kong Offer Shares**"	3,128,800 H Shares (subject to reallocation as described in the section headed "Structure of the Global Offering") initially offered by the Company for subscription at the Offer Price pursuant to the Hong Kong Public Offering
"**Hong Kong Public Offering**"	the offering of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price (plus brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee), on and subject to the terms and conditions described in "Structure of the Global Offering — The Hong Kong Public Offering"
"**Hong Kong Stock Exchange**" or "**Stock Exchange**"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

"**Hong Kong Underwriters**"	the underwriters of the Hong Kong Public Offering listed in the section headed "Underwriting — Hong Kong Underwriters"
"**Hong Kong Underwriting Agreement**"	the underwriting agreement dated August 13, 2026 relating to the Hong Kong Public Offering entered into by, among others, the Company, the Sole Sponsor, the Sponsor-Overall Coordinator and the Hong Kong Underwriters, as further described in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Hong Kong Underwriting Agreement"
"**IFRSs**" or "**IFRS Accounting Standards**"	the International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by IASB and the International Accounting Standards (IAS) and interpretations issued by the International Accounting Standards Committee (IASC)
"**IIT Law**"	the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》)
"**Independent Third Party(ies)**"	any person(s) or entity(ies) who is not a connected person of the Company within the meaning of the Listing Rules
"**International Offer Shares**"	the 28,158,500 H Shares offered by the Company pursuant to the International Offering (subject to reallocation as described in the section headed "Structure of the Global Offering") together with any additional H Shares which may be allotted and issued by the Company pursuant to the exercise of the Over-allotment Option
"**International Offering**"	the conditional placing of the International Offer Shares by the International Underwriters at the Offer Price outside the United States in offshore transactions in reliance on Regulation S, on and subject to the terms and conditions of the International Underwriting Agreement, as further described in the section headed "Underwriting — The International Offering"
"**International Underwriters**"	the group of international underwriters who are expected to enter into the International Underwriting Agreement to underwrite the International Offering
"**International Underwriting Agreement**"	the underwriting agreement relating to the International Offering expected to be entered into on or about August 21, 2026 by the Company, the Sponsor-Overall Coordinator, the Overall Coordinators and the International Underwriters, as further described in the section headed "Underwriting — The International Offering"

"**ISSI**"	Integrated Silicon Solution, Inc., a corporation incorporated in the U.S. on October 27, 1988 and a wholly-owned subsidiary of the Company
"**Joint Bookrunners**"	the joint bookrunners as named in the section headed "Directors and Parties Involved in the Global Offering"
"**Joint Global Coordinators**"	the joint global coordinators as named in the section headed "Directors and Parties Involved in the Global Offering"
"**Joint Lead Managers**"	the joint lead managers as named in the section headed "Directors and Parties Involved in the Global Offering"
"**KRX**"	the Korea Exchange, the sole securities exchange operator in South Korea
"**Latest Practicable Date**"	August 7, 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 Date**"	the date, expected to be on or about Tuesday, August 25, 2026, on which the H Shares are listed and from which dealings therein are permitted to take place on the Stock Exchange
"**Listing Rules**" or "**Hong Kong Listing Rules**"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"**Lumissil Xiamen**"	Lumissil Microsystems (Xiamen) Co., Ltd. (絡明芯微電子(廈門)有限公司), a limited liability company established in the PRC on March 23, 2005 and a non-wholly owned subsidiary of the Company
"**Macau**"	the Macau Special Administrative Region of the PRC
"**Main Board**"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"**MOF**"	Ministry of Finance of the PRC (中華人民共和國財政部)
"**MIIT**"	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
"**Nomination and Remuneration Committee**"	the nomination and remuneration committee of the Board

"**Offer Price**"	the final offer price per Offer Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) at which the Offer Shares are to be subscribed for and issued pursuant to the Global Offering as described in the section headed "Structure of the Global Offering"
"**Offer Share(s)**"	the Hong Kong Offer Share(s) and the International Offer Share(s), together with any additional H Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option
"**Overall Coordinators**"	the overall coordinators as named in the section headed "Directors and Parties Involved in the Global Offering"
"**Over-allotment Option**"	the option granted by the Company to the International Underwriters, exercisable by the Sponsor-Overall Coordinator (on behalf of the International Underwriters) pursuant to the International Underwriting Agreement, to require the Company to allot and issue up to an aggregate of 4,693,000 additional H Shares at the Offer Price, representing approximately 15% of the Offer Shares initially available under the Global Offering, to cover over-allocations in the International Offering, if any, exercisable at any time from the date of the International Underwriting Agreement up to (and including) the date which is the 30th day from the last day for lodging of applications under the Hong Kong Public Offering
"**Overseas Listing Trial Measures**"	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) promulgated by the CSRC on February 17, 2023 and became effective on March 31, 2023
"**PRC Company Law**"	the Company Law of the People's Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"**PRC Legal Advisor**"	Zhong Lun Law Firm, the PRC legal advisor to the Company
"**PRC Securities Law**"	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time

"**Price Determination Date**"	the date, expected to be on or before Friday, August 21, 2026 (Hong Kong time) on which the Offer Price is determined, or such later time as the Company and the Sponsor-Overall Coordinator (on behalf of the Underwriters) may agree, but in any event not later than 12:00 noon on Friday, August 21, 2026
"**Regulation S**"	Regulation S under the U.S. Securities Act
"**RMB**" or "**Renminbi**"	Renminbi, the lawful currency of the PRC
"**SAFE**"	the State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)
"**Securities and Futures Commission**" or "**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
"**Shaoxing Weihao**"	Shaoxing Weihao Enterprise Management Consulting Partnership (Limited Partnership) (紹興韋豪企業管理諮詢合夥企業(有限合夥)), a limited liability partnership established in the PRC on June 24, 2021 and one of the Shareholders
"**Share(s)**"	ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, including A Shares and H Shares
"**Shareholder(s)**"	holder(s) of the Share(s)
"**Sihai Junxin**"	Beijing Sihai Junxin Co., Ltd. (北京四海君芯有限公司), a limited liability company established in the PRC on July 30, 2019 and one of the Shareholders
"**Sole Sponsor**"	the sole sponsor as named in the section headed "Directors and Parties Involved in the Global Offering"
"**Sponsor-Overall Coordinator**"	the sponsor-overall coordinator as named in the section headed "Directors and Parties Involved in the Global Offering"
"**SSE**"	the Shanghai Stock Exchange
"**Stabilizing Manager**"	Guotai Junan Securities (Hong Kong) Limited
"**State Council**"	the State Council of the PRC (中華人民共和國國務院)
"**Strategy and ESG Committee**"	the strategy and ESG committee of the Board

"**subsidiary(ies)**"	has the meaning ascribed thereto under the Listing Rules
"**substantial shareholder(s)**"	has the meaning ascribed thereto under the Listing Rules
"**SZSE**"	the Shenzhen Stock Exchange
"**Takeovers Code**"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"**treasury shares**"	has the meaning ascribed thereto under the Hong Kong Listing Rules
"**Track Record Period**"	the financial years/period ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026
"**TSE**"	the Tokyo Stock Exchange
"**TWSE"**	the Taiwan Stock Exchange
"**Underwriters**"	the Hong Kong Underwriters and the International Underwriters
"**Underwriting Agreements**"	the Hong Kong Underwriting Agreement and/or the International Underwriting Agreement, as the context may require
"**United States**" or "**U.S.**"	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
"**U.S. dollar(s)**," "**US$**" or "**USD**"	United States dollar, the lawful currency of the United States
"**U.S. Securities Act**"	The U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
"**VAT**"	value-added tax
"**White Form eIPO**"	the application process for Hong Kong Offer Shares with applications issued in applicant's own name and submitted 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

"**%**"	per cent.

For ease of reference, the names of PRC laws and regulations, governmental authorities, institutions, natural persons or other entities (including the Company's subsidiaries) have been included in this prospectus in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

"2D NAND"	a planar NAND Flash memory architecture where memory cells are laid out in a single layer on the silicon surface, offering lower density than 3D NAND but with simpler fabrication
"3D DRAM"	a type of DRAM that use three-dimensional stacking to increase bandwidth, capacity, and energy efficiency by vertically integrating multiple memory layers — typically through-silicon vias
"3D NAND"	a type of Flash memory in which memory cells are stacked vertically in multiple layers to increase storage density and performance
"ADAS"	advanced driver assistance systems, a system that enhances driving safety and convenience through advanced vehicle technology
"AI"	artificial intelligence
"AIoT"	Artificial Intelligence of Things, a convergence of AI and IoT, where connected devices collect data and use embedded or edge/cloud AI to analyze, learn, and act autonomously for smarter, real-time applications
"analog IC"	integrated circuits that process continuous real-world signals
"AR"	augmented reality, a technology that overlays digital information, such as images, sounds and other data, onto the real-world environment in real-time, enhancing the user's perception and interaction with the surroundings
"ARM"	advanced RISC machines
"CAN"	controller area network
"CAGR"	compound annual growth rate
"computing IC"	integrated circuit that perform digital processing and control
"CPU"	central processing unit, an integrated circuit that serves as the computational and control core of an electronic product
"DDR"	double data rate, a type of computer memory technology that allows for faster data transfer speeds by transferring data on both the rising and falling edges of the clock cycle

"DDR3"	the third-generation double-data-rate synchronous dynamic random-access memory
"DDR2"	the second-generation double-data-rate synchronous dynamic random-access memory
"DDR4"	the fourth-generation double-data-rate synchronous dynamic random-access memory
"DRAM"	dynamic random access memory, a type of volatile memory used in computers and other devices to store data that is actively being used or processed, requiring periodic refreshing to maintain the stored information
"DVP"	digital video port
"ECC"	an error-detecting and -correcting mechanism that adds redundant bits to data to identify and correct bit flips (e.g., single-bit errors) in memory, storage, and communication systems
"eMMC"	an embedded non-volatile storage solution that integrates NAND Flash and a controller in a single BGA package, providing standardized interfaces, wear-leveling, and error management
"Gb"	gigabit, a unit of digital information equal to approximately one billion bits
"Flash"	a type of non-volatile semiconductor memory IC, which retains stored information even when powered off, featuring the ability to be repeatedly read, erased and written, and is considered a major category of memory products
"GPIO"	general purpose input/output
"H.264"	a video compression standard, also known as Advanced Video Coding, which is widely used for encoding and decoding video data
"IC"	integrated circuit, a set of electronic circuits on a small semiconductor chip, typically made of silicon, that functions as the essential building block for most electronic devices. In the semiconductor industry, ICs are designed, manufactured, and assembled to enable a wide range of applications, including computers, mobile phones, and various digital and analog devices
"IDM"	integrated device manufacturer

"IoT"	internet of things, a network of interconnected devices that communicate and exchange data with each other over the internet
"IP-Cam SoC"	an integrated processor designed for network cameras that combines image signal processing, video encoding to capture, process, compress, secure, and stream video over IP networks
"IPD"	integrated product development, a systematic approach to product development that emphasizes the concurrent design of products and their related processes, including manufacturing and support
"ISP"	image signal processor, a specialized processor used to convert raw image data captured by a camera sensor into a high-quality, viewable image
"Kb"	kilobit, a unit of digital information equal to approximately one thousand bits
"LED"	light emitting diode, a semiconductor device that emits light when current flows through it
"LiDAR"	a sensing technology that uses laser pulses and time-of-flight measurement to detect distances and shapes, enabling systems to map, perceive, and localize by generating precise 3D point clouds for applications like autonomous driving, robotics, and surveying
"LPDDR"	low power double data rate, a type of synchronous dynamic random-access memory that consumes less power than other random access memory designs
"LPDDR4/4X"	a low-power version of DDR4 memory which could provide a bandwidth of 32 Gbps
"LVDS"	low-voltage differential signaling
"Mb"	megabit, a unit of digital information equal to approximately one million bits
"MCU"	microcontroller unit, a compact integrated circuit designed to govern a specific operation in an embedded system
"memory IC"	integrated circuits that store data temporarily or permanently
"MIPI CSI"	a high-speed interface standard for connecting cameras to processors

“MIPI DSI”	a high-speed serial interface for sending pixel data from the processor to an LCD or OLED display
“MIPI PHY”	mobile industry processor interface physical layer
“MJPEG”	motion joint photographic experts groups. It is a video compression format where each frame of video is compressed as a separate JPEG image
“MIPS”	a RISC instruction-set architecture offered in 32-bit (MIPS32) and 64-bit (MIPS64) variants. Its compact, modular ISA delivers high performance per watt and is widely licensed for embedded, networking, automotive and AI SoCs
“MPU”	microprocessor unit. It is a type of central processing unit that is commonly found in computers and other computing devices
“NAND Flash”	a type of non-volatile Flash memory technology and the products based on this technology, typically used for data storage
“niche DRAM”	a specialized dynamic random-access memory tailored for specific applications with unique requirements
“niche memory”	DRAM, SRAM, NOR/NAND Flash, and related memory products engineered for specialized use-cases that have distinct technical, quality, or longevity requirements not typically served by mainstream, high-volume commodity memory. Hallmarks include extended operating temperature ranges, long-term supply commitments, stringent reliability/functional safety standards, tailored interfaces or form factors, and workload-specific performance characteristics (e.g., deterministic latency, fast random access, robust endurance/retention)
“NOR Flash”	a type of non-volatile Flash memory technology and the products based on this technology, typically used for data storage and code storage
“NPU”	neural processing unit, a specialized processor designed to accelerate artificial intelligence and machine learning tasks, especially those involving neural networks
“OSAT”	outsourced semiconductor assembly and test, stages of the production process of semiconductor products outsourced to third-party services providers to handle the assembly, packaging and testing of semiconductor devices
“PHY”	physical layer

“PLC”	programmable logic controller, ranging from small modular devices with tens of I/O, in a housing integral with the processor, to large rack-mounted modular devices with thousands of I/O
“pSLC”	a NAND Flash mode that uses multi-level cell memory programmed with only one bit per cell to emulate SLC behavior, delivering higher endurance, faster writes, and better reliability than MLC/TLC at the cost of reduced usable capacity
“PWM”	pulse width modulation
“QR”	quick response
“RGMII”	reduced gigabit media independent interface
“RISC-V”	an open standard instruction set architecture based on established reduced instruction set computer (RISC) principles
“RMII”	reduced media independent interface
“SoC(s)”	system-on-chip(s)
“SRAM”	static random access memory, primarily serves as cache memory
“SPI”	Serial Peripheral Interface
“T-BOX”	Telematics Box, an advanced automotive electronic control unit that enables bidirectional communication between a vehicle and the outside world
“TOPS”	trillion operations per second
“UART”	universal asynchronous transmitter
“USB”	universal serial bus
“USB PHY”	universal serial bus physical layer
“VPU”	vision processing unit, a specialized processor designed to accelerate machine vision tasks such as image processing, computer vision, and AI workloads
“XBurst2®”	32-bit embedded CPU microarchitecture based on the MIPS instruction set, supporting multi-core processing and AI acceleration instructions
“ZB”	zettabyte, a unit of digital information equal to approximately 1,000 billion GB

The Company has included in this prospectus forward-looking statements. Statements that are not historical facts, including but not limited to statements about its intentions, beliefs, expectations or predictions for the future, are forward-looking statements. When used in this prospectus, the words "aim," "anticipate," "believe," "could," "expect," "going forward," "intend," "ought to," "project," "seek," "should," "will," "would," "vision," "aspire," "target," "schedule," and the negative of these words and other similar expressions, as they relate to the Group or its management, are intended to identify forward-looking statements. Such statements reflect the current views of the Group's management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in this prospectus, some of which are beyond the Company's control and may cause the Company's actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing the Group which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- the Group's operations and business prospects;
- the Group's ability to maintain relationship with, and the actions and developments affecting, its customers and suppliers;
- future developments, trends and conditions in the industries and markets in which the Group operates or plans to operate;
- general economic, political and business conditions in the markets in which the Group operates;
- changes to the regulatory environment in the industries and markets in which the Group operates;
- the Group's ability to maintain its market position;
- the actions and developments of the Group's competitors;
- the Group's ability to effectively contain costs and optimize pricing;
- the ability of third parties to perform in accordance with contractual terms and specifications;
- the Group's ability to retain senior management and key personnel and recruit qualified staff;
- the Group's business strategies and plans to achieve these strategies;
- the effectiveness of the Group's quality control systems;
- change or volatility in interest rates, foreign exchange rates, equity prices, trading volumes, commodity prices and overall market trends, including those pertaining to the PRC and the industry and markets in which the Group operates; and
- capital market developments.

By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Specifically but without limitation, sales could decrease, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realized.

Subject to the requirements of applicable laws, rules and regulations, the Company does not have any or undertake no obligation to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way the Company expects or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this prospectus are qualified by reference to the cautionary statements in this section as well as the risks and uncertainties discussed in the section headed "Risk Factors" in this prospectus.

In this prospectus, statements of or references to the Company's intentions or those of its Directors were made as of the date of this prospectus. Any such information may change in light of future developments.

An investment in the H Shares involves various risks. You should consider carefully all the information set out in this prospectus and, in particular, the risks described below before making an investment in the H Shares.

The occurrence of any of the following events could materially and adversely affect our business, financial position, results of operations or prospects. If any of these events occurs, the trading price of the H Shares could decline and you may lose all or part of your investment. This prospectus also contains forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the risks described below. You should seek professional advice from your relevant advisors regarding your prospective investment in the context of your particular circumstances.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

If we fail to properly anticipate or respond to changing market conditions, or develop and introduce new or enhanced products on a timely basis, our ability to attract and retain customers could be impaired and our competitive position could be harmed.

The semiconductor industry is subject to constant and rapid changes in technology, constant product and technology upgrade, frequent new product introductions and evolving technical standards. New technologies may be introduced that make the current technologies on which our products are based less competitive or even obsolete or require us to make changes to our technology that could be expensive and time consuming to implement. Due to the evolving nature of the markets, our future success depends on our ability to accurately anticipate and respond to changes in industry standards, technological requirements, customer and consumer preferences and other market conditions. Our failure to properly anticipate or respond to changing market conditions could impair our competitive position, and adversely affect our business, results of operations and financial condition.

In order to compete successfully, we must design, develop, market and sell new or enhanced products that provide high levels of performance and reliability, offer and integrate new functionalities and meet the cost expectations of the markets. The intensive competition, introduction of new and upgraded products by our competitors, market acceptance of products based on new or alternative technologies, emergence of new industry standards, or new trends in consumer preferences could render our existing or future products obsolete. We may experience difficulties with product design, development, marketing or certification, which could delay or prevent our development, introduction or marketing of new or enhanced products. Furthermore, our R&D efforts may not yield the expected results, which would prevent us from strengthening our brand recognition and competitive position. For example, we have undertaken product initiatives in response to evolving market requirements, including enhancing products to support higher bandwidth, improved power efficiency and expanded application scenarios, such as automotive, AIoT and security. These initiatives include the introduction of high-density memory ICs and upgraded computing ICs for more complex AI processing. We have also advanced new product categories, such as 3D DRAM and AI-MCUs, to address the increasing complexity of customer demands. If we fail to introduce new or enhanced products that meet the needs of our customers or fail to penetrate new markets in a timely manner, we will lose market share and our business, results of operations and financial condition will be adversely affected.

Our performance is subject to fluctuations in demand from downstream industries that adopt our products and the prices of the end products.

Our performance is subject to fluctuations in demand from downstream industries that adopt our products and the prices of the end products. During the Track Record Period, our products were typically designed for special applications in downstream industries such as automotive electronics, industrial and medical, AIoT, and security. These industries are highly competitive and to a large extent driven by end-user markets. Fluctuations in demand and price within these industries could lead to reduced sales and declining prices for the end products, which will in turn affect our revenue and profit margins. Specifically, many of our customers face intense competition and constant pressure to cut the selling prices of their end products. Accordingly, many of them may expect ongoing production cost reductions and increased production efficiencies. If we are not able to meet such expectations, our prospect, business, results of operations and financial condition will be adversely affected.

Fluctuation in demand from downstream industries and prices of the end products could be impacted by many factors beyond our control, including:

- a decline in demand for, or negative perception of, or publicity about, products of downstream industries;
- a downturn in general economic conditions and consumer spending capabilities that may affect, among others, the ability and willingness for the market to invest in those industries, which in turn will negatively affect the downstream demand for our products;
- regulatory restrictions, trade disputes, industry-specific quotas, tariffs, non-tariff barriers and taxes that may have the effect of limiting exports;
- cyclicality in the downstream industries;
- the inability to dedicate necessary resources to promote and commercialize end products;
- the failure to meet the evolving industry requirements or achieve market acceptance;
- delays and project cancellations by our end customers; and
- the effects of catastrophic and other disruptive events.

In the event that any of the above events occur, the demand for end products may not maintain robust growth and the demand or price for our products may be reduced, which in turn will adversely affect our business, prospects, results of operations and financial condition.

The industry in which we operate has historically been cyclical and has experienced downturns with declines in average selling prices.

The industry in which we operate has been cyclical and has experienced downturns. These downturns could be characterized by diminished product demand, production overcapacity, high inventory levels and decreasing selling prices and inventory values. Economic downturns often have an adverse effect upon designers, manufacturers and end-users of electronics products. The timing of new product developments, the lifecycle of existing electronics products and the level of acceptance and growth of new products can also affect demand for our products. Downturns in the markets we serve could have a

significant negative impact on the demand for our products. Additionally, due to changing conditions, our customers may in the future experience periods of excess inventory that could have a significant adverse impact on our sales. During an industry downturn, there is also a risk that our inventory would decrease in value. In such circumstances, we are required to make inventory write-downs to reflect the lower net realizable value of our inventory. These write-downs could have an adverse impact on our financial performance and results of operations. We cannot predict the timing or the severity of the cycles within our industry. In particular, it is difficult to predict how long and to what levels any industry upturn or downturn, or general economic strength or weakness, will last or develop.

The demand for our products is largely driven by the demand for end products in downstream industries such as automotive electronics, industrial and medical, AIoT, and security. From time to time, these markets may experience cyclical downturns, often in connection with, or in anticipation of, declines in general economic conditions, and we may experience substantial period-to-period fluctuations in our operating results due to factors affecting these markets. Changes in end-user demand for our customers' products could have a material adverse effect on demand for our products, particularly if the customer has accumulated excess inventories of products purchased from us or from competitors selling similar products. Reduced demand for our products could have a material adverse effect on our business, results of operations and financial condition. See also "— Our performance is subject to fluctuations in demand from downstream industries that adopt our products and the prices of the end products."

Furthermore, our industry has historically experienced declines in average selling prices due to supply and demand dynamics. In particular, the prices of our products declined from 2023 to 2025, which was in line with industry trends and adversely affected our business and results of operations. See "Financial Information — Significant Factors Affecting Our Results of Operations — Industry Cycle." The average selling prices of our products may decline due to several factors, including general declines in demand for our products and excess supply of products as a result of overcapacity. If not accompanied by increases in demand, supply increases usually result in declines in the average selling prices and profit margins of our products. Our efforts to increase sales or to introduce new products to offset the impact of declines in average selling prices may not be successful.

Our competitors and customers also impose pricing pressures on us. These declines in average selling prices have in the past had, and may again in the future have, a material adverse effect on our business, results of operations and financial condition. Declines in prices also could affect the valuation of our inventory, which could result in inventory write-downs.

In the event of a market downturn, competition in the markets in which we operate may intensify as our customers reduce their purchase orders. Our competitors that are significantly larger and have greater financial, technical, marketing, distribution, customer support and other resources or more established market recognition than us may be better positioned to accept lower prices and withstand adverse economic or market conditions.

A substantial portion of our revenue has been derived from a small number of customers. The loss of, or significant reduction in the purchases by, one or more of such customers could adversely affect our business, financial condition and results of operations.

A significant portion of our revenue was derived from a limited number of customers during the Track Record Period. Our top five customers (primarily distributors) contributed approximately RMB2,470.4 million, RMB2,187.6 million, RMB2,406.0 million and RMB784.9 million, respectively, in 2023, 2024, and 2025 and the three months ended March 31, 2026, which accounted for approximately 54.5%, 51.9%, 50.7% and 50.3% of our revenue in the

corresponding years/period, respectively. In particular, our largest customer contributed approximately RMB953.7 million, RMB817.3 million, RMB812.5 million and RMB243.2 million, respectively, in 2023, 2024, and 2025 and the three months ended March 31, 2026, which accounted for approximately 21.0%, 19.4%, 17.1% and 15.6% of our total sales in the respective years/period. There is no assurance that we will continue to obtain contracts from our major customers in the future. If there is a significant decrease in the number of purchases awarded by our major customers, our financial condition and operating results would be adversely affected.

Our sales through distributors increase the complexity of our business and may reduce our ability to forecast revenue.

A significant portion of our sales is conducted through independent third-party distributors, which adds complexity to our business operations and may adversely affect our ability to forecast revenue with precision. In 2023, 2024 and 2025 and the three months ended March 31, 2026, our sales through distributors accounted for 78.7%, 77.8%, 79.5% and 81.1% of our total revenue in the respective years/period. We maintain regular communication with our distributors and require them to submit sales projections, but there can be no assurance that such projections will be accurate or that distributors will place orders consistent with these forecasts. Demand from end customers may fluctuate significantly due to market conditions, changes in purchasing patterns, or other factors beyond our control, and such fluctuations may not be promptly or accurately communicated to us.

Moreover, because our distributors manage their own inventories and have discretion in their purchasing decisions, their ordering patterns may vary materially from period to period. In addition, although we generally require prepayments, certain distributors are granted credit terms, which exposes us to potential delays or defaults in payment. Our reliance on distributors also means that we have less direct visibility into end-customer demand trends compared to companies that primarily sell directly to customers. Any failure by our distributors to effectively market and sell our products, or to provide accurate and timely information on market demand, could result in inventory build-up, missed sales opportunities, or unexpected shortfalls in revenue.

As a result, our dependence on distributor sales could adversely affect our ability to align production with market demand, impair our revenue predictability, and cause our operating results to fluctuate from period to period.

Capacity commitments and inventory planning could lead to excess stock, write-downs, and cash pressure in a downturn.

We plan production and inventory based on sales forecasts, set targets by product, and release wafer starts, assembly, and testing in stages. See “Financial Information — Selected Balance Sheet Items — Inventories — Inventory Management Policy.” To secure a stable supply, we reserve capacity with foundries and packaging/testing partners and, in some cases, agree to minimum purchase terms. We also review the value of older or slow-moving stock and follow defined product end-of-life procedures.

These steps cannot fully protect us if the market slows or demand shifts unexpectedly. In such periods, our capacity reservations and minimum purchase commitments may leave us with more production than we can sell, leading to higher inventories, longer time to turn stock into sales, increased storage and handling costs, and potential write-downs if we need to discount or if items become outdated. Limited ability to cut production quickly can also pressure margins as we clear excess stock and may strain cash flow and working capital. If suppliers enforce minimums or allow only limited changes to reserved slots, we could incur penalties, have less flexibility to adjust future supply, and see a negative impact on our results of operations.

Our R&D efforts are not guaranteed to yield the results we anticipate.

In order to maintain our competitive position and continue to grow our business, we need to continuously develop and introduce innovative products for our existing and potential customers. The markets of IC design are characterized by continuous technological developments and innovation to address increasingly complex and diverse market needs. Accordingly, we emphasize our R&D activities, which require considerable human resources and capital investment. In 2023, 2024 and 2025 and the three months ended March 31, 2026, our R&D expenses amounted to RMB708.3 million, RMB681.3 million, RMB712.0 million and RMB171.9 million, accounting for 15.6%, 16.2%, 15.0% and 11.0% of our total revenue in the respective years/period. However, we cannot assure you that these efforts will be successful or produce our anticipated results.

Even if our research and development efforts are successful, we may not be able to apply the technologies we developed to introduce new products in time to capture the first-mover advantage, or at all.

We rely on third parties for IC fabrication, testing and packaging.

As a fabless IC design company, we do not own any IC fabrication, testing or packaging facilities, and rely on third-party foundry partners to produce ICs. As of March 31, 2026, we worked closely with 18 quality foundry partners and 28 OSAT partners for IC packaging and testing. In 2023, 2024 and 2025 and the three months ended March 31, 2026, purchases from our five largest suppliers which were our foundry partners and OSAT partners, amounted to RMB1,701.0 million, RMB1,423.3 million, RMB1,555.1 million and RMB430.4 million, respectively, accounting for 58.3%, 47.8%, 45.1% and 41.6% of our total purchases in the respective years/period.

The ability of our foundry partners to provide us with IC is limited by their available capacity. We typically do not have a guaranteed level of production capacity from our foundry partners. As a result, if our foundry partners raise their prices or are unable to meet our required capacity for various reasons, including shortages, or delays in the shipment of semiconductor equipment or raw materials required to manufacture our ICs, or if our business relationships with our foundry partners deteriorate, we may not be able to obtain the required capacity and would have to seek alternative foundries, which may not be available on commercially reasonable terms, or at all.

Moreover, it is possible that other customers of our foundry partners may receive preferential treatment from our foundry partners in terms of capacity allocation. Reallocation of capacity by our foundry partners to their other preferred customers could impair our ability to secure our requisite supply of IC, which could significantly delay the shipment of our products, causing a loss of revenue and damage to our customer relationships. In addition, if we do not accurately forecast our capacity needs, our foundry partners may not have available capacity to meet our immediate needs or we may be required to pay higher costs to fulfill those needs, either of which could materially and adversely affect our business, operating results or financial condition.

To ensure a stable wafer supply and mitigate risks of input price increases, capacity shortages and geopolitical supply chain disruptions, we entered into long-term agreements with several key suppliers. While this approach enhanced supply assurance, it also, to a certain extent, resulted in elevated inventory levels during periods when actual demand lagged planning assumptions. Going forward, if the actual demand for our products is below our committed procurement volume, we can experience heightened inventory level again, which in turn can have a material and adverse effect on our liquidity and financial condition.

The ability and willingness of our production partners to adequately perform is largely outside our control. If one or more of these production partners fails to perform its obligations in a timely manner or at satisfactory quality levels, our ability to bring products to market and our reputation could suffer. For example, in the event that capacity becomes constrained at one or more production partners, we could face difficulties in fulfilling our customers' orders and our revenues could decline. In addition, if these production partners fail to deliver quality products and components to us on time and at reasonable prices, we could face difficulties in fulfilling our customers' orders, our total revenue could decline and our business, financial condition and results of operations would be adversely affected.

We face competition and expect to continue facing competition in the future. If we fail to compete effectively, our business, prospects, results of operations and financial condition will be materially and adversely affected.

The semiconductor market is highly competitive. We expect competition to increase and intensify as other semiconductor companies enter our markets, many of which may have greater financial and other resources with which to pursue technology development, product design, manufacturing, marketing and sales and distribution of their products. Increased competition could result in price pressure, reduced profitability and loss of market share, any of which could materially and adversely affect our business, prospects, results of operations and financial condition.

In addition, as opportunities in the semiconductor market grow, we expect that new entrants will enter these markets and existing competitors, including leading semiconductor companies, may increase their investments in order to compete more effectively against our products. These competitors could develop technologies that would render our products or technologies uncompetitive or obsolete.

If our products do not meet our customers' quality standards, our business and financial condition may be negatively impacted.

If we are unable to provide products that meet our customers' demands on a timely basis, our relationships with our customers will be negatively impacted, and, if we are unable to repair these relationships by increasing our customers' confidence in us, we may lose our customers. Furthermore, our customers conduct quality check and inspection of our products when they receive them, and they can return or exchange products that do not meet their quality standards. If we experience a high level of product returns or exchanges, our business and financial condition may be negatively impacted.

Our patents and other non-patented intellectual properties are valuable assets, and if we are unable to protect them from infringement, our business prospects may be harmed.

Our success depends in part on our ability to obtain and maintain trade secrets and patent protection for our technologies, processes and products as well as to successfully enforce our intellectual property rights and to defend our intellectual properties against third-party challenges. In the event that our issued patents and patent applications do not adequately provide coverage for our technologies, processes or products, we would not be able to exclude others from developing or utilizing these technologies, processes and products. Furthermore, the degree of future protection of our proprietary rights is uncertain because legal means may not adequately protect our rights or permit us to gain or keep our competitive advantage.

As our technologies involve unpatented, proprietary technologies, processes, know-how or data, such as CPU designs within our computing ICs, we primarily rely on trade secret protection and agreements to safeguard our interests. However, trade secrets are difficult to protect. We use reasonable efforts to protect our trade secrets, including requiring our employees and suppliers who may have access to trade secrets to enter into confidentiality agreements or other agreements including confidentiality provisions with us. These efforts cannot completely prevent such persons from unintentionally or willfully disclose our information to competitors. In addition, confidentiality agreements or other agreements including confidentiality provisions may not be enforceable or provide an adequate remedy in the event of unauthorized use or disclosure. It may be difficult to prove or enforce a claim that a third party had illegally obtained and used our trade secrets. In addition, our competitors may independently develop technologies that are equivalent to our trade secrets, in which case, we would not be entitled to enforce our trade secrets and our business could be harmed.

We may encounter future litigation by third parties based on claims that our technologies, processes or products infringe the intellectual property rights of others or that we have misappropriated the trade secrets of others. We may also initiate lawsuits to defend the ownership of our inventions and our trade secrets. It is difficult, if not impossible, to predict how such disputes would be resolved. Litigation relating to intellectual property rights is costly and diverts our technical and management personnel from their ordinary responsibilities. Furthermore, we may not be able to prevail in any such litigation or proceeding. A determination in an intellectual property litigation or proceeding that results in a finding of non-infringement by others to our intellectual property or an invalidation of our patents may result in the use by competitors of our technologies or processes and sale by competitors of products that resemble our products.

Our business is subject to legal, regulatory, political, economic, commercial and other risks associated with conducting operations in various jurisdictions.

We derive a majority portion of our revenue overseas. In 2023, 2024 and 2025 and the three months ended March 31, 2026, our revenue from overseas accounted for 81.9%, 82.8%, 82.7% and 83.5% of our total revenue in the respective years/period. Accordingly, we have faced and continue to face numerous risks, including legal, regulatory, political, economic, commercial and other risks associated with conducting operations in various jurisdictions, any of which could negatively affect our financial performance.

In addition, as we operate in many different jurisdictions, we have conducted cross border related party transactions in our ordinary course of business, which may result in an increased likelihood of tax audits, possibly leading to challenges in relation to, amongst other things, tax residence, permanent establishment and transfer pricing.

Our overseas R&D subsidiary may expose us to risks.

Our Group includes an overseas research and development subsidiary located in Israel, which was originally an existing R&D subsidiary of ISSI and became part of the Group upon our acquisition of ISSI. This subsidiary has since been consolidated into our Group. Its principal function is research and development activities, including architecture design and related technical support and it does not engage in standalone manufacturing activities or generate material revenue independently.

The revenue attributable to this subsidiary was derived primarily from intra-group service arrangements. The manufacturing of chips designed with the involvement of this subsidiary is outsourced to other entities within the Group or third-party foundries and the sales of such chips are conducted through other operating entities within the Group rather than by this subsidiary directly.

Notwithstanding the limited scale of its operations, our overseas R&D activities are subject to various international trade, sanctions and export control laws and regulations, including those administered by the United States, the European Union and other relevant jurisdictions. Changes in geopolitical conditions, regulatory interpretations or enforcement practices may increase compliance costs or restrict certain cross-border technology collaboration, personnel deployment or technical support activities. Any failure to comply with applicable sanctions or export control requirements could subject us to regulatory scrutiny, penalties or restrictions, which may adversely affect our reputation, operational flexibility or internal collaboration arrangements. We cannot assure you that future regulatory developments or geopolitical events will not impose additional compliance burdens or constraints on our overseas R&D operations.

If we experience increases in labor costs, shortage of labor or deterioration in labor relations, our production costs may be affected.

Labor costs have been fluctuating and may rise in the future. Our staff costs accounted for 16.8%, 15.6%, 15.3% and 11.6% of our total revenue in 2023, 2024 and 2025 and the three months ended March 31, 2026, respectively. Labor cost increases may cause our production costs to increase, and we may not be able to pass on such increase to our customers. We also cannot assure you that we will not experience any shortage of labor, especially skilled personnel with critical project management and strategic decision-making capabilities needed to oversee complex projects and implement new technologies as required. Any such shortage could hinder our ability to maintain our production schedules and maintain or expand our business operations, which could materially and adversely affect our business, financial condition, results of operations and prospects.

The products and services desired by our customers require highly skilled personnel in multiple direct and indirect areas. These areas include, among others, R&D, engineering, maintenance, sales, information technology, cybersecurity, business development and strategy and management. We seek to maintain favorable labor relations with our employees as we believe that our long- term growth depends on the expertise, experience and development of our employees. For details of our employee training efforts and welfare, see "Business — Employees." However, we cannot assure you that we will not have any labor disputes in the future. To the extent that we lose experienced personnel through retirement or otherwise, especially those who possess specific skills and/or critical know-how/trade secrets, it is critical for us to develop other employees, hire new qualified employees and successfully manage the transfer of critical knowledge. If we are unable to hire, train and retain qualified employees, our business, financial condition, results of operations and prospects may be harmed.

We may make acquisitions, establish joint ventures and conduct other strategic investments, which may not be successful.

To further expand our business and strengthen our market-leading position, we may form strategic cooperation or make strategic investments and acquisitions to fuel business growth. See "Business — Our Strategies," and "Future Plans and Use of Proceeds." Acquisitions involve numerous risks, including difficulties in integrating the operations and personnel of the acquired companies, distraction of management from overseeing our existing operations, difficulties in executing new business initiatives, entering markets or lines of business in which we have no or limited direct prior experience, the possible loss of key employees and customers and difficulties in achieving the synergies we anticipated or levels of revenue, profitability, productivity or other benefits we expected. These transactions may also cause us to (i) significantly increase our interest expense, leverage and debt service requirements if we incur additional debt to pay for an acquisition or investment, (ii) issue Shares that would dilute our current Shareholders' percentage ownership, or (iii) incur asset write-downs and restructuring costs and other related expenses. Acquisitions, joint

ventures and strategic investments involve numerous other risks, including potential exposure to unknown liabilities of acquired or invested companies and restrictions under regulations relating to anti-monopoly. There can be no assurance that our acquisitions, joint ventures and other strategic investments will be successful and will not have a material and adverse impact on our business, results of operations and financial condition.

Our sales may be influenced by seasonality.

Demand for and sales of our products follow the same seasonality pattern as sales of the end products that feature our products. For products targeting the consumer electronics market, including Intelligent Vision SoC, memory IC, and analog IC, sales are often influenced by major international holidays such as Thanksgiving and Christmas. This typically results in stronger sales in the latter half of the year, while the first quarter may see relatively lower sales due to reduced activity following the holiday season. In the automotive market, seasonality is influenced by domestic factors such as the Chinese New Year holiday, during which automotive production schedules are typically scaled back. This leads to lower sales in the first quarter for products catering to this market. Accordingly, various aspects of our operations, including sales, working capital and operating cash flows, are exposed to the risks associated with seasonal fluctuations in the demand for our products, and our quarterly or half year results may not reflect our full year results.

Our long-term capacity binding arrangements with certain foundry partners contain minimum purchase commitments, and our failure to fulfil these commitments, or a decline in demand below our committed volumes, could adversely affect our results of operations, liquidity and financial condition.

To secure a stable wafer supply and mitigate the risks of input price increases, capacity shortages and geopolitical supply chain disruptions, we have entered into long-term capacity binding arrangements with certain of our key foundry partners. These arrangements are typically multi-year in nature and contain minimum purchase commitments, under which we are required to procure agreed volumes of wafers over the relevant committed periods.

While these arrangements enhance our supply assurance, they also reduce our flexibility to adjust our procurement in response to changes in market demand. If actual demand for our products falls below our committed procurement volumes, we may be required to purchase wafers in excess of our needs, which could result in elevated inventory levels, higher inventory write-downs and increased pressure on our liquidity and cash conversion cycle. This risk is more pronounced during industry down-cycles or periods of demand volatility, when actual demand may lag the planning assumptions on which our commitments were based.

In addition, certain of these arrangements provide that, if either party fails to meet a specified proportion of the committed volume, the shortfall must first be made up and any residual shortfall is subject to a per-wafer compensation payment. Accordingly, if we are unable to fulfil our minimum purchase commitments, we may be required to make compensation payments to the relevant foundry partners or to take delivery of, and hold, wafers that we are unable to utilise on a timely basis. Any of the foregoing could have a material and adverse effect on our business, results of operations, liquidity and financial condition. We cannot assure you that our demand planning will accurately match our committed volumes, or that we will not incur additional costs or liabilities under these arrangements in the future.

Shifts in industry demand toward AI-driven applications may give rise to supply-chain constraints or disruptions, which could adversely affect our operations and results of operations.

During the Track Record Period, the demand for IC products across the industry has, to varying degrees, shifted toward AI-driven applications. During such periods, we did not encounter any material supply-chain constraints or disruptions that had a material adverse effect on our operations or financial performance, and there was no breach of contract by or against us under our arrangements with our foundry and OSAT partners. Leveraging our long-standing relationships with our diversified base of foundry and OSAT partners, together with our long-term capacity binding arrangements with certain key foundry partners, we were able to secure sufficient wafer supply and packaging and testing capacity to meet our production requirements during the Track Record Period. Accordingly, such shifts in demand did not have any material impact on our operations or results of operations during the Track Record Period.

The demand for IC products has been shifting toward AI-driven applications, and this trend may continue and intensify. Such shifts in demand may increase competition for wafer fabrication and packaging and testing capacity, particularly for advanced or specialised process capacity, and may lengthen procurement lead times or increase the prices of wafers and other key raw materials.

We cannot assure you that we will not experience such constraints or disruptions in the future as demand continues to shift toward AI-driven applications. If we are unable to secure sufficient wafer supply or packaging and testing capacity on commercially acceptable terms and in a timely manner, or if our foundry or OSAT partners are unable to fulfil our orders due to their own capacity limitations or other factors, we may be unable to meet customer demand, which could result in delayed deliveries, loss of customers or sales opportunities, and increased procurement costs. Any of the foregoing could have a material and adverse effect on our business, operations, results of operations and financial condition.

Delivery delays, inappropriate handling by third party logistics service providers or disruptions in the transportation network may adversely affect our business.

We use third party logistics service providers to deliver certain of our work-in-progress and products. Our cost of using third party logistics service providers accounted for 0.4%, 0.5%, 0.5% and 0.4% of our total revenue in 2023, 2024 and 2025 and the three months ended March 31, 2026, respectively. Disputes with or terminations of our contractual relationships with our logistics service providers could result in delayed delivery of products or increased costs. We may not be able to continue or extend relationships with our current logistics service providers on terms acceptable to us or establish relationships with new logistics service providers to ensure accurate, timely and cost-efficient delivery services. If we are unable to maintain or develop good relationships with logistics service providers, it may inhibit our ability to offer products in sufficient quantities, on a timely basis, or at prices acceptable to our customers. If there is any breakdown in our relationships with our preferred logistics service providers, we may suffer business interruptions that could materially and adversely affect our business, financial condition and results of operations. As we do not have any direct control over these logistics service providers, we cannot guarantee their quality of services. If there is any delay in delivery, damage to products or any other issue due to transportation shortages, natural disasters, labor strikes or other factors, we may lose customers and sales and our reputation may be tarnished. In addition, our suppliers sometimes deliver materials to us through third party logistics service providers. Delays in delivery could adversely impact our suppliers' ability to timely deliver materials to us, and our ability to deliver to our customers.

If we are not able to fully comply with present or future environmental, safety and occupational health laws and regulations, our business, financial condition and results of operations may be adversely affected.

Our business is subject to certain laws and regulations relating to environmental, safety and occupational health matters. See "Business — Environmental, Social and Governance." Under these laws and regulations, we are required to maintain safe production conditions and protect the occupational health of our employees. As a fabless company, production conditions that we are required to maintain primarily relate to the safety, hygiene and operational conditions of our offices, R&D facilities and testing environments. However, we cannot assure you that we will not experience any material accidents or worker injuries in the future, or that our risk management measures could effectively mitigate the relevant risks and help us navigate the complex and evolving regulatory environment. Changes in existing ESG-related laws and regulations or the promulgation of new ESG-related laws and regulations may increase our compliance costs and reporting obligations, and if we fail to comply with such ESG-related laws and regulations, our business, results of operations and financial performance may be adversely affected.

Should the authorities impose stricter environmental protection standards and regulations in the future, we cannot assure you that we will be able to comply with such new regulations at reasonable costs, or at all. Any increase in production costs resulting from the implementation of additional environmental protection measures or failure to comply with new environmental laws or regulations may have a material adverse effect on our business, financial condition or results of operations.

Fluctuations in exchange rates may adversely affect our results of operations.

The value of RMB against the Hong Kong dollar, the U.S. dollar, the New Taiwan dollar and other currencies fluctuates, is subject to changes resulting from the PRC government's policies and depends to a large extent on domestic and international economic and political developments as well as supply and demand in the local market. It is difficult to predict how market forces or government policies may impact the exchange rate between the RMB and other currencies in the future.

During the Track Record Period, we received a large part of payments in foreign currencies, and we expect this to continue for the foreseeable future. As a result, any fluctuations in exchange rates between such foreign currencies and RMB may result in exchange gains or losses and may adversely affect our operating results. Furthermore, the proceeds from the Global Offering will be received in Hong Kong dollars and we expect a substantial portion of which to be spent in RMB. As a result, any appreciation of the RMB against the Hong Kong dollar may result in the decrease in the value of our proceeds from the Global Offering. Conversely, any depreciation of the RMB against the Hong Kong dollars may adversely affect the value of, and any dividends payable on, the Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. All of these factors could have a material and adverse impact on our business, results of operations and financial condition.

Failure to maintain optimal inventory levels could increase our inventory holding costs and cause us to lose sales.

In order to operate our business effectively and meet our consumers' demands and expectations, we maintain a certain level of inventory to meet the customer needs and ensure timely delivery of our products. As of December 31, 2023, 2024 and 2025 and March 31, 2026, we had inventories of RMB2,404.8 million, RMB2,672.0 million, RMB2,974.6 million and RMB2,938.0 million, respectively. In 2023, 2024 and 2025 and the three months ended March 31, 2026, our inventory turnover days were 294 days, 338 days, 323 days and 297

days, respectively. As of the end of each of the year/period comprising the Track Record Period, we made inventory write-downs to reflect the lower net realizable value of our inventory. As of December 31, 2023, 2024 and 2025 and March 31, 2026, we accumulated inventory write-downs of RMB287.4 million, RMB248.9 million, RMB204.0 million and RMB199.0 million, respectively.

We determine our level of inventory based on historical sales data, demand forecasts and supply chain capacity fluctuations. However, such assessment is inherently uncertain. We cannot assure that we are able to always maintain optimal inventory levels in the future. If we fail to accurately assess the demand, we may experience inventory obsolescence and inventory shortage risk. Inventory levels in excess of demand, or substantial decrease in the expected market price of our products, may result in inventory write-downs and we may sell the excess inventory at discounted prices, which would have an adverse effect on our profitability. Furthermore, if we underestimate the demand for our products, we may not be able to have a sufficient number of products to meet such unanticipated demand, which could result in delays in the delivery of our products and negatively affect our reputation.

Any of the above may materially and adversely affect our business, results of operations and financial condition.

Fair value change of financial assets at fair value through profit or loss may affect our results of operations.

Our financial assets at fair value through profit or loss primarily consist of wealth management products and structured deposits. As of December 31, 2023, 2024, and 2025 and March 31, 2026, we had financial assets at fair value through profit or loss of RMB393.9 million, RMB757.7 million, RMB899.7 million and RMB1,590.7 million, respectively. See note 26 to "Appendix I — Accountants' Report." The methodology that we use to assess these financial assets involves a significant degree of management judgment and is inherently uncertain. We cannot assure you that market conditions and regulatory environment will create fair value gains on those financial assets or that we will not incur any fair value losses on those financial assets in the future. If we incur such fair value losses, our results of operations and financial condition may be adversely affected.

Any impairment of goodwill could have a material adverse effect on our results of operations.

As of March 31, 2026, our goodwill amounted to RMB3,007.8 million. We test the goodwill and intangible assets for impairment on an annual basis and when events occur or circumstances change that indicate that the fair value of the reporting unit may be below its carrying amount. Fair value determinations require considerable judgment and are sensitive to inherent uncertainties and changes in estimates and assumptions regarding revenue growth rates, capital expenditures, working capital requirements, tax rates, benefits associated with a taxable transaction and synergies available to market participants. Declines in market conditions, a trend of weaker than anticipated financial performance of our reporting units, or an increase in the market-based weighted average cost of capital, among other factors, are indicators that the carrying value of our goodwill may be impaired. Any impairment of our goodwill could have a material adverse effect on our results of operations.

We may not be able to timely fulfill our obligations in respect of contract liabilities to our customers or at all.

Our contract liabilities comprise advances received from our customers. We typically require our customers to pay the consideration for their purchases from us upon or prior to the delivery of the products. As of December 31, 2023, 2024, and 2025 and March 31, 2026,

we had contract liabilities of RMB77.2 million, RMB68.8 million, RMB117.8 million and RMB48.9 million, respectively. Our recognition of contract liabilities as revenue is subject to future performance of contract obligations and may not be representative of revenue for future periods. As a result of disruption to any of our suppliers, we may fail to fulfill our contract obligations or meet market demand for our products, and our business, results of operations, liquidity and financial condition could be adversely affected.

Our net profit may fluctuate in the future.

Our net profit may fluctuate due to a variety of factors, many of which are beyond our control. In 2023, 2024 and 2025 and the three months ended March 31, 2026, our net profit amounted to RMB515.7 million, RMB364.2 million, RMB375.3 million and RMB320.3 million, respectively. Our net profit is affected by, among other things, changes in market demand for our products, fluctuations in gross margins, increases in our research and development expenses and other operating costs, as well as changes in the macroeconomic and industry environment. We cannot assure you that our net profit will not decrease in future periods. Any significant decrease in our net profit may materially and adversely affect our results of operations, financial condition and prospects.

The market in which we operate is competitive, and we may face challenges in competing effectively with existing or new participants.

The IC market is highly competitive, with rapid technological innovation, a high degree of market concentration among industry leaders and continually evolving customer requirements for high performance and cost effective solutions. Such intense competition may materially and adversely affect our business, results of operations and financial condition.

Our product portfolio includes memory ICs, computing ICs and analog ICs, all of which attract participation from both established multinational corporations and emerging regional competitors. Many of these competitors benefit from substantial resources, including enhanced research and development capabilities, extensive sales networks and established relationships with major customers. Their greater economies of scale also enable them to adopt more competitive pricing strategies. As a result, it may be challenging for us to penetrate existing supply chains or capture market share unless we can provide differentiated products or offer competitive pricing terms.

In several of our target markets, local companies have benefited from favourable financial incentives and regulatory conditions that may not be accessible to us. Such local competitors often maintain close relationships with local authorities and possess greater experience and specialization in serving those markets. If we are unable to respond effectively to evolving market dynamics or compete successfully against established or emerging local competitors, our growth potential may be constrained and our business and prospects could be materially adversely affected. There can be no assurance that we will be able to maintain our competitive position in our existing markets or successfully expand into new markets in the future.

To maintain our competitiveness, we are required to continue investing in research and development to strengthen our technological capabilities. See "— Our R&D efforts are not guaranteed to yield the results we anticipate." However, there can be no assurance that our R&D efforts will be successful or that our new products will achieve commercial acceptance. Any failure to adapt to market trends or maintain product competitiveness could adversely affect our market position.

We may from time to time become a party to litigation, arbitration, other legal and contractual disputes, claims and administrative proceedings.

We may from time to time be subject to various litigation, arbitration, legal or contractual disputes, claims, or administrative proceedings in the ordinary course of our business, including, but not limited to, various disputes with or claims from our consumers, suppliers, customers, business partners and other third parties. Ongoing or threatened litigation, arbitration, legal or contractual disputes, claims or administrative proceedings may divert our management's attention and other resources. Furthermore, any litigation, arbitration, legal or contractual disputes, claims or administrative proceedings which are initially not of material importance may escalate and become important to us, due to a variety of factors such as the subject matter of the disputes, the likelihood of loss, the monetary amount at stake and the parties involved. If any adverse verdict, judgment or award is rendered against us or if we settle with any third parties, we may be required to pay significant monetary damages or assume other liabilities. In addition, negative publicity arising from litigation, legal or contractual disputes, claims or administrative proceedings may damage our reputation and have a material and adverse impact on our business, results of operations and financial condition.

There is no assurance that we will not be subject to any litigation, arbitration, other legal and contractual disputes, claims and administrative proceedings in the future. If any of those happens, our business, results of operations and financial condition may be materially and adversely affected.

We face risks in relation to inability to obtain and maintain the approvals, licenses and permits required for our operations.

We are required to maintain various approvals, licenses and permits in order to operate our business. These approvals, licenses and permits are granted upon satisfactory compliance with, among other things, the applicable laws and regulations. Also, they may be valid only for a fixed period of time and subject to renewal and accreditation.

We may experience difficulties, delays, or failures in obtaining the necessary approvals, licenses and permits for our businesses. In addition, there can be no assurance that we will be able to obtain or renew all of the approvals, licenses and permits required for our existing business operations in a timely manner, or at all. If we fail to obtain and/or maintain required approvals, licenses, or permits, our ongoing business could be interrupted, and our expansion plan may be delayed.

Complying with government regulations may require substantial expenses, and any non-compliance may expose us to liability. In case of any non-compliance, we may have to incur significant expenses, and divert substantial management time and resources to resolving any deficiencies. We may also experience negative publicity arising from such deficiencies, which could have a material and adverse impact on our business, results of operations and financial condition.

Failure to comply with the Regulation on the Administration of Housing Provident Funds or other PRC labor related regulations may subject us to fines and other legal or administrative sanctions.

Companies operating in the PRC are required to contribute to a number of social insurance funds, including funds for pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance, maternity insurance and housing provident fund on behalf of employees in Chinese Mainland. According to applicable PRC laws and regulations, employers must open social insurance registration accounts and housing provident fund accounts and contribute to social insurance funds and housing provident fund

for the benefits of their employees. If we fail to comply with any other relevant labor laws and regulations in Chinese Mainland, we may be exposed to penalties or be required to compensate employees. Given the magnitude, complexity and continuous amendments to these laws and regulations, compliance therewith may be onerous and may involve substantial financial resources as well as other resources to establish efficient compliance and monitoring systems. Non-compliance with the laws and regulations applicable to our operations may even result in substantial penalties or fines, suspension or revocation of our relevant licenses, among other things. Such events could impact our results of operations and financial condition.

We engaged with a third-party human resources agency to pay social insurance premium and housing provident funds.

During the Track Record Period, we engaged a third-party human resources agency to pay social insurance premium and housing provident funds for certain of our employees. We are required to pay social insurance premium and housing provident funds for our employees under our own accounts instead of making payments under third-party accounts. The contributions to social insurance premium and housing provident funds made through third-party accounts may not be viewed as fully compliant, and as a result, we may be required by competent governmental authorities to pay the outstanding amounts.

Pursuant to the agreements entered into between such a third-party human resources agency and us, the agency has the obligation to pay social insurance premium and housing provident funds for our relevant employees. During the Track Record Period and up to the Latest Practicable Date, we had not received any administrative penalty or labor arbitration application from employees for their agency arrangement with the third-party human resources agency. In addition, if such human resource agency fails to pay the social insurance premium or housing provident funds for and on behalf of our employees in full as required by applicable PRC laws and regulations, we may also be subject to additional contributions, late payment fees and/or penalties imposed by the relevant PRC governmental authorities 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. This in turn may adversely affect our financial condition and results of operations. Although we plan to comply with requests and requirements, if any, imposed by the relevant regulatory agencies on us with respect to our engagement of the third-party human resources agency, we cannot assure you that we would not be required to make additional payments or be subject to penalties or liabilities in relation to our existing practice.

There are no significant changes in the current policies, regulations and local government enforcement and supervision requirements related to social insurance and housing provident fund, no major employee complaints, reports or related lawsuits/arbitrations are filed, and we have committed to make timely rectification within the time limit when receiving the rectification notice from the competent authorities.

In addition, as the interpretation and implementation of the Labor Contract Law, the Social Insurance Law and other labor related regulations are evolving, we cannot assure you that our employment practice do not and will not violate labor-related laws and regulations in the PRC, which may subject us to labor disputes, government investigations or administrative penalties, we cannot assure that such risks we may be exposed to will not adversely affect our reputation, business, results of operations and financial condition or otherwise divert our resources in handling any lawsuits, legal proceedings or complaints. For example, the Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases ("**Interpretation II**") became effective on September 1, 2025, where the employer and the employee agree, or the employee promises the employer, that there is no need to pay social insurance, the people's court shall determine that such agreement or promise is invalid. The introduction of new judicial

interpretations or changes in regulatory guidance in the future may result in certain aspects of our operations being deemed not fully compliant with evolving labor laws and regulations. If we are deemed to have violated the relevant labor laws and regulations, we could be subject to related penalties, fines or legal fees, and our business, financial condition and results of operations could be materially and adversely affected.

Failure to register lease agreements in the future may result in penalties.

We lease several premises in China. Under the PRC laws and regulations, lease agreements in general are required to be registered with the local land and real estate administration bureau. The lease agreements for six of our leased properties in China have not been registered with the relevant PRC government authorities as of March 31, 2026. Although failure to do so does not in itself invalidate the leases, we may be subject to fines if we fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant PRC government authorities. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority. If we receive notice from the relevant PRC government authorities requiring us to complete the registration within the prescribed time frame and if we fail to do so, the maximum aggregate amount of potential administrative penalties we would be subject to for the six lease agreements is RMB60,000.

Our legal right to use a leased property could be challenged or restricted.

As of March 31, 2026, we had a leased property (with a rental area of 816.2 sq.m) for office use, and the landlord of this leased property is different from the owner of the leased property as set forth in its title document. As advised by our PRC Legal Advisor, if the lessor of the leased properties does not have the requisite rights to lease the relevant properties, we would not be subject to any administrative penalties with respect to these properties, but our lease may be affected, and, as a result, we may be required to vacate the relevant properties and relocate.

If our right to use these properties is challenged, we would need to seek alternative properties on short notice and incur relocation costs, and there is no guarantee that we would be able to find suitable alternative properties on reasonable commercial terms. Any relocation could lead to disruptions to our operations and may have an adverse effect on our business, financial condition and results of operations.

Our insurance coverage may be insufficient to cover all of our potential losses.

We maintain insurance policies to cover product liabilities, general liabilities and product recall. In addition, we have purchased a number of property-related insurance policies covering our facilities, machinery, equipment, inventories and other assets. We cannot assure you that our insurance will provide adequate coverage for all the risks in connection with our business operations. If we were to incur substantial losses and liabilities that are not covered by our insurance policies, we may be required to bear our losses to the extent that our insurance coverage is insufficient. As a result, we could suffer significant costs and diversion of our resources, which could have a material and adverse impact on our business, results of operations and financial condition.

Our lengthy and complex product cycle including designing, taping-out, fabricating, packaging and testing, in addition to our customers' qualification and design cycle, may result in uncertainty and delays in revenue generation.

We generally require significant time and resources to progress from product design to mass production. In addition, our customers typically conduct their own qualification and design processes before integrating our products into their end applications, which can

further extend the overall product cycle. Any delay or disruption at any stage of this cycle, whether due to design modifications, process adjustments, equipment or material issues, or changes in customers' product specifications, could postpone our product shipments and consequently delay the recognition of related revenue. Given the high complexity and interdependency of these stages, we may have limited ability to accelerate the process, which could adversely affect our business, financial condition and results of operations.

Our ability to design, introduce and sell our semiconductor products is dependent in part upon third-party intellectual property rights.

We rely on certain third-party intellectual property rights in the design and development of our semiconductor products, including interface intellectual properties such as DDR PHY, USB PHY, MIPI PHY and ARM cores. These are integrated into our products through licensing agreements and are used in the design stage of our product development process and are essential to the functionality and performance of certain of our products. If any of these third-party intellectual property rights becomes unavailable to us for any reason, including failure to renew, modification or termination of the relevant license agreements, or if we are unable to obtain such rights on commercially reasonable terms, we may be required to incur significant costs to develop or license alternatives, or to discontinue the affected products. In addition, we may from time to time be involved in disputes relating to the scope, validity or infringement of such third-party intellectual property rights. Any of the foregoing could materially and adversely affect our business, results of operations and financial condition.

We may not be able to enjoy certain government grants and incentives we received in the past.

We have historically received government grants in the form of subsidies received from local government intended to support our R&D activities and business operations. In 2023, 2024 and 2025 and the three months ended March 31, 2026, we recognized government grants under other net income of RMB28.1 million, RMB30.1 million, RMB17.1 million and RMB0.5 million, respectively. For details, see "Financial Information — Other Income, Gains and Losses, Net." Our eligibility for government grants is dependent on a variety of factors, including the assessment of our improvement on existing technologies, relevant government policies, the availability of funding at different granting authorities and the R&D progress made by other peer companies. In addition, the policies according to which we historically received government grants may be halted by the relevant government entities at their sole discretion. There is no assurance that we will continue to receive such government grants or receive similar level of government grants, or at all, in the future.

We are subject to credit risk in collecting trade and other receivables due from customers.

Our trade and other receivables primarily represent receivables from customers for sales of ICs. As of December 31, 2023, 2024 and 2025 and March 31, 2026, our trade and bills receivables amounted to RMB407.3 million, RMB391.0 million, RMB470.8 million and RMB642.4 million, respectively. During the Track Record Period, our trade receivables turnover days were 37 days, 35 days, 33 days and 32 days in 2023, 2024 and 2025, and the three months ended March 31, 2026, respectively. The credit period granted to our customers was generally 30 days to 90 days from the date of invoice. See "Financial Information — Selected Balance Sheet Items — Trade and Bills Receivables."

We cannot assure you that we will be able to collect all or any of our trade receivables on time, or at all. Our customers may face unexpected circumstances. We may not be able to receive such customers' payment of uncollected debts in full, or at all, and may be exposed to credit risk. The occurrence of such event would materially and adversely affect our financial condition and results of operations.

Our cash conversion cycle has been relatively long during the Track Record Period, and any failure to manage it effectively could adversely affect our liquidity, working capital and financial condition.

Our cash conversion cycle during the Track Record Period was relatively long, primarily as a result of our high inventory turnover days. Our inventory turnover days were 294 days in 2023, 338 days in 2024 and 323 days in 2025, and were 297 days for the three months ended March 31, 2026. The relatively high level of our inventory turnover days during the Track Record Period was mainly attributable to supply outpacing demand during the industry down-cycle, which slowed sell-through, our strategic inventory builds undertaken when wafer prices were relatively low, and capacity-securing purchases under our long-term arrangements with foundries, which elevated our average inventory levels.

A prolonged cash conversion cycle means that a significant amount of our working capital is tied up in inventory for an extended period before it is converted into cash, which reduces the funds available for our operations and other business needs. If demand for our IC products declines or does not grow as we expect, if our inventory management measures are not effective, or if we are required to make further capacity-securing purchases under our long-term arrangements with foundries, our inventory levels and inventory turnover days may increase, or remain at elevated levels, and we may be exposed to a higher risk of inventory write-downs. Any of the foregoing could lengthen our cash conversion cycle further, increase our working capital requirements, and have a material and adverse effect on our liquidity, cash flows and financial condition.

There is no assurance that we will be able to shorten or maintain our cash conversion cycle at a level comparable to our historical levels or those of our industry peers. Although we have implemented various inventory management measures, which contributed to the decrease in our inventory turnover days in 2025 and for the three months ended March 31, 2026, we cannot assure you that these measures will continue to be effective or that our cash conversion cycle will not lengthen again in the future.

We may be required to recognize impairment losses for our intangible assets, which could materially and adversely affect our results of operations.

In 2023, 2024, 2025 and for the three months ended March 31, 2026, our impairment losses for our intangible assets amounted to nil, nil, RMB12.0 million and nil. We assess the carrying value of our intangible assets for impairment at least annually, or whenever events or changes in circumstances indicate that their fair value may be less than their carrying amount. The determination of fair value requires significant management judgment and is subject to uncertainties relating to estimates and assumptions regarding future revenue growth, market demand, technological advancements, useful lives, and discount rates.

Adverse developments such as a deterioration in market conditions, lower-than-expected financial performance of the underlying business units, the emergence of competing technologies, unfavorable changes in laws or regulations, or other external factors may indicate that our intangible assets are impaired. If such events occur, we may be required to recognize impairment losses, which could have a material adverse effect on our financial condition, results of operations, and prospects.

Our information technology networks and systems may encounter malfunction, unexpected system failure, interruption, insufficiency, cyber-based attacks or security breaches, which may materially and adversely affect our reputation, business, financial condition and results of operations.

We rely on information technology networks and systems for electronic communications among our personnel, customers and suppliers as well as to manage and monitor our daily operations. These information technology systems, some of which are managed by third parties, may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software, databases or components, network overload, power outages, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors or catastrophic events. The occurrence of unanticipated problems that affect our information technology networks could result in interruptions in the availability of our products and services. If our information technology systems suffer damage, disruption or shutdown, we may incur substantial costs in repairing or replacing these systems. Failures in information technology systems, especially those related to product safety and associated data, could potentially lead to problems with our products and services, affect the ability of customers to use cloud-based features of our products and services, hinder our ability to effectively provide our services, subject us to regulatory scrutiny, and could cause our loss of customers, business partners, data assets and trade secrets, disruption to our R&D activities, transaction errors and processing inefficiencies. Furthermore, our technological infrastructure is also vulnerable to damage from fires, floods, earthquakes and other natural disasters, power loss and telecommunication failures. If we do not effectively resolve the issues in a timely manner, our reputation, business, results of operations and financial condition may be materially and adversely affected, and we could experience delays in reporting our financial results.

Our operations may be subject to transfer pricing adjustments by competent authorities.

We have certain intra-group transactions among our subsidiaries that may be subject to audit or challenge by the relevant tax authorities. As such, we could face adverse tax consequences if the relevant tax authorities determine that some of our intra-group transactions do not represent arm's-length negotiations and consequently adjust any of those entities' income in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, increase our tax liabilities. If we fail to rectify such incident within the limited timeframe required by the relevant tax authorities, the relevant tax authorities may impose late payment interest or surcharge and other penalties on us for any unpaid taxes. In addition, a transfer pricing arrangement may give rise to tax recoverable in certain jurisdictions as a result of tax adjustments. There is no assurance that we could successfully recover the tax recoverable from the relevant tax authorities. Our business, financial condition and results of operation may therefore be materially and adversely affected.

Further, we expect that the transfer pricing arrangements will continue in the foreseeable future and we will determine transfer pricing arrangements that we believe to be the same as that transacted with unrelated third parties on an arm's length basis. However, there is no assurance that tax authorities would share the same view, or such laws and regulations will not be modified. In the event that an authority of any relevant jurisdiction determines that such intra-group transactions were not on an arm's length basis that affect taxable income, such authority could require our relevant subsidiaries to re-determine the transfer prices and thereby adjust revenue, deduct costs and expenses or adjust taxable income of the relevant subsidiary in order to accurately reflect the taxable income. Any such adjustment could result in higher overall tax liability for us, which may adversely affect our business, financial condition and results of operations.

RISKS RELATING TO THE JURISDICTION IN WHICH WE OPERATE

Changes in economic, political or social conditions or government policies in the markets in which we operate could have a material adverse effect on our business and results of operations.

We operate our business in Chinese Mainland and overseas. Accordingly, our business, financial condition and results of operations may be influenced to a significant degree by political, economic and social conditions in these markets. Geopolitical, economic and market conditions, including factors such as the liquidity of the financial markets, the level and volatility of debt and equity prices, interest rates, currency and commodities prices, inflation and the availability and cost of capital and credit have been and will continue to affect the markets where we operate. In some of these markets, governments continue to play a significant role in regulating industry development by imposing industrial policies. Our financial condition, results of operations and prospects are subject to economic, political, and legal developments in China. Any changes in the global or local economy in the markets in which we operate may materially and adversely affect our business, results of operations and financial condition.

It may be complex to effect service of process upon us or our management or to enforce against them or us any judgments obtained from foreign courts.

We are a company incorporated under the PRC laws. In addition, most of our Directors and senior management reside in Chinese Mainland. As a result, it may be complex for investors to effect service of process outside of Chinese Mainland upon us, our Directors or senior management or to enforce judgments obtained against us in courts outside Chinese Mainland. A judgment of a court of another jurisdiction may be reciprocally recognized or enforced in Chinese Mainland only if the jurisdiction has a treaty with Chinese Mainland or if the jurisdiction has been otherwise deemed by the courts of Chinese Mainland to satisfy the requirements for reciprocal recognition, subject to the satisfaction of other requirements. However, Chinese Mainland is not a party to treaties providing for the reciprocal enforcement of judgments of courts with certain foreign countries such as the United States, and enforcement in Chinese Mainland of judgments of a court in these jurisdictions may consequently be difficult or impossible. On January 14, 2019, the Supreme People's Court and the Department of Justice under the Government of the Hong Kong Special Administrative Region signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the "**2019 Arrangement**"), which became effective on January 29, 2024. The 2019 Arrangement regulates, among others, the scope and particulars of judgments, the procedures and methods of the application for recognition or enforcement, the review of the jurisdiction of the court that issued the original judgment, the circumstances where the recognition and enforcement of a judgment shall be refused, and the approaches towards remedies for the reciprocal recognition and enforcement of judgments in civil and commercial matters between the courts in Chinese Mainland and those in Hong Kong.

We may be subject to additional regulatory requirements under new laws and regulations on overseas offerings and listings issued by PRC government authorities.

On July 6, 2021, the relevant PRC government authorities issued the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》). These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such as promoting the

construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies. See "Regulatory Overview — Laws and Regulations Relating to Securities and Overseas Listing."

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection of China, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《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》) (the "**Archives Rules**"), which came into effect on March 31, 2023. The Archives Rules require that, in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. The interpretation and implementation of the Archives Rules may keep evolving, failure to comply with which may materially affect our business, results of operations or financial conditions.

We may be subject to the approval, filing or other requirements of the CSRC or other PRC governmental authorities in connection with future capital raising activities.

We cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements or restrictions on us or our financing activities. If it is determined in the future that approval from or filing with the CSRC or other regulatory authorities or other procedures are required, we may fail to obtain such approval, perform such filing procedures or meet such other requirements in a timely manner or at all. We may face sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or other government authorization, or perform filing procedures, for our future financing activities, and these regulatory authorities may impose fines and penalties on us, limit our operating activities in the PRC, limit our ability to pay dividends outside the PRC, delay or restrict the repatriation of the proceeds from such future financing activities into the PRC or take other actions to restrict our financing activities, which could have a material and adverse effect on our financial conditions and business prospects.

We are subject to the currency exchange regulatory system.

The conversion of Renminbi is subject to applicable laws and regulations in the PRC. It cannot be guaranteed that under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange regulatory system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business.

Under existing foreign exchange regulations, following the completion of the Global Offering, we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, there is no assurance that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to pay dividends to shareholders or to satisfy any other foreign exchange requirements, capitalize our capital expenditure plans, and even our results of operations, financial performance and business prospects may be affected.

The preferential tax treatments granted by the PRC government may become unavailable.

The Company and our PRC subsidiaries are subject to the PRC corporate income tax at a standard rate of 25% on their taxable income, but four of our subsidiaries were entitled to a preferential income tax rate of 15% during the Track Record Period. We cannot assure you that the PRC policies on preferential tax treatments will not change or that the current preferential tax treatments we enjoy or will be entitled to enjoy will not be canceled. Moreover, we cannot assure you that our PRC subsidiary will be able to renew the same preferential tax treatments upon expiration. If any such change, cancelation or discontinuation of preferential tax treatment occurs, the relevant PRC subsidiaries will be subject to the PRC enterprise income tax, at a rate of 25% on taxable income. As a result, the increase in our tax charge could lead to a material and adverse impact on our results of operations and financial condition.

We are subject to risks associated with sanctions and export controls laws and regulations, international trade policies and actions, and developing domestic and foreign laws and regulations.

We operate within a global supply chain and our products were sold globally as part of various end products. As such, we face risks associated with international trade regulations and geopolitical developments. As the BIS rules are evolving, future sanctions and export controls may significantly impact our business relationships with some of the key customers or suppliers. If we fail to promptly secure alternative customers or sources of supply on acceptable terms, our business may be materially and adversely affected. See also "Business — Sanction and Export Control."

Recent U.S.-China trade disputes have led to high tariffs, export controls and other restrictive measures targeting high-technology goods, semiconductors and electronics. During the Track Record Period, sales to the United States which are subject to tariff accounted for only a small portion of our total revenue and such products produced in China are generally subject to a U.S. tariff of 50% plus a so-called "fentanyl" tariff of 10% under the trade agreement reached between China and the United States on October 30, 2025. The latest effective tariff rate for our products sold to the United States from Chinese Mainland is therefore 60%. Our products are classified in heading 8542 of the U.S. Harmonized Tariff Schedule because that heading expressly states that it applies to "Electronic integrated circuits," which exactly describes the products we sell. On July 24, 2026, the President imposed a 12.5% tariff on many Chinese products, but Annex I.A.2, § 52(b) and Annex II.A of the July 24, 2026 Notice of Action state that this new tariff does not apply to items in heading 8542, so the Company's products are not subject to this tariff. However, our products could be incorporated into various types of end products and be imported into the United States, with tariff, if any, to be borne by the importing party. Companies who import the products may wish to pass the additional tariff on to us. Even if the tariff is not passed on to us, the reduced competitiveness of our customers' end products could lead to reduction or cancelation of their purchase orders from us.

As a fabless IC design house, we use software and commodities subject to the EAR, primarily including certain electronic design automation ("**EDA**") software. We believe that if the existing software becomes unavailable due to restrictions, we would be able to adopt alternative EDA software, as recognized substitutes are available in the market. As the U.S. continued to impede China's advanced semiconductor industry, several leading EDA software suppliers in the U.S. stated that they received notices from BIS to cease supplying EDA software to China recently. If these trade restrictions or geopolitical tensions escalate, we may face additional risks, including reduced access to key software, which could negatively impact our design capabilities. As of the Latest Practicable Date, we had not

received any notice from our EDA software vendors regarding suspension or termination of supply. If these trade restrictions or geopolitical tensions escalate, we may face additional risks, including reduced access to key software, which could negatively impact our design capabilities.

Our computing IC can be used in consumer electronic applications, including security camera. Certain PRC video surveillance camera and surveillance technology producers are subject to sanctions, trade restrictions and government procurement bans (collectively, the "**Restrictions**"). See "Business — Sanction and Export Control." Given that our products are primarily sold through our distribution network, we utilized a broad network of distributors during the Track Record Period. Consequently, we do not have direct visibility into, or control over, the full list of end customer of each distributor (i.e. manufacturers of security cameras), which limits our ability to fully trace end customers or to ascertain with absolute certainty whether any of our end customers are subject to the Restrictions. However, there can be no assurance that the scope of such Restrictions will not expand, or that new trade barriers will not be implemented in a manner that could materially and adversely affect our business, financial condition, or results of operations. If there were to be a violation of the Restrictions, there could be a risk of monetary penalties or new prohibitions affecting the distributors', the end customers' or our ability to conduct certain business in the relevant jurisdictions. The likelihood and potential magnitude of these effects would depend upon the scale, the nature of the end customers and the overall facts and circumstances involved.

We are exposed to risks associated with U.S. Executive Order 14105 and its implementing regulations that prohibit and require notification by U.S. persons for certain investments.

On October 28, 2024, the U.S. Department of the Treasury issued a final rule at 31 C.F.R. part 850 (the Final Rule), effective January 2, 2025, implementing Executive Order 14105 regarding U.S. outbound investments in certain national security technologies and products in "countries of concern," including China (and Hong Kong and Macau). The Final Rule prohibits or requires notification by U.S. persons in connection with certain investments in "covered foreign persons" engaged in specified "covered activities" in three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems. The Final Rule includes exceptions, including for transactions involving publicly traded securities where the U.S. person does not obtain rights beyond standard minority shareholder protections.

Based on the analysis of our legal advisor for international sanctions and U.S. outbound investment laws, Sheppard, Mullin, Richter & Hampton LLP, provided that such acquisitions are effected as purchases of publicly traded securities and the U.S. person does not obtain any governance or other rights beyond applicable standard minority shareholder protections listed in 31 C.F.R. § 850.501(a)(2), U.S. persons will be able to participate in both of i) the Global Offering and ii) acquiring our H Shares in secondary market trading following the listing and the Global Offering without notification of such investment to the Department of the Treasury. This conclusion is based on the exception set out in 31 C.F.R. § 850.501(a)(1)(i), and the exclusion of such transactions in publicly traded securities from the definition of "covered transaction", which would otherwise capture certain equity acquisitions, debt financings with certain features, joint ventures, and limited partner interests in non-U.S. pooled investment funds.

In reaching this conclusion, our legal advisor has taken into account the frequently asked questions on the Outbound Investment Security Program published by the U.S. Department of the Treasury (the "**FAQs**"). According to the FAQ X.4 published by the U.S. Department of the Treasury on December 23, 2025, the acquisition of an equity interest in a covered foreign person is treated as the acquisition of a "publicly traded security," and therefore falls within the exception under 31 C.F.R. § 850.501(a)(1)(i), where the relevant security is publicly traded at the time of the acquisition, regardless of when the relevant subscription or purchase agreement was entered into. On this basis, our legal advisor is of the view that, upon the completion of the Global Offering and the Listing, our H Shares subscribed for by U.S. persons in the Global Offering will be publicly traded on the Stock Exchange at the time such acquisitions take effect, and such H Shares will accordingly constitute "publicly traded securities" for the purpose of 31 C.F.R. § 850.501(a)(1)(i). As such, a U.S. person's acquisition of our H Shares in the Global Offering falls within the said exception and does not give rise to any notification obligation to the Department of the Treasury. For the same reason, the acquisition of our H Shares by U.S. persons in secondary market trading following the Listing, being an acquisition of securities that are by then publicly traded, likewise falls within the same exception. Neither we nor our legal advisor are advising investors on compliance with the Final Rule. Any investors that are U.S. persons should consult their own legal counsel regarding the applicable compliance requirements.

For the avoidance of doubt, our legal advisor is of the view that a U.S. person's acquisition of our H Shares under the Global Offering will be completed only upon the completion of the Global Offering, at which time our H Shares will constitute "publicly traded securities" for the purpose of 31 C.F.R. § 850.501(a)(1)(i). Our H Shares will not be publicly traded, and no such acquisition will be completed, prior to the completion of the Global Offering and the Listing. Accordingly, such acquisition does not give rise to any notification obligation to the Department of the Treasury.

If a U.S. person's participation in the Global Offering or related investments were to include rights beyond standard minority shareholder protections (for example, board observer rights with access to material non-public technical information, veto rights over technology lines, or other enhanced governance or information rights), such participation could constitute a "covered transaction" that may be notifiable. U.S. persons should consult their own counsel regarding their specific circumstances. See also "Business — Sanction and Export Control."

While the Final Rule provides an exception for publicly traded securities, it may reduce participation by certain U.S. investors who are subject to internal compliance constraints or who seek enhanced rights that could trigger notification or prohibition. Accordingly, the Final Rule could limit our ability to raise capital or contingent equity capital from some U.S. investors in the Global Offering and thereafter.

On February 21, 2025, the "America First Investment Policy" memorandum indicated that Executive Order 14105 is under review, and the Administration may consider new or expanded restrictions, including broadening the sectors. Future changes to the Final Rule or related policies could alter the analysis above.

However, there is no assurance that the Treasury will not alter its interpretations in the future in a manner that limits U.S. persons' ability to purchase our H Share in the open market or our ability to raise capital or contingent equity capital from U.S. investors. Future changes in the Final Rule, the America First Memo and any related policies, laws and regulations or their interpretations, or any restrictions imposed by the other jurisdictions, may result in additional costs on our business and/or limit our ability to raise capital or contingent equity capital, which could adversely affect our performance, financial condition and prospects.

RISKS RELATING TO THE GLOBAL OFFERING

Our A Shares are listed and traded on the Shenzhen Stock Exchange, and the characteristics of the A share and H share markets may differ.

Our A Shares are listed and traded on the Shenzhen Stock Exchange. Following the Global Offering, our A Shares will continue to be traded on the Shenzhen Stock Exchange and our H Shares will be traded on the Hong Kong Stock Exchange. Under current laws and regulations of PRC, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no trading or settlement between the H Share and A Share markets. With different trading characteristics, the H Share and A Share markets have divergent trading volumes, liquidity and investor bases, as well as different levels of retail and institutional investor participation. As a result, the trading performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the price of our H Shares, and vice versa. Due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares when evaluating the investment decision in our H Shares.

There has been no prior public market for our H Shares, and an active trading market for our H Shares may not develop or be sustained.

Prior to the Global Offering, there was no public market for our H Shares. We cannot assure you that a public market for our H Shares with adequate liquidity and trading volume will develop and be sustained following the completion of the Global Offering. In addition, the Offer Price of our H Shares is expected to be fixed by agreement between the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and us and may not be an indication of the market price of our H Shares following the completion of 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 may 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 trading price of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in Chinese Mainland that have listed their securities in Hong Kong may affect the volatility in the price of and trading volumes for our H Shares. A number of companies based in Chinese Mainland have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. The share price of some of these companies has experienced significant volatility, including significant price declines after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment toward Chinese Mainland-based companies listed in Hong Kong and consequently may impact the trading performance of our Shares. These factors may significantly affect the market price and volatility of our Shares, regardless of our actual operating performance.

Future sales or perceived sales of substantial amounts of our Shares in the public market could negatively affect the price of our 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 Shares or other securities relating to our H Shares in the public market, the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or perceived 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. Equity-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the Shares.

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

The Offer Price of our H Shares is higher than the net tangible asset value per Share immediately prior to the Global Offering. Therefore, purchasers of our H Shares in the Global Offering will experience an immediate dilution in pro forma consolidated net tangible asset value. To expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of our H 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 that is lower than the net tangible asset value per Share at that time.

There can be no assurance that we will declare and distribute any amount of dividend in the future.

We have declared dividends in the past. However, there is no assurance that dividends of any amount will be declared or distributed by us in any year in the future. Under the applicable PRC laws, the payment of dividends may be subject to certain limitations. The calculation of our profit under applicable accounting standards differs in certain respects from the calculation under IFRS Accounting Standards. As a result, we may not be able to pay a dividend in a given year even if we were profitable as determined under IFRS Accounting Standards. Our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the PRC laws and regulations and require approval at our shareholders' meeting. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution.

Our Company is a PRC tax resident and is subject to PRC tax on its global income, and the dividends payable to investors and gains on the sale of our H Shares by our investors are subject to PRC tax.

Under applicable PRC tax laws, regulations and statutory documents, non-PRC resident individuals and enterprises are subject to different tax obligations with respect to dividends received from us or gains realized upon the sale or other disposition of our H Shares. Non-PRC resident individuals are generally subject to PRC individual income tax under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》) with respect to PRC source income or gains at a rate of 20% unless specifically exempted by the tax authority of the State Council or reduced or eliminated by an applicable tax treaty. We are required to withhold related tax from dividend payments. Pursuant to applicable regulations, domestic non-foreign-invested enterprises issuing shares in Hong Kong may generally, when distributing dividends, withhold individual income tax at the rate of 10%. However, withholding tax on distributions paid by us to non-PRC individuals may be imposed at other rates pursuant to applicable tax treaties (and up to 20% if no tax treaty is applicable) if the

identity of the individual holder of H shares and the tax rate applicable thereto are known to us. There is uncertainty as to whether gains realized upon disposition of H shares by non-PRC individuals are subject to PRC individual income tax.

Non-PRC resident enterprises that do not have establishments or premises in the PRC, or that have establishments or premises in the PRC but their income is not related to such establishments or premises are subject to PRC EIT at the rate of 10% on dividends received from PRC companies and gains realized upon disposition of equity interests in the PRC companies pursuant to the EIT Law and other applicable PRC tax regulations and statutory documents, which may be reduced or eliminated under special arrangements or applicable treaties between the PRC and the jurisdiction where the non-resident enterprise resides.

Pursuant to applicable regulations, 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 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' verification. As of the Latest Practicable Date, there were no specific rules on how to levy tax on gains realized by non-resident enterprise holders of H shares through the sale or transfer by other means of H shares.

There remains uncertainty as to the interpretation and application of the relevant PRC tax laws by the PRC tax authorities, including whether and how individual income tax or EIT on gains derived by holders of our H Shares from their disposition of our H Shares may be collected. If any such tax is collected, the value of our H Shares may be materially and adversely affected.

You should not place any reliance on any information released by us in connection with the listing of our A Shares on the Shenzhen Stock Exchange.

As our A Shares are listed on the Shenzhen Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in PRC. As a result, from time to time, we publicly release information relating to us on the Shenzhen Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with the A Shares listing is based on regulatory requirements of the securities authorities, industry standards and market practices in Chinese Mainland, which are different from those applicable to the Global Offering. The presentation of financial and operational information for the Track Record Period disclosed on the Shenzhen Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this prospectus. As a result, prospective investors in the H Shares should be reminded that, in making their investment decisions as to whether to purchase the H Shares, they should rely only on the financial, operating and other information included in this prospectus. By applying to purchase the H Shares in the Global Offering, you will be deemed to have agreed that you will not rely on any information other than that contained in this prospectus and any formal announcements made by us in Hong Kong with respect to the Global Offering.

Certain facts, forecast and other statistics in this prospectus obtained from publicly available sources have not been independently verified and may not be reliable.

Certain facts, forecast and other statistics in this prospectus are derived from various government and official resources. However, our Directors cannot guarantee the quality or reliability of such source materials. We believe that the sources of the said information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or

misleading. With respect to information sourced from other publications, the Company and the Sole Sponsor have exercised reasonable care in selecting the sources, verifying the key information to the extent practicable and ensuring the appropriateness of presentation. Nevertheless, information from official government sources has not been independently verified by the Company, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, any of our or their respective directors, executive officers or representatives or any other person involved in the Global Offering and no representation is given as to their accuracy. You should therefore not place undue reliance on such information. Further, we cannot assure our investors that government-sourced statistics are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, our investors should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

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 Shares or the Global Offering.

We strongly caution our investors not to rely on any information contained in press articles or other media regarding us, our Shares and the Global Offering. Prior to the publication of this prospectus, there may be press and media coverage regarding the Global Offering and us. Such press and media coverage may include references to certain information that does not appear in this prospectus, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this prospectus, we disclaim responsibility for it and our investors should not rely on such information.

In preparation of the Global Offering, the Company has sought the following waivers from strict compliance with the relevant provisions of and consents under the Listing Rules, and exemption from the CWUMPO.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Rules 8.12 and 19A.15 of the Listing Rules provide that a new applicant for listing on the Stock Exchange must have a sufficient management presence in Hong Kong and, under normal circumstances, at least two of the new applicant's executive directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, the Company's arrangements for maintaining regular communication with the Stock Exchange.

The Company's headquarters are based, and most of the business operations of the Group are managed in the PRC. The executive Directors ordinarily reside in the PRC, as the Board believes it would be more effective and efficient for the executive Directors to be based in a location where the Group's substantial operations are located. As such, the Company does not and, in the foreseeable future, will not be able to comply with the requirements of Rules 8.12 and 19A.15 of the Listing Rules for sufficient management presence in Hong Kong.

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

(i) the Company has appointed Dr. Liu Qiang and Ms. Chu Cheuk Ting ("**Ms. Chu**") as the authorized representatives of the Company (the "**Authorized Representatives**") for the purpose of Rule 3.05 of the Listing Rules. The Authorized Representatives will serve as the Company's principal channel of communication with the Stock Exchange. They 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 on short notice. The contact details of the Authorized Representatives have been provided to the Stock Exchange;

(ii) all the 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 office phone numbers, mobile phone numbers, email addresses and fax numbers (if any), to the Authorized Representatives and to the Stock Exchange, so that each of the Authorized Representatives and the Stock Exchange would be able to contact all the Directors (including the independent non-executive Directors) promptly at all times if and when the Stock Exchange wishes to contact the Directors;

(iii) the Company has appointed Rainbow Capital (HK) Limited as its Compliance Advisor for the period commencing on the Listing Date and ending on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of the Company's financial results for the first full financial year commencing after the Listing Date, or until the agreement is terminated, whichever is earlier. The Compliance Advisor will act as the Company's additional and alternative channel of communication with the Stock Exchange, and its representatives will be readily available to answer enquiries from the Stock Exchange; and

(iv) the Company has appointed designated staff members as the responsible communication officers at the Company's headquarters to oversee regular communication with the Authorized Representatives and the Company's professional advisors in Hong Kong, including its legal advisors and the Compliance Advisor, keep abreast of any correspondence and/or inquiries from the Stock Exchange and report to the executive Directors, streamlining communication between the Stock Exchange and the Company following the Listing.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary must be an individual who, by virtue of his or her academic or professional qualifications or relevant experiences, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

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

(ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and

(iii) a certified public accountant (as defined in the Professional Accountants Ordinance).

Pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing "relevant experience," the Stock Exchange will consider the individual's:

(i) length of employment with the issuer and other issuers and the roles he played;

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

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

(iv) professional qualifications in other jurisdictions.

The Company has appointed Ms. Zhang Min ("**Ms. Zhang**") as one of the joint company secretaries. Ms. Zhang joined the Group in August 2007. She currently also holds the position of deputy general manager and Board secretary in the Company. See "Directors and Senior Management" for further biographical details of Ms. Zhang. Although Ms. Zhang does not possess the qualifications set out in Rule 3.28 of the Listing Rules, the Company believes that it would be in the best interests of the Company and the corporate governance of the Group to have Ms. Zhang as its joint company secretary who is familiar with the Group's internal operation and management and possesses professional knowledge and experience in handling corporate governance and compliance, legal affairs and public relationship related matters. The Company has also appointed Ms. Chu to act as the other joint company secretary to assist Ms. Zhang in discharging the duties of a company secretary of the Company. Ms. Chu is an associate member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and the Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom and is therefore qualified under Rule 3.28 of the Listing Rules to act as a joint company secretary of the Company. See "Directors and Senior Management" for further biographical details of Ms. Chu.

Since Ms. Zhang does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, the Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules for a period of three years since the Listing Date on the following conditions: (i) Ms. Zhang must be assisted by Ms. Chu who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the waiver period; and (ii) the waiver can be revoked in the event of a material breach of the Listing Rules by the Company.

In support of the waiver application, the Company has adopted, or will adopt the following arrangements:

(i) in preparation of the application of the Listing, Ms. Zhang has attended training on the respective obligations of the Directors, senior management and the Company under the relevant Hong Kong laws and the Listing Rules organized by the Hong Kong legal advisor to the Company;

(ii) Ms. Chu will work closely with Ms. Zhang to jointly discharge the duties and responsibilities as the joint company secretaries and to assist Ms. Zhang in acquiring the relevant experience as required under the Listing Rules for an initial period of three years from the Listing Date, a period which should be sufficient for Ms. Zhang to acquire the relevant experience as required under the Listing Rules;

(iii) the Company will ensure that Ms. Zhang continues to have access to the relevant training and support in relation to the Listing Rules and the duties required for a company secretary of an issuer listed on the Stock Exchange. Furthermore, both Ms. Zhang and Ms. Chu will seek advice from the Company's Hong Kong legal and other professional advisors as and when required. Ms. Zhang also undertakes to take no less than 15 hours of relevant professional training in each financial year of the Company; and

(iv) at the end of the three-year period, the qualifications and experience of Ms. Zhang and the need for on-going assistance of Ms. Chu will be further evaluated by the Company. The Company will then endeavor to demonstrate to the Stock Exchange's satisfaction that Ms. Zhang, having had the benefit of the assistance of Ms. Chu for the immediately preceding three years, has acquired the relevant experience (within the meaning of Note 2 to Rule 3.28 of the Listing Rules) such that a further waiver from Rules 3.28 and 8.17 of the Listing Rules will not be necessary. The Company understands that the Stock Exchange may revoke the waiver if Ms. Chu ceases to provide assistance to Ms. Zhang during the three-year period.

Prior to the expiry of the three-year period, the Company will demonstrate to the Stock Exchange and seek the Stock Exchange's confirmation that Ms. Zhang, having had the benefit of Ms. Chu's assistance during the three-year period, has attained the relevant experience and is capable of discharging the functions of company secretary under Rule 3.28 of the Listing Rules so that a further waiver from Rules 3.28 and 8.17 of the Listing Rules will not be necessary.

WAIVER AND EXEMPTION IN RESPECT OF THE DISCLOSURE REQUIREMENTS IN RELATION TO THE 2024 RESTRICTED SHARE INCENTIVE PLAN

The Listing Rules and the CWUMPO prescribe certain disclosure requirements in relation to the restricted shares granted by the Company under the 2024 Restricted Share Incentive Plan (the "**ESOP Disclosure Requirements**"):

(i) Rule 17.02(1)(b) of the Listing Rules stipulates that all material terms of a share scheme must be clearly set out in this prospectus. The Company is also required to disclose in this prospectus full details of all outstanding restricted shares and their potential dilution effect on the shareholdings upon Listing as well as the impact on the earnings per Share arising from the issue of Shares in respect of such outstanding restricted shares;

(ii) Paragraph 27 of Appendix D1A to the Listing Rules requires the Company to set out in this prospectus particulars of any capital of any member of the Group that is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee; and

(iii) Paragraph 10 of Part I of the Third Schedule to the CWUMPO requires the Company to disclose, amongst others, details of the number, description and amount of any Shares in or debentures of the Company which any person has, or is entitled to be given, an option to subscribe for, together with the particulars of the option, that is to say, (a) the period during which it is exercisable; (b) the price to be paid for Shares or debentures subscribed for under it; (c) the consideration (if any) given or to be given for it or for the right to it; and (d) the names and addresses of the persons to whom it or the right to it was given or, if given to existing Shareholders or debenture holders as such, the relevant Shares or debentures must be specified in this prospectus.

Pursuant to paragraphs 6 to 7 of Chapter 3.6 of the Guide for New Listing Applicants, the Stock Exchange would normally grant waivers from disclosing the names and addresses of certain grantees if the issuer could demonstrate that such disclosures would be irrelevant or unduly burdensome, subject to certain conditions specified therein.

The Company and its subsidiaries may, from time to time, adopt share incentive plans. For details of the 2024 Restricted Share Incentive Plan which involves the issuance of new A Shares, see "Appendix IV — Statutory and General Information — 2024 Restricted Share Incentive Plan."

As of the Latest Practicable Date, the Company had granted outstanding restricted shares under the 2024 Restricted Share Incentive Plan to 325 grantees who are employees of the Group, including six Directors, members of senior management and other connected persons of the Company and 319 other employees of the Group, entitling them to receive an aggregate of 1,792,934 A Shares. As of the Latest Practicable Date, among the outstanding restricted shares, 176,113 were held by six Directors, members of senior management and other connected persons of the Company and 1,616,821 were held by 319 employees of the Group. The Shares underlying the granted restricted shares represent approximately 0.35% of the total issued share capital of the Company immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised and no additional Shares are issued pursuant to the 2024 Restricted Share Incentive Plan).

The Company has applied to: (i) the Stock Exchange for a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules; and (ii) the SFC for a certificate of exemption under section 342A

of the CWUMPO exempting the Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the CWUMPO, respectively, on the ground that strict compliance with the above requirements would be unduly burdensome for the Company and the exemption would not prejudice the interests of the investing public for the following reasons:

(i) given that 319 grantees (who are not Directors, senior management or other connected persons of the Company) are involved for the grant of outstanding restricted shares, strict compliance with such disclosure requirements in setting out full details of all the grantees under the 2024 Restricted Share Incentive Plan in this prospectus would be costly and unduly burdensome for the Company in light of a significant increase in cost and timing for information compilation and prospectus preparation. For example, the Company would need to collect and verify the addresses of a large number of grantees to meet the disclosure requirement;

(ii) the grant and vesting in full of the restricted shares under the 2024 Restricted Share Incentive Plan will not cause any material adverse impact to the financial position of the Group. The 319 grantees who are not Directors, senior management or other connected persons of the Company have been granted restricted shares entitling them to receive an aggregate of 1,616,821 A Shares, representing approximately 0.31% of the total issued share capital of the Company immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised and no additional Shares are issued pursuant to the 2024 Restricted Share Incentive Plan), which is not material in the circumstances of the Company;

(iii) there will not be any new H Shares to be issued under the 2024 Restricted Share Incentive Plan as the 2024 Restricted Share Incentive Plan is an A-share incentive scheme;

(iv) non-compliance with the above disclosure requirements would not prevent the Company from providing its potential investors with an informed assessment of the activities, assets, liabilities, financial position, management and prospects of the Company; and

(v) material information relating to the Shares under the 2024 Restricted Share Incentive Plan has been disclosed in this prospectus to provide prospective investors with sufficient information to make an informed assessment of the potential dilutive effect and impact on earnings per Share of the restricted shares in making their investment decision, and such information includes:

    (a) a summary of the latest terms of the 2024 Restricted Share Incentive Plan;

    (b) the aggregate number of Shares underlying the restricted shares and the percentage in the total issued share capital of the Company of which such number represents;

    (c) the dilutive effect and the impact on earnings per Share upon full vesting of the restricted shares immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised);

    (d) full details of the restricted shares granted by the Company to Directors, senior management, connected persons of the Company and one other grantee who has been granted restricted shares to subscribe for 16,836 A Shares, on an individual basis, are disclosed in this prospectus, and such details include all the particulars required under Rule 17.02(1)(b) of the Listing Rules, paragraph 27 of Appendix D1A to the Listing Rules and paragraph 10 of Part I of the Third Schedule to the CWUMPO;

(e) with respect to the restricted shares granted to other grantees (other than those referred to in (d) above), disclosures are made in this prospectus, on an aggregate basis, categorized into lots based on the number of A Shares underlying each individual grantee, being (i) 1 to 3,000 A Shares, (ii) 3,001 to 6,000 A Shares, (iii) 6,001 to 9,000 A Shares, (iv) 9,001 to 12,000 A Shares and (v) 12,001 to 15,372 A Shares. For each lot of A Shares, the following details are disclosed in this prospectus: (1) the aggregate number of grantees and the number of Shares subject to the restricted shares; (2) the consideration paid for the grant of the restricted shares; and (3) the vesting period and exercise period (where applicable) of the restricted shares and the exercise price for the restricted shares; and

(f) the particulars of the waiver and exemption granted by the Stock Exchange and the SFC, respectively.

The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the applicable ESOP Disclosure Requirements on the conditions that:

(i) on an individual basis, full details of the restricted shares under the 2024 Restricted Share Incentive Plan granted by the Company to each of the Directors, senior management, connected persons of the Company and one other grantee who has been granted restricted shares to subscribe for 16,836 A Shares, are disclosed in the section headed "Appendix IV — Statutory and General Information — 2024 Restricted Share Incentive Plan", such details to include all the particulars required under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules, and paragraph 10 of Part I of the Third Schedule to the CWUMPO;

(ii) in respect of the restricted shares granted by the Company under the 2024 Restricted Share Incentive Plan to grantees (other than those set out in (i) above), disclosures are made in this prospectus, on an aggregate basis, categorized into lots based on the number of A Shares underlying each individual grantee, being (1) 1 to 3,000 A Shares, (2) 3,001 to 6,000 A Shares, (3) 6,001 to 9,000 A Shares, (4) 9,001 to 12,000 A Shares and (5) 12,001 to 15,372 A Shares. For each lot of A Shares, the following details are disclosed in this prospectus: (1) the aggregate number of grantees and the number of Shares subject to the restricted shares; (2) the consideration paid for the grant of the restricted shares; and (3) the vesting period and exercise period (where applicable) of the restricted shares and the exercise price for the restricted shares;

(iii) aggregate number of Shares underlying the restricted shares granted under the 2024 Restricted Share Incentive Plan and the percentage to the total issued share capital of the Company represented by such number of Shares as of the Latest Practicable Date;

(iv) the dilutive effect and impact on earnings per Share upon the full vesting of the restricted shares under the 2024 Restricted Share Incentive Plan will be disclosed in the section headed "Appendix IV — Statutory and General Information — 2024 Restricted Share Incentive Plan";

(v) a summary of the major terms of the 2024 Restricted Share Incentive Plan will be disclosed in the section headed "Appendix IV — Statutory and General Information — 2024 Restricted Share Incentive Plan";

(vi) a full list of all the grantees (including the persons referred to in (i) above) who have been granted restricted shares to subscribe for A Shares under the 2024 Restricted Share Incentive Plan containing all the particulars as required under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules and

paragraph 10 of Part I of the Third Schedule to the CWUMPO be made available for public inspection in accordance with "Documents Delivered to the Registrar of Companies and Available on Display — Document Available for Inspection" in Appendix V to this prospectus;

(vii) the grant of a certificate of exemption under the CWUMPO from the SFC exempting the Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the CWUMPO; and

(viii) the particulars of the waiver will be disclosed in this prospectus.

The Company has applied for, and the SFC has granted, a certificate of exemption under section 342A of the CWUMPO from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the CWUMPO on the conditions that:

(i) on an individual basis, full details of the restricted shares granted by the Company under the 2024 Restricted Share Incentive Plan to each of the Directors, senior management, connected persons of the Company and one other grantee who has been granted restricted shares to subscribe for 16,836 A Shares, are disclosed in the section headed "Appendix IV — Statutory and General Information — 2024 Restricted Share Incentive Plan", such details to include all the particulars required under paragraph 10 of Part I of the Third Schedule to the CWUMPO;

(ii) in respect of the restricted shares granted by the Company under the 2024 Restricted Share Incentive Plan to grantees other than those set out in (i) above, disclosures are made in this prospectus, on an aggregate basis, categorized into lots based on the number of A Shares underlying each individual grantee, being (1) 1 to 3,000 A Shares, (2) 3,001 to 6,000 A Shares, (3) 6,001 to 9,000 A Shares, (4) 9,001 to 12,000 A Shares and (5) 12,001 to 15,372 A Shares. For each lot of A Shares underlying the 2024 Restricted Share Incentive Plan, the following details are disclosed in this prospectus: (1) the aggregate number of grantees and the number of A Shares subject to the restricted shares; (2) the consideration paid for the grant of the restricted shares; and (3) the vesting period and exercise period (where applicable) of the restricted shares and the exercise price for the restricted shares;

(iii) a full list of all the grantees (including the persons referred to in (i) above) who have been granted restricted shares to subscribe for A Shares under the 2024 Restricted Share Incentive Plan containing all the particulars as required under paragraph 10 of Part I of the Third Schedule to the CWUMPO be made available for public inspection in accordance with "Documents Delivered to the Registrar of Companies and Available on Display — Document Available for Inspection" in Appendix V to this prospectus; and

(iv) the particulars of the exemption will be disclosed in this prospectus, and this prospectus will be issued on or before Monday, August 17, 2026.

WAIVER IN RESPECT OF CONTINUING CONNECTED TRANSACTION

The Company has entered into a transaction which will constitute a partially-exempt continuing connected transaction of the Company under the Listing Rules after the Listing. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver in relation to such continuing connected transaction between the Company and certain connected persons under Chapter 14A of the Listing Rules. For more information, see "Connected Transaction."

WAIVER IN RESPECT OF INVESTMENTS AFTER THE TRACK RECORD PERIOD

Pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules, the accountants' report to be included in a listing document must include the income statements and balance sheets of any subsidiary or business acquired, agreed to be acquired or proposed to be acquired since the date to which its latest audited accounts have been made up in respect of each of the three financial years immediately preceding the issue of the listing document.

Pursuant to Rule 4.02A of the Listing Rules, acquisitions of business include acquisitions of associates and any equity interest in another company. Pursuant to Note 4 to Rule 4.04 of the Listing Rules, the Stock Exchange may consider granting a waiver of the requirements under Rules 4.04(2) and 4.04(4) on a case-by-case basis, and having regard to all relevant facts and circumstances and subject to certain conditions set out thereunder.

After the Track Record Period and up to the Latest Practicable Date, the Group had conducted the following investments (the "**Investments**"), details of which are set out below:

No.	Name of the target	Total consideration	Approximate percentage of shareholding after completion of the relevant Investment	Principal business activities
1 . .	Huaqin Co., Ltd. (華勤技術股份有限公司, a company listed on the Shanghai Stock Exchange with stock code 603296 and the Stock Exchange with stock code 3296, "**Huaqin**")(1)	HK$94.04 million	0.11%	A full-stack smart product ODM platform
2 . .	Rongxin Semiconductor (Ningbo) Co., Ltd. (榮芯半導體(寧波)有限公司, "**Rongxin Semiconductor**")(2)	RMB200 million	1.91%	Wafer foundry services for mixed-signal, analogue and logic integrated circuits

Notes:

(1) On April 23, 2026, Ingenic Semiconductor (HongKong) Group Limited (北京君正集成電路(香港)集團有限公司), a wholly-owned subsidiary of the Company, subscribed for 1,008,600 H shares of Huaqin as a cornerstone investor and 201,700 H shares of Huaqin as a placee, respectively, at the offer price in the global offering and listing of the H shares of Huaqin on the Stock Exchange. According to the publicly available financial information of Huaqin prepared in accordance with the IFRSs, (a) the total assets of Huaqin amounted to approximately RMB76,296.8 million and RMB96,205.6 million as of December 31, 2024 and 2025, respectively; (b) the revenue of Huaqin amounted to RMB109,878.0 million and RMB171,436.9 million for the years ended December 31, 2024 and 2025, respectively; and (c) the net profits of Huaqin amounted to approximately RMB2,916.4 million and RMB4,131.6 million for the years ended December 31, 2024 and 2025, respectively. To the best knowledge, information and belief of the Directors and having made all reasonable enquiry, each of Huaqin and its ultimate beneficial owners is an Independent Third Party. The consideration for the Investment was satisfied by the Group's own source of funds.

(2) The Company had entered into a capital increase agreement on March 28, 2026 and subscribed for the increased registered capital in Rongxin Semiconductor on April 17, 2026. The consideration for the Investment was determined after arm's lengths negotiations with reference to the valuation of comparable companies in the same industry of Rongxin Semiconductor. According to the financial statements of Rongxin Semiconductor prepared in accordance with the China Accounting Standards for Business Enterprises, (a) the total assets of Rongxin Semiconductor amounted to approximately RMB9,428.2 million and RMB7,782.1 million as of December 31, 2024 and 2025, respectively; (b) the revenue of Rongxin Semiconductor amounted to RMB302.8 million and RMB303.3 million for the years ended December 31, 2024 and 2025, respectively; and (c) the net losses of Rongxin Semiconductor amounted to approximately RMB1,375.1 million and RMB2,019.7 million for the years ended December 31, 2024 and 2025, respectively. OmniVision Integrated Circuits Group, Inc. (豪威集成電路(集團)股份有限公司, a company listed on the Shanghai Stock Exchange with stock code 603501 and the Stock Exchange with stock code 501, "**OmniVision**") had also entered into such capital increase agreement and subscribed for the increased registered capital in Rongxin Semiconductor. As of the Latest Practicable Date, Mr. Yu Renrong (虞仁榮), a former Director in the last 12 months, together with other parties acting in concert with him, controlled more than 30% of the voting power at the general meetings of OmniVision, and OmniVision is therefore an associate of Mr. Yu Renrong and a connected person of the Company. In addition, OmniVision is a substantial shareholder of Shanghai Xinkai Integrated Circuits Co., Ltd. (上海芯楷集成電路有限責任公司), a subsidiary of the Company, holding 39% of equity interest therein. OmniVision is therefore a core connected person of the Company. Immediately after completion of the investment, OmniVision held approximately 5.88% of the equity interest in Rongxin Semiconductor. To the best knowledge, information and belief of the Directors and having made all reasonable enquiry, save for OmniVision, each of Rongxin Semiconductor, the relevant counterparties and the ultimate beneficial owners of Rongxin Semiconductor and the relevant counterparties is an Independent Third Party. The consideration for the Investment was satisfied by the Group's own source of funds.

The targets are engaged in business activities complementary with and closely related to the existing business of the Group. The Company believes that the Investments will create synergy effect between the businesses of the Group and the targets and therefore optimize the Group's business development and financial performance. Accordingly, the Directors believe that the terms of the Investments are fair and reasonable and in the interests of the Shareholders as a whole.

The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules in respect of the Investments on the following grounds:

The percentage ratios of the Investments are expected to be less than 5% by reference to the most recent fiscal year of the Track Record Period

The applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules for each of the Investments are expected to be less than 5% by reference to the financial year ended December 31, 2025. Accordingly, the Company does not expect the Investments to result in any significant changes to its financial position since December 31, 2025, and all information that is reasonably necessary for potential investors to make an informed assessment of the activities or financial position of the Group has been included in this prospectus. As such, the Company considers that a waiver from compliance with the requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would not prejudice the interests of the investors.

It would be unduly burdensome to obtain or prepare the historical financial information of the targets for inclusion in this prospectus

As of the Latest Practicable Date, the Group only held minority equity interests in the targets and did not control their respective board of directors. Given that the Group is neither able to exercise any control nor have any significant influence over the targets, the Company would not be able to compel or request the targets to cooperate with the audit work in order for the Company to comply with the relevant requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules.

In addition, having considered the Investments to be immaterial and that the Company does not expect the Investments to have any material effect on its business, financial condition or operations, the Company believes that (i) it would not be meaningful and would be unduly burdensome for the Company to prepare and include the financial information of the targets during the Track Record Period in this prospectus, and (ii) the non-disclosure of the required information pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would not prejudice the interests of the investors.

Alternative disclosure of the Investments in this prospectus

The Company has disclosed alternative information about the Investments in this prospectus. Such information includes those which would be required for a discloseable transaction under Chapter 14 of the Listing Rules that the Directors consider to be material, including, for example, descriptions of the principal business activities of the targets, the dates of the Investments, the consideration amounts, how they were satisfied, the basis upon which the considerations were determined, the total assets, revenue and net profits of the targets for the two financial years immediately preceding the Investments, the reasons for the Investments, the benefits which are expected to accrue to the Group as a result of the Investments, a statement that the Directors believe that the terms of the Investments are fair and reasonable and in the interests of the Shareholders as a whole, and the independence with the counterparties and their respective ultimate beneficial owners. As such, the Company believes that the current disclosure is adequate for potential investors to form an informed assessment of the Company.

ALLOCATION OF H SHARES TO EXISTING MINORITY SHAREHOLDERS AND THEIR CLOSE ASSOCIATES

Rule 10.04 of the Listing Rules requires that a person who is an existing shareholder of a listing applicant may only subscribe for or purchase any securities for which listing is sought that are being marketed by or on behalf of a listing applicant either in his/her/its own name or through nominees if the conditions in Rule 10.03 of the Listing Rules are fulfilled, namely that (i) no securities are to be offered to the existing shareholders on a preferential basis and no preferential treatment is given to them in the allocation of the securities; and (ii) the minimum prescribed percentage of public shareholders required by Rule 8.08(1) of the Listing Rules is achieved. Paragraph 1C(2) of Appendix F1 to the Listing Rules states that, without the prior written consent of the Stock Exchange, no allocations will be permitted to be made to directors or existing shareholders of a listing applicant or their close associates, unless the conditions set out in Rules 10.03 and 10.04 of the Listing Rules are fulfilled.

Chapter 4.15 of the Guide provides that the Stock Exchange will consider granting a waiver from Rule 10.04 of the Listing Rules and a consent, pursuant to paragraph 1C(2) of Appendix F1 to the Listing Rules, to allow a listing applicant's existing shareholders or their close associates to participate in its initial public offering if any actual or perceived preferential treatment arising from their ability to influence the listing applicant during the allocation process can be addressed.

Prior to the Listing, the share capital of the Company comprises entirely A Shares listed on the ChiNext of the Shenzhen Stock Exchange. As a company listed on the ChiNext of the Shenzhen Stock Exchange with its A Shares publicly traded thereon and with a large public Shareholder base, it would be unduly burdensome for the Company to seek the prior consent of the Stock Exchange for each of the minority existing Shareholders or their close associates who subscribe for the H Shares in the Global Offering.

The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 10.04 of, and a consent under paragraph 1C(2) of Appendix F1 to the Listing Rules to permit H Shares in the International Offering to be placed to certain existing

minority Shareholders who (i) hold less than 5% of the voting rights in the Company prior to the completion of the Global Offering and (ii) are not and will not become (upon the completion of the Global Offering) core connected persons of the Company or the close associates of any such core connected person (together, the "**Permitted Existing Shareholder**"), on the following conditions:

(a) the Sole Sponsor confirms that each Permitted Existing Shareholder to whom the Company may allocate the H Shares under the International Offering holds less than 5% of the voting rights in the Company prior to the completion of the Global Offering;

(b) the Sole Sponsor confirms that each Permitted Existing Shareholder is not, and will not be, a core connected person of the Company or any close associate of any such core connected person immediately prior to or following the Global Offering;

(c) the Sole Sponsor confirms that none of the Permitted Existing Shareholders has the power to appoint any Directors nor have any other special rights in the Company;

(d) the Sole Sponsor confirms that allocation to the Permitted Existing Shareholders and their close associates will not affect the Company's ability to satisfy the public float requirement under Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules;

(e) the Company will confirm to the Stock Exchange that;

  (i) in the case of participation as cornerstone investors, no preferential treatment has been, nor will be, given to the Permitted Existing Shareholders or their close associates by virtue of their relationship with the Company, other than the preferential treatment of assured entitlement under a cornerstone investment following the principles set out in Chapter 4.15 of the Guide for New Listing Applicants, nor is the Permitted Existing Shareholder in a position to exert influence on the Company to obtain actual or perceived preferential treatment, and the Permitted Existing Shareholders or their close associates' cornerstone investment agreements do not contain any material terms which are more favorable to the Permitted Existing Shareholders or their close associates than those in other cornerstone investment agreements; or

  (ii) in the case of participation as placees, no preferential treatment has been, nor will be, given to the Permitted Existing Shareholders or their close associates, nor is the Permitted Existing Shareholder in a position to exert influence on the Company to obtain actual or perceived preferential treatment, by virtue of their relationship with our Company in any allocation in the placing tranche;

(f) in the case of participation as placees, the Overall Coordinators will confirm to the Stock Exchange that, to the best of its knowledge and belief, no preferential treatment has been, nor will be, given to any of the Permitted Existing Shareholders or their close associates by virtue of their relationship with the Company in any allocation in the placing tranche; and

(g) the Sole Sponsor will confirm to the Stock Exchange that based on (i) their discussions with the Company and the Overall Coordinators; and (ii) the confirmations provided to the Stock Exchange by the Company and the Overall Coordinators, and to the best of its knowledge and belief, it has no reason to

believe that any of the Permitted Existing Shareholders or their close associates received any preferential treatment or is in a position to exert influence on the Company to obtain actual or perceived preferential treatment in the allocation either as a cornerstone investor or as a placee by virtue of their relationship with the Company other than the preferential treatment of assured entitlement under a cornerstone investment following the principles set out in Chapter 4.15 of the Guide for New Listing Applicants, and details of the allocation to the Permitted Existing Shareholders holding more than 1% of the issued share capital of the Company immediately prior to the completion of the Global Offering will be disclosed in this Prospectus and/or the allotment results announcement, as the case may be.

DISCLOSURE OF OFFER PRICE

Paragraph 15(2)(c) of Appendix D1A to the Listing Rules provides that the issue price or offer price of each security must be disclosed in the prospectus. Pursuant to Paragraph 12 of Chapter 4.14 of the Guide for New Listing Applicants, the Hong Kong Stock Exchange also allows an indicative offer price range to be included in the prospectus, as an alternative to the disclosure of a fixed offer price.

We have applied to the Hong Kong Stock Exchange a waiver from strict compliance with paragraph 15(2)(c) of Appendix D1A to the Listing Rules so that the Company will only disclose the maximum Offer Price in this Prospectus on the below basis:

(a) The Offer Price will be determined with reference to, among other factors, the closing price of the Company's A Shares on the Shenzhen Stock Exchange on the last trading day on or before the Price Determination Date. Our Company is unable to control the trading price of our A Shares on the Shenzhen Stock Exchange;

(b) Setting a fixed offer price or an offer price range with a low-end may adversely affect our ability to price our H Shares in the best interests of our Shareholders and the market price of the A Shares and the Hong Kong Offer Shares;

(c) Pursuant to paragraphs 9 and 10(b) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the amount payable on application and allotment on each share, and the price to be paid for shares subscribed for, shall be specified in this Prospectus, respectively. Disclosure of a maximum offer price complies with the requirements prescribed under paragraphs 9 and 10(b) of Part A the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance by providing a clear indication of the maximum subscription consideration a potential investor shall pay for the Offer Shares; and

(d) A maximum Offer Price will be disclosed in this Prospectus. This alternative disclosure approach would not prejudice the interests of the investing public in Hong Kong.

The Stock Exchange has granted to us a waiver from strict compliance with paragraph 15(2)(c) of Appendix D1A to the Listing Rules on the conditions that this Prospectus will disclose:

(a) the maximum Offer Price;

(b) the time for the determination of the Offer Price and the form of its publication;

(c) the historical prices of the Company's A Shares and trading volume on the Shenzhen Stock Exchange during the Track Record Period and up to the Latest Practicable Date;

(d) the determinants of the final Offer Price; and

(e) the source for investor to access the latest market price of the Company's A Shares.

See "Structure of the Global Offering — Pricing and Allocation" in this Prospectus for the historical prices of our A Shares and trading volume on the Shenzhen Stock Exchange.

CONSENT IN RESPECT OF THE PROPOSED SUBSCRIPTION OF H SHARES BY CONNECTED CLIENTS

Paragraph 1C of Appendix F1 to the Listing Rules provides that no allocations will be permitted to, among others, "connected clients" of the overall coordinator(s), any syndicate member(s) (other than the overall coordinator(s)) or any distributor(s) (other than syndicate member(s)), without the prior written consent of the Stock Exchange.

Paragraph 1B(7) of the Appendix F1 to the Listing Rules states that "connected client" in relation to an exchange participant means any client which is a member of the same group of companies as such exchange participant.

Chapter 4.15 of the Guide for New Listing Applicants provides that the Stock Exchange will ordinarily give its consent for allocation to connected clients if it is satisfied that: (i) the allocation to a connected client represents genuine demand for securities of an applicant; and (ii) the connected client has not taken and will not take advantage of its position to receive an allocation for its own benefit at the expense of other placees or the public (i.e., no actual or perceived preferential treatment has been given to such connected client).

Huatai Capital Investment Limited

Huatai Capital Investment Limited ("**HTCI**") has entered into cornerstone investment agreement with the Company, the Sole Sponsor and the Sponsor-Overall Coordinator. HTCI and Huatai Securities Co., Ltd. ("**Huatai Securities**") will enter into a series of back-to-back total return swap transactions (the "**Huatai Back-to-back TRS**") with each other in connection with a total return swap transaction (the "**Huatai Client TRS**", together with the Huatai Back-to-back TRS, the "**Huatai TRS**")) fully funded by the ultimate clients (the "**Ultimate Clients**"), pursuant to which HTCI will hold the Offer Shares on a non-discretionary basis to hedge the Huatai Back-to-back TRS in connection with the Huatai Client TRS, and will pass the full economic return and loss of the Offer Shares ultimately to the Ultimate Clients through the Huatai Back-to-back TRS and the Huatai Client TRS, subject to customary fees and commissions.

For details of such cornerstone investment, see "Cornerstone Investors."

Both HTCI and Huatai Financial Holdings (Hong Kong) Limited ("**Huatai**"), one of the Overall Coordinators and Underwriters, are indirect wholly-owned subsidiaries of Huatai Securities, the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601688), the H shares of which are listed on the Stock Exchange (stock code: 6886), and the global depositary receipts of which are listed on the London Stock Exchange (LON: HTSC). Accordingly, HTCI is a connected client of Huatai under paragraph 1B(7) of Appendix F1 to the Listing Rules, holding securities on a non-discretionary basis on behalf of independent third parties.

Shanghai Guotai Haitong Securities Asset Management Co., Ltd.

As part of the Global Offering, ICBC Wealth Management Co., Ltd. ("**ICBC Wealth**") as our cornerstone investor has entered into a cornerstone investment agreement to subscribe for certain number of the Offer Shares. For the purpose of the cornerstone investment, ICBC Wealth (among other QDII (defined hereunder) engaged) has engaged Shanghai Guotai Haitong Securities Asset Management Co., Ltd. (上海國泰海通證券資產管理有限公司) ("**Shanghai GTHT**"), an asset manager that is a qualified domestic institutional investor as approved by the relevant PRC authority ("**QDII**"), in the name of Guotai Haitong Junxiang Wentuo QDII No.1 Collective Asset Management Plan (國泰海通君享穩拓QDII1號集合資產管理計劃) to subscribe for and hold such Offer Shares on a non-discretionary basis on its behalf. Shanghai GTHT will hold the legal title and the voting right of the Offer Shares by itself, and pass through the full economic return and loss ultimately to ICBC Wealth.

For details of such cornerstone investment, see "Cornerstone Investors."

Shanghai GTHT is a wholly owned subsidiary of Guotai Haitong Securities Co., Ltd. ("**Guotai Haitong**"), the A shares and H shares of which are listed on the Shanghai Stock Exchange (stock code: 601211) and the Stock Exchange (stock code: 2611), respectively. As the Sponsor-Overall Coordinator is also a subsidiary of Guotai Haitong, Shanghai GTHT is part of the same group of companies. Accordingly, Shanghai GTHT is a connected client of the Sponsor-Overall Coordinator under paragraph 1B(7) of Appendix F1 to the Listing Rules.

We have applied for, and the Stock Exchange has granted, consent under paragraph 1C(1) of Appendix F1 to the Listing Rules to permit HTCI (in connection with the Huatai TRS) and ICBC Wealth (through Shanghai GTHT as the asset manager) to participate in the Global Offering as cornerstone investors on the following basis and conditions as set out in Paragraph 6 of Chapter 4.15 of the Guide:

(i) each of the Overall Coordinators confirms that the beneficial interest of any Offer Shares to be allocated to HTCI (in connection with the Huatai TRS) and to ICBC Wealth (through Shanghai GTHT as the asset manager) will be held on behalf of independent third parties on a non-discretionary basis;

(ii) the Company confirms that the cornerstone investment agreements entered with HTCI (in connection with the Huatai TRS) and ICBC Wealth (through Shanghai GTHT as the asset manager) do not contain any material terms which are more favorable to HTCI and ICBC Wealth (through Shanghai GTHT as the asset manager) than those in other cornerstone investment agreements;

(iii) each of the Company and the Overall Coordinators confirms that other than the assured entitlement for the cornerstone investors, no preferential treatment has been, nor will be, given to HTCI (in connection with the Huatai TRS) by virtue of its relationship with Huatai or to ICBC Wealth (through Shanghai GTHT as the asset manager) by virtue of its relationship with the Sponsor-Overall Coordinator;

(iv) HTCI confirms that to the best of its knowledge and reasonable belief, other than the assured entitlement for the cornerstone investors, it has not received and will not receive preferential treatment in the allocation of Offer Shares in the Global Offering by virtue of its relationship with Huatai;

(v) Shanghai GTHT confirms that to the best of its knowledge and reasonable belief, other than the assured entitlement for the cornerstone investors, ICBC Wealth (through Shanghai GTHT as the asset manager) has not received and will not receive preferential treatment in the allocation of Offer Shares in the Global Offering by virtue of its relationship with the Sponsor-Overall Coordinator;

(vi) each of the Company, the Sponsor-Overall Coordinator and the Overall Coordinators confirms that the Sponsor-Overall Coordinator has not participated and will not participate in the decision-making process or relevant discussions relating to allocation of Offer Shares to ICBC Wealth (through Shanghai GTHT as the asset manager);

(vii) each of the Company, the Overall Coordinators, HTCI, Huatai and Shanghai GTHT has provided the Stock Exchange with written confirmations in accordance with Chapter 4.15 of the Guide for New Listing Applicants; and

(viii) details of the cornerstone investments and details of the allocation will be disclosed in this prospectus and the allotment results announcement of the Company.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors (including any proposed Director who is named as such in this prospectus) 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 Hong Kong 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.

CSRC FILING

On June 22, 2026, the CSRC has issued a notification on our Company' completion of the PRC filing procedures for the listing of our H Shares on the Stock Exchange and the Global Offering. As advised by our PRC Legal Advisor, our Company has completed all necessary filings with the CSRC in the PRC in relation to the Global Offering and the Listing.

THE HONG KONG PUBLIC OFFERING AND 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.

The Hong Kong Offer 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 Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and any of the Underwriters, any of their respective directors, agents, employees or advisors or any other party involved in the Global Offering.

The Listing is sponsored by the Sole Sponsor and the Global Offering is managed by the Sponsor-Overall Coordinator. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to us and the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) agreeing on the Offer Price. The International Offering is expected to be fully underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement, which is expected to be entered into on or around the Price Determination Date.

If, for any reason, the Offer Price is not agreed among us and the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters), the Global Offering will not proceed and will lapse. For full information about the Underwriters and the underwriting arrangements, see "Underwriting" for further details.

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.

PROCEDURES FOR APPLICATION FOR THE HONG KONG OFFER SHARES

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

STRUCTURE OF THE GLOBAL OFFERING

Details of the structure of the Global Offering, including its conditions, are set forth in "Structure of the Global Offering."

OVER-ALLOTMENT OPTION AND STABILIZATION

Details of the arrangements relating to the Over-allotment Option and stabilization are set forth in "Structure of the Global Offering."

RESTRICTIONS ON OFFERS AND SALES OF SHARES

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

No action has been taken to permit a public offering of the Offer 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. In particular, the Offer Shares have not been offered and sold, and will not be offered and sold, directly or indirectly, in the PRC.

UNDERWRITING

The Listing is sponsored by the Sole Sponsor and the Global Offering is managed by the Sponsor-Overall Coordinator. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters subject to the terms and conditions of the Hong Kong Underwriting Agreement. The International Offering is expected to be fully underwritten by the International Underwriters, subject to the agreement on the Offer Price between the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and us. For further details on the Underwriters and the underwriting arrangements, see "Underwriting."

APPLICATION FOR LISTING OF THE H SHARES ON THE HONG KONG STOCK EXCHANGE

We have applied to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including the H Shares which may be issued pursuant to the exercise of the Over-allotment Option). Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to the Company by or on behalf of the Hong Kong Stock Exchange.

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence on Tuesday, August 25, 2026.

The H Shares will be traded in board lots of 100 Shares each. The stock code of the Shares will be 3223. Except as otherwise disclosed in this prospectus and the A Shares that have been listed on the ChiNext of the Shenzhen Stock Exchange, no part of our share or debt securities is listed on or deal in on the Hong Kong Stock Exchange or any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

If the Hong Kong Stock Exchange grants the listing of, and permission to deal in, the H Shares 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 Listing Date or any other date as determined by HKSCC. Settlement of transactions between participants of the Hong Kong 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 to enable the H Shares to be admitted into CCASS. Investors should seek the advice of their stockbroker or other professional advisor for details of the settlement arrangement as such arrangements may affect their rights and interests.

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 Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, 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.

REGISTER OF MEMBERS AND STAMP DUTY

All of the H Shares issued pursuant to applications made in the Global Offering will be registered on our H Share register to be maintained in Hong Kong by our H Share Registrar, Computershare Hong Kong Investor Services Limited. Our principal register of members will be maintained by us at our legal address in Chinese Mainland. Dealings in our H Shares registered on our H Share Registrar will be subject to Hong Kong stamp duty.

DIVIDENDS PAYABLE TO HOLDERS OF H SHARES

Unless determined otherwise by our Company, dividends payable in Hong Kong dollars in respect of our H Shares will be paid to the Shareholders as recorded on the H Share register of our Company in Hong Kong and sent by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder.

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations of certain Renminbi amounts into Hong Kong dollars at a specified rate. Unless we indicate otherwise, the translations of Renminbi into Hong Kong dollars and vice versa have been made at the rate of HKD1.00 to RMB0.8656. No representation is made that any amount in Renminbi or Hong Kong dollars can be or could be, or have been, converted at the above rate or any other rate or at all.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Dr. Liu Qiang (劉強)	618, Unit 1, Building 38 1 Dehui Road Haidian District Beijing PRC	Chinese
Mr. Zhang Jin (張緊)	Room 1707, Building 2 2 Shangjialou Road Chaoyang District Beijing PRC	Chinese
Mr. Xian Yonghui (冼永輝)	601, Unit 1, Building 21 Ruyuanju Beili Haidian District Beijing PRC	Chinese
Mr. Huang Lei (黃磊)	Room 108, Building E Ingenic Technology Park 1855 Dalongshan Road Shushan District, Hefei Anhui Province PRC	Chinese
Non-Executive Directors		
Mr. Li Jie (李杰)	101, 1-2/F 674 Waterfront Manor Chaoyang District Beijing PRC	Chinese
Mr. Zheng Hao (鄭浩)	Room 2301, Unit 1, Building 3 Yicheng Mingyuan Daxing District Beijing PRC	Chinese
Ms. Zhang Yanxiang (張燕祥)	Room 201, Building 24 35 Huayuan Road North Haidian District Beijing PRC	Chinese

Name	Address	Nationality
Independent Non-Executive Directors		
Mr. Ye Jinfu (葉金福)	501, Unit 5, 4/F, Building 5 125 Xisihuan Beilu Haidian District Beijing PRC	Chinese
Dr. Xiao Limin (肖利民)	Room 2002, Building 601 Zone 6, Kexueyuan Nanli Chaoyang District Beijing PRC	Chinese
Ms. Yu Ying (于瑩)	2-3-602 Beauty Classic Community Zhanghua Road Haidian District Beijing PRC	Chinese
Mr. Xiang Zuo (向左)	Flat D-2 Island View 32 Hang Hau Wing Lung Road Clear Water Bay New Territories Hong Kong	Singaporean

For further details, see "Directors and Senior Management."

Sole Sponsor	**Guotai Junan Capital Limited** 27/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
Sponsor-Overall Coordinator	**Guotai Junan Securities (Hong Kong) Limited** 27/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
Overall Coordinators	**Huatai Financial Holdings (Hong Kong) Limited** 62/F, The Center 99 Queen's Road Central Hong Kong **Ping An Securities (Hong Kong) Company Limited** Units 3601, 07 & 11-13, 36/F, The Center 99 Queen's Road Central Hong Kong
Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and Capital Market Intermediary(ies)	**Guotai Junan Securities (Hong Kong) Limited** 27/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong **Huatai Financial Holdings (Hong Kong) Limited** 62/F, The Center 99 Queen's Road Central Hong Kong **Ping An Securities (Hong Kong) Company Limited** Units 3601, 07 & 11-13, 36/F, The Center 99 Queen's Road Central Hong Kong **Tiger Brokers (HK) Global Limited** 23/F, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong **Zheshang International Financial Holdings Co., Limited** Room 1703-06, 17th floor, Infinitus Plaza 199 Des Voeux Road Central, Sheung Wan Hong Kong

	Futu Securities International (Hong Kong) Limited 34/F, United Centre No. 95 Queensway, Admiralty Hong Kong
Legal Advisors to the Company	*As to Hong Kong and U.S. laws:* **Freshfields** 55th Floor, One Island East Taikoo Place, Quarry Bay Hong Kong *As to PRC law:* **Zhong Lun Law Firm** 57-59/F, Tower A, Ping An Finance Center 5033 Yitian Road Futian District, Shenzhen Guangdong PRC *As to international sanctions and U.S. outbound investment laws:* **Sheppard, Mullin, Richter & Hampton LLP** IT Tower, Avenue Louise 480 1050 Brussels Belgium
Legal Advisors to the Sole Sponsor and the Underwriters	*As to Hong Kong and U.S. laws:* **Han Kun Law Offices LLP** Rooms 4301-10 43/F, Gloucester Tower The Landmark 15 Queen's Road Central Hong Kong *As to PRC law:* **Han Kun Law Offices** 9/F, Office Tower C1 Oriental Plaza, 1 East Chang An Avenue Dongcheng District Beijing PRC

Auditor and Reporting Accountants	**SHINEWING (HK) CPA Limited** *Certified Public Accountants* 17/F, Chubb Tower Windsor House 311 Gloucester Road Causeway Bay Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504 Wheelock Square No. 1717 West Nanjing Road Shanghai PRC
Receiving Banks	**CMB Wing Lung Bank Limited** 14/F, CMB Wing Lung Bank Building 45 Des Voeux Road Central Hong Kong
	China CITIC Bank International Limited 29/F, CITIC Tower 1 Tim Mei Avenue Central Hong Kong

Registered Office	A101-A113, 1/F, Building 14, East Block 10 Xibeiwang East Road Haidian District Beijing PRC
Headquarters and Principal Place of Business in the PRC	A101-A113, 1/F, Building 14, East Block 10 Xibeiwang East Road Haidian District Beijing PRC
Place of Business in Hong Kong	31/F, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
Joint Company Secretaries	**Ms. Zhang Min (張敏)** A101-A113, 1/F, Building 14, East Block 10 Xibeiwang East Road Haidian District Beijing PRC **Ms. Chu Cheuk Ting (朱卓婷)** *(ACG, HKACG)* 31/F, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
Authorized Representatives	**Dr. Liu Qiang (劉強)** A101-A113, 1/F, Building 14, East Block 10 Xibeiwang East Road Haidian District Beijing PRC **Ms. Chu Cheuk Ting (朱卓婷)** 31/F, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
Audit Committee	Mr. Ye Jinfu *(Chairperson)* Ms. Yu Ying Mr. Li Jie

Nomination and Remuneration Committee	Ms. Yu Ying *(Chairperson)* Dr. Xiao Limin Dr. Liu Qiang
Strategy and ESG Committee	Dr. Liu Qiang *(Chairperson)* Mr. Li Jie Dr. Xiao Limin
Compliance Advisor	**Rainbow Capital (HK) Limited** Room No. 710, 7/F Wing On House 71 Des Voeux Road 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	**Bank of Beijing Co., Ltd. Shangdi Sub-Branch** East Part of First Floor, Building 3 1 Xinxi Road, Shangdi Haidian District Beijing PRC **China Merchants Bank Co., Ltd. Beijing Pilot Free Trade Zone Central Business District Sub-Branch** F1S17-22, 1/F, Wantong Center Jia 6 Chaoyangmen Wai Avenue Chaoyang District Beijing PRC **Hua Xia Bank Co., Limited Tianjin Branch** Building E Bohai-Rim Development Center Zeng 9 Binshui Road Hexi District Tianjin PRC

Company's Website	**www.ingenic.com.cn** *(A copy of this prospectus is available on the Company's website. Except for the information contained in this prospectus, none of the other information contained on the Company's website forms part of this prospectus)*

Certain information and statistics set out in this section have been extracted from various official government publications, market data providers and a report commissioned by the Company and prepared by an independent third party, Frost & Sullivan. The information from official government sources has not been independently verified by the Company, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries or any of their respective directors, officers, employees, agents, advisers or representatives or any other parties involved in the Global Offering, and no representation is given as to its accuracy, fairness and completeness.

GLOBAL IC INDUSTRY OVERVIEW

Key Growth Drivers of the Global IC Industry

Acceleration toward electrification, intelligence, and connectivity in autos

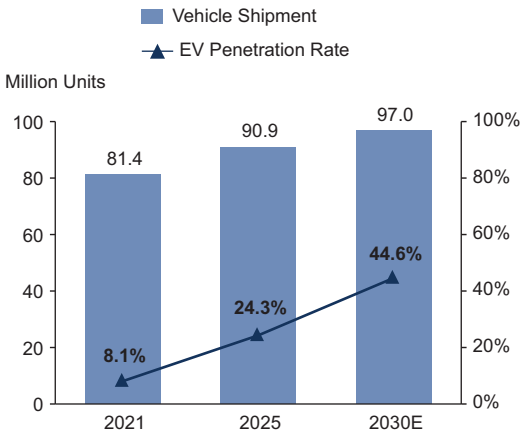
The electronic architecture of vehicles is significantly more complex than that of traditional internal-combustion models. Supported by upgrading consumer demand globally, unit sales are expected to grow steadily.

As these trends advance, higher requirements are imposed on ICs in terms of computing performance, energy efficiency, functional safety, and automotive-grade reliability. More complex use cases call for higher-performance devices, a dynamic that drives up average selling prices; concurrently, the integration of functional modules contributes to an increase in unit volumes. Together, these factors materially lift the semiconductor content per vehicle — both in quantity and value — driving overall growth in automotive IC demand.

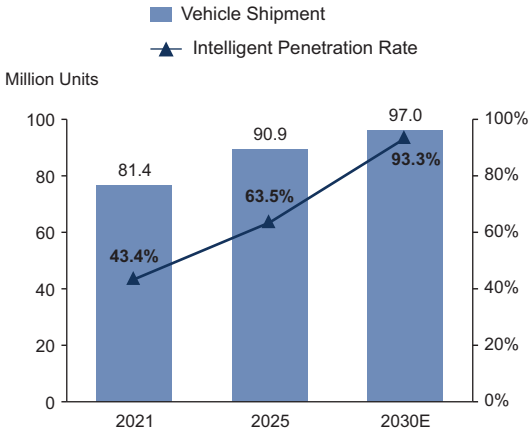
Automotive: Accelerating adoption of electrification, intelligence and connectivity

The automotive sector is a major application area for ICs, with substantial demand across vehicle systems. In 2025, global passenger-vehicle shipments reached 90.9 million units. Sales of electric vehicles are expected to grow significantly faster than those of traditional internal combustion engine vehicles, with penetration projected to increase from 24.3% in 2025 to 44.6% by 2030. Similarly, intelligent vehicles systems are expected to experience rapid adoption, with penetration rising from 63.5% in 2025 to 93.3% by 2030.

Electric Vehicle Penetration Rate



Intelligent Vehicle Penetration Rate

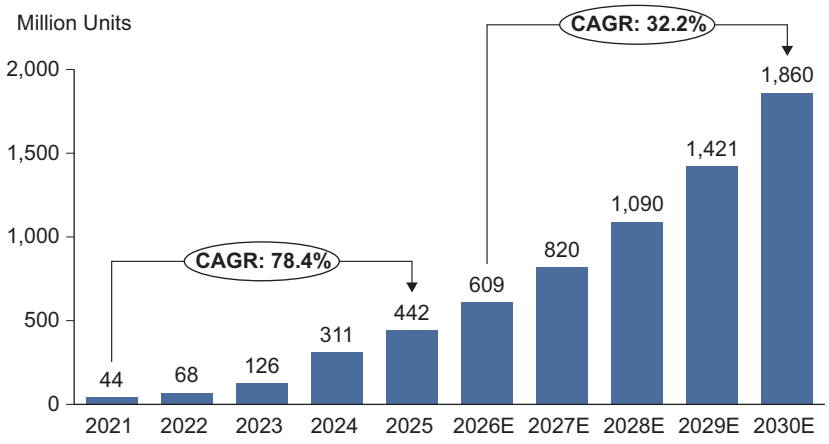


Source: Frost & Sullivan, expert interviews, public filings

Edge AI Devices: Rapid shipment growth driven by broader adoption

The global market for edge AI devices has expanded rapidly, supported by the development of lightweight AI algorithms, advances in edge-computing technologies and the ongoing upgrade of consumer electronics.

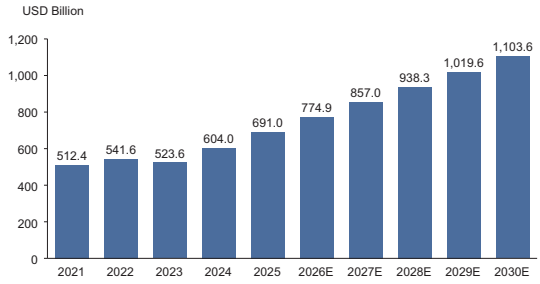
Edge AI Device Shipments, Global, 2021-2030E



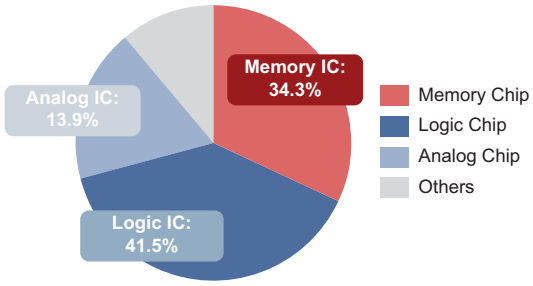
Source: Frost & Sullivan, expert interviews, public filings

Global IC Market Size and Structure

Market Size of Semiconductor Market (by Revenue), Global, 2021-2030E



IC Market Breakdown by Category, Global, 2025



Source: Frost & Sullivan, expert interviews, public filings

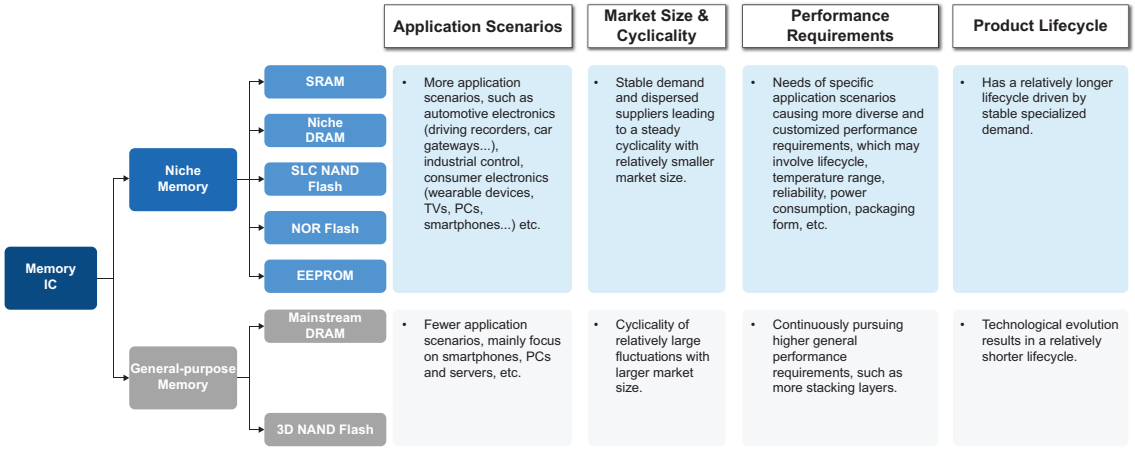
GLOBAL MEMORY IC MARKET

Memory ICs can be classified by application scenarios and technical characteristics into niche memory and general-purpose memory.

- Niche memory is designed for specialised segments such as automotive-grade, industrial-control and aerospace applications, where stringent requirements for reliability, stability and environmental tolerance must be met. Through customised design, niche memory devices ensure stable and secure data storage and read/write performance under extreme temperatures, complex electromagnetic environments and other challenging operating conditions, meeting needs that general-purpose memory products cannot easily accommodate. Representative product types include SRAM, niche DRAM, SLC NAND Flash, NOR Flash and EEPROM.

- General-purpose memory targets high-volume, broadly adopted applications such as consumer electronics and data-center infrastructure, with a focus on high density, cost efficiency and broad compatibility. Mainstream products in this category include commodity DRAM and 3D NAND Flash.

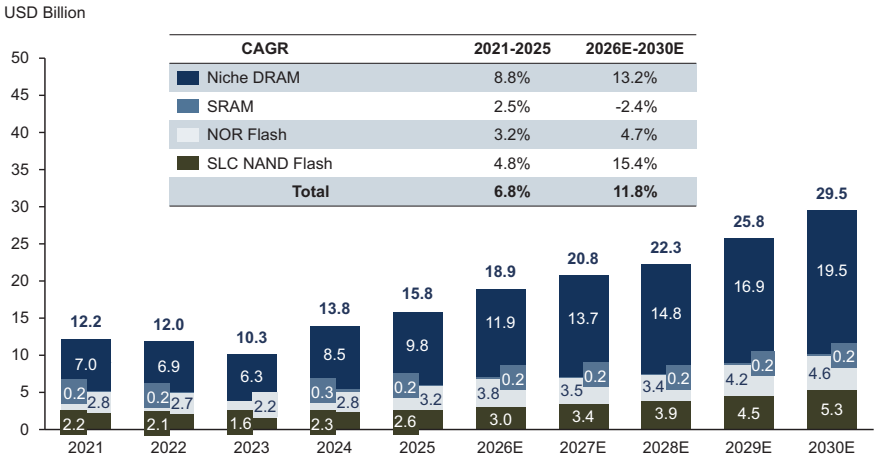
Definition and Classification of Memory IC



Source: Frost & Sullivan, expert interviews, public filings

Global Niche Memory IC Market Size

Niche Memory IC Market Size



Source: Frost & Sullivan, expert interviews, public filings

Drivers and Development Trends

Diverse Demand Expansion. The transition to AI large-model training at the scale of hundreds of billions of parameters is driving demand for petabyte-level memory capacity and microsecond-level read/write latency, accelerating adoption of high-end products such as HBM and 3D DRAM. In the automotive sector, electrification, connectivity and intelligence are increasing in-vehicle storage requirements from tens of gigabytes to several hundred gigabytes, while components such as LiDAR and autonomous-driving domain controllers are generating new demand for high-reliability memory. In industrial automation, the wider use of

machine vision and edge-computing nodes continues to expand the market for industrial-grade memory products. In consumer electronics, smartphone upgrades to foldable formats and AI-enabled handsets are driving an increase in storage capacity from 256GB to 1TB, while home and wearable-device adoption is supporting steady demand for low-power, small-form-factor memory ICs. This multi-segment demand convergence has emerged as a core driver of overall market growth.

Industry-Structure Realignment. Amid global supply-chain volatility, many countries are investing in greater autonomy and resilience in the memory-IC value chain, with localization of production capacity becoming a strategic priority. Domestic memory-IC companies in China are accelerating technological breakthroughs in NAND Flash and DRAM, transitioning rapidly from 2D to 3D products and achieving notable gains in localization rates. In automotive and industrial segments, domestic products have begun to achieve volume replacement. At the same time, global memory-industry leaders are adjusting capacity and deepening technical partnerships, shifting competition from price-led to value-driven models. Supply-chain security considerations, together with the push for domestic substitution, are contributing to steady market expansion.

GLOBAL COMPUTING IC MARKET

Intelligent Vision IC

Intelligent vision ICs represent the core chip system that enables the intelligent operation of the entire visual information chain, covering acquisition, processing, transmission, storage, and display. By functional stages, they can be clearly divided into front-end chips and back-end chips:

Front-end chips focus on intelligent acquisition and preliminary processing of visual information, with video image processing chips as the core. They mainly fall into two categories:

- Standalone video image processing ICs, which concentrate on image quality optimization. These ICs process raw electrical signals from image sensors to enhance image clarity and fidelity, and are primarily suited for traditional vision capture devices with relatively low integration requirements.

- Front-end dedicated video processing SoC ICs, which are highly integrated system-on-chips. Based on a built-in ISP, they incorporate modules for video encoding, network transmission, and AI acceleration. A typical example is the IP-Cam SoC, designed specifically for network cameras. It offers a comprehensive solution that covers the entire workflow, including raw image optimization, video compression and encoding, intelligent analysis, and network transmission, and functions as the core enabler of front-end intelligence.

In addition to video image processing ICs, video bridge ICs and signal transmission ICs handle conversion and transmission of video signals across different formats or interfaces, ensuring the integrity of the video signal chain.

Back-End Chips process the digital video signals transmitted from the front-end, forming two major functional modules: processing and storage, and terminal display, which together realize data retention and visual presentation.

The processing and storage module, centered on NVR/XVR systems, integrates video decoding, intelligent analysis, and data management modules. It is responsible for decoding of encoded video streams from the front-end, intelligent analysis such as anomaly detection, and data distribution. Security hard drives, as dedicated storage devices, provide long-term reliable storage and rapid retrieval of video data through high stability and large-capacity design, supporting back-end data review requirements.

The terminal display module connects back-end data to display devices. Display timing controller chips generate timing logic signals aligned with the display's resolution and refresh rate, ensuring orderly scheduling of video frames. Display driver chips then convert these digital signals into optoelectronic signals that drive display pixels to emit light, ultimately achieving visualized presentation of information.

By 2025, the global intelligent vision IC market had exceeded RMB100.0 billion in size. With its end-to-end technological synergy, intelligent vision ICs have played an important role in supporting integrated development across industries such as intelligent security, IoT, artificial intelligence, and automotive electronics.

IP-Cam SoC is a semiconductor device that integrates an ISP, video-encoding logic, and other dedicated modules within a single IC. It functions as the core computing unit of network cameras and other intelligent-vision terminals, handling the full chain from image acquisition to encoding in an integrated manner.

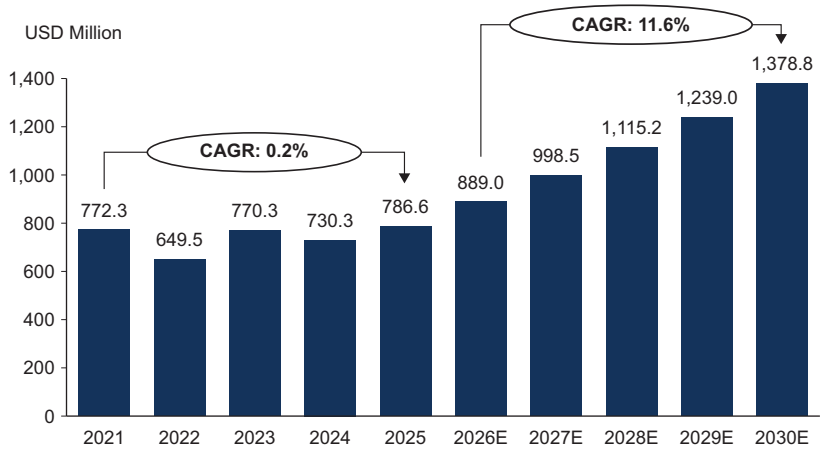
The proliferation of AI has significantly reshaped technical requirements in the video domain. Applications such as city, industrial security and home monitoring increasingly require on-device intelligent analysis and robust performance in complex environments. This shift is accelerating the transition from conventional vision SoCs to AI-enabled IP-Cam SoCs, characterized by:

- *Increased computing performance*. To support real-time execution of AI algorithms for object detection, behavioral recognition and other intelligent-analysis tasks at the edge;
- *Architectural optimization*. To enable efficient concurrent processing of multiple HD and UHD video streams, meeting the demands of diverse, high-traffic scenarios;
- *Power-efficiency enhancements*. To balance high performance with the energy-consumption constraints of edge devices.

This ongoing AI-driven evolution is expanding the role of the IP-Cam SoC from a traditional video-processing unit into a high-performance, AI-capable computing platform.

Market Size and Outlook

IP-Cam SoCs Market Size, by Revenue, Global, 2021-2030E



Source: Frost & Sullivan, expert interviews, public filings

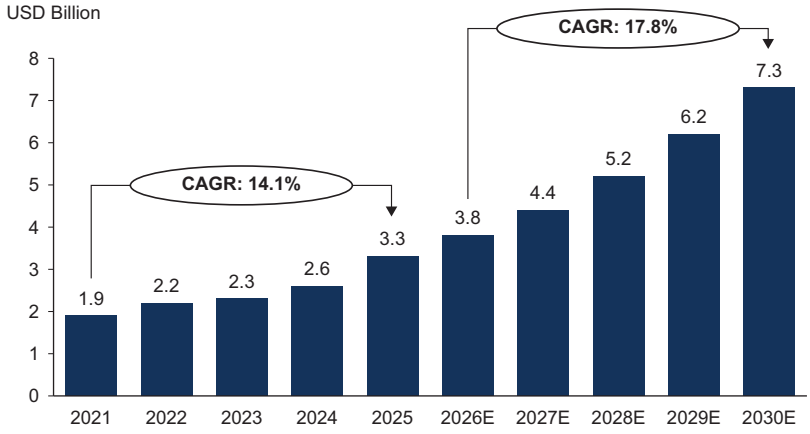
Embedded MPU

Embedded MPUs represent a relatively recent category within the embedded processor market, positioned between MCUs designed for control applications and APs intended for high-performance computing. It integrates the data-processing capabilities of a conventional AP with the real-time control features of an MCU, resulting in a crossover processor that combines high-performance computing with efficient, real-time responsiveness.

By offering both advanced computational processing and precise peripheral control, embedded MPUs balance processing power with application adaptability. This makes them well-suited to embedded systems requiring both complex task processing and coordinated hardware control. Typical use scenarios include industrial-control systems, consumer electronics, and automotive-electronic applications.

Global Embedded MPU Market Size

Embedded MPU Market Size



Source: Frost & Sullivan, expert interviews, public filings

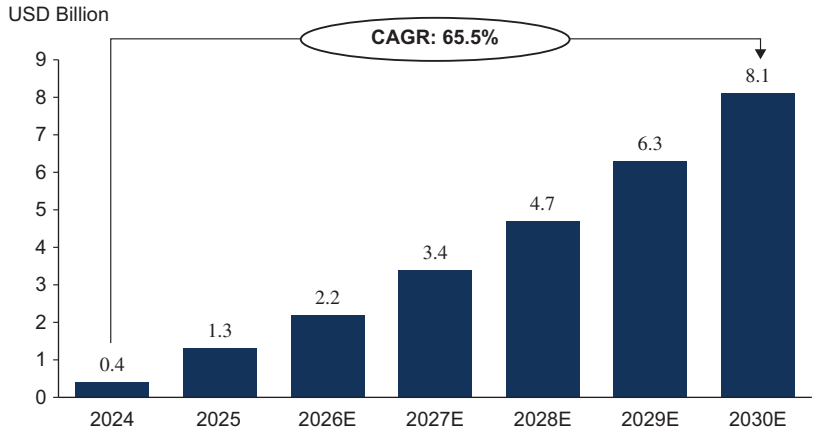
AI-MCU

An AI-MCU is an embedded IC built on a standard MCU architecture with integrated NPU modules or other AI-computing engines. Combining real-time control logic with on-device AI inferencing capabilities, AI-MCUs retain the MCU's advantages in precise hardware control and low-power operation, while the NPU enhances processing of intelligent algorithms. This enables local decision-making and closed-loop data processing at the device level, meeting the needs of intelligent-control applications at the network edge in the AIoT era.

A key distinction from conventional MCUs is the balance between ultra-low-power operation and AI-processing capability. When AI computation is not required, the processing module can be powered down to maintain minimal energy consumption, with the NPU activated only when triggered by specific tasks. This achieves integrated control-plus-intelligence functionality while optimising power efficiency.

Global AI-MCU Market Size

AI-MCU Market Size



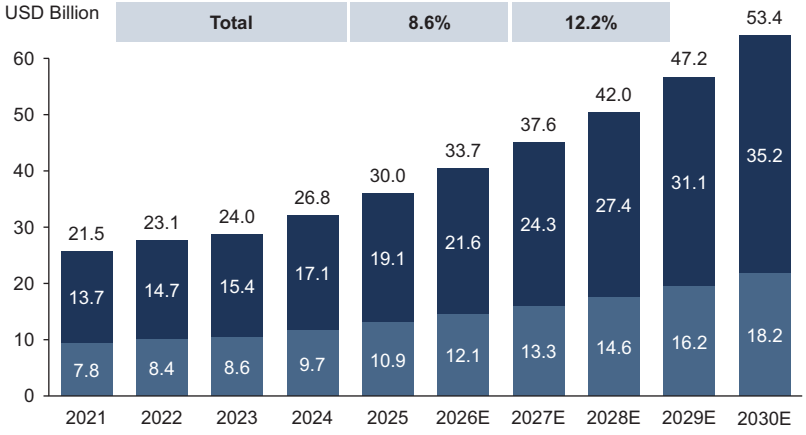
Source: Frost & Sullivan, expert interviews, public filings

CHINA's ANALOG IC MARKET

China Analog IC Market Size

Analog IC Market Size, China, 2021-2030E

CAGR	2021-2025	2026E-2030E
PMIC	8.6%	13.0%
Signal Chain IC	8.6%	10.8%
Total	**8.6%**	**12.2%**



Source: Frost & Sullivan, expert interviews, public filings

COMPETITIVE LANDSCAPE OF THE COMPANY'S INDUSTRY

Memory IC Segment

Global SRAM Market Competition Overview

The global competitive landscape of SRAM in 2025 is shown in the table below.

Global SRAM Companies Ranking

Ranking	Company Name	Location	SRAM Revenue (USD Million)	Market Share (%)
1	Company E	Neubiberg, Germany	113.0	47.1%
2	**The Company**	**Beijing, China**	**57.3**	**23.9%**
3	Company F	Tokyo, Japan	33.0	13.8%

Source: Frost & Sullivan, expert interviews, public filings

Notes:

(1) Company E: Established in 1999, and it is a leading global semiconductor company. Its shares are listed on the Frankfurt Stock Exchange.

(2) Company F: Established in 2002, and it is a leading global supplier of semiconductor products. Its shares are listed on the TSE.

Global Niche DRAM Market Competition Overview

Global Niche DRAM Companies Ranking (by Revenue)

Ranking	Company Name	Location	Niche DRAM Revenue (USD Million)	Market Share (%)
1	Company G	Suwon, South Korea	2,928.6	29.9%
2	Company H	Boise, United States	2,014.3	20.6%
3	Company I	Seoul, South Korea	1,500.0	15.3%
4	Company J	Taiwan, China	1,014.3	10.3%
5	Company K	Taiwan, China	842.9	8.6%
6	Company L	Beijing, China	220.0	2.2%
7	**The Company**	**Beijing, China**	**201.4**	**2.1%**

Source: Frost & Sullivan, expert interviews, public filings

Notes:

(1) Company G: Established in 1969, and it is a global leader in the design, manufacturing, and sale of a wide range of electronic products and semiconductor products. Its shares are listed on the KRX.

(2) Company H: Established in 1978, and it is a leading global semiconductor company. Its shares are listed on the NASDAQ Global Select Market.

(3) Company I: Established in 1983, and it is a leading global semiconductor company. Its shares are listed on the KRX.

(4) Company J: Established in 1995, and it is engaged in the development, manufacturing, and sale of DRAM products. Its shares are listed on the TWSE.

(5) Company K: Established in 1987, and it is engaged in the development, manufacturing, and sale of memory products. Its shares are listed on the TWSE.

(6) Company L: Established in 2005, and it is engaged in the design, development, and sale of memory products, microcontrollers, and sensor products. Its shares are listed on the SSE and the Stock Exchange.

Global NOR Flash Market Competition Overview

Global NOR Flash Companies Ranking (by Revenue)

Ranking	Company Name	Location	NOR Flash Revenue (USD Million)	Market Share (%)
1	Company K	Taiwan, China	770.0	24.4%
2	Company L	Beijing, China	628.1	19.9%
3	Company M[(1)]	Taiwan, China	573.3	18.2%
4	Company E	Neubiberg, Germany	371.2	11.8%
5	Company H	Boise, United States	305.2	9.7%
6	Company N[(2)]	Shanghai, China	245.2	7.8%
7	**The Company**	**Beijing, China**	**157.1**	**5.0%**

Source: Frost & Sullivan, expert interviews, public filings

Notes:

(1) Company M: Established in 1989, and it is engaged in the design, manufacturing, and sale of non-volatile memory products. Its shares are listed on the TWSE.

(2) Company N: Established in 2016, and it is engaged in the design and sale of non-volatile memory products. Its shares are listed on the SSE.

Computing IC Segment

Global IP-Cam SoC Market Competition Overview

Global IP-Cam SoC Companies Ranking

Ranking	Company Name	Location	IP-Cam SoC Revenue (USD Million)	Market Share (%)
1	Company A	Xiamen, China	257.1	32.7%
2	**The Company**	**Beijing, China**	**138.6**	**17.6%**
3	Company B	Shanghai, China	132.6	16.9%

Source: Frost & Sullivan, expert interviews, public filings

Notes:

(1) Company A: Established in 2017, and it is engaged in the design and sale of SoC products, with a primary focus on intelligent vision and multimedia processing. Its shares are listed on the SZSE.

(2) Company B: Established in 2004, and it is engaged in the design and sale of integrated circuit products, with a primary focus on video and image processing ICs. Its shares are listed on the SZSE.

The Group holds leading technological positions across its three core product categories relative to market peers. For memory products, the Group excels in niche-market-tailored technologies — its products outperform mainstream general-purpose alternatives in specialized metrics, leading in scenario-specific reliability and adaptability. In the computing category, its offerings stand out in integration density and power-to-compute efficiency; compared to competitors, they deliver stronger processing performance under constrained power budgets, a key edge in edge computing and IoT scenarios. For analog ICs, the Group's products lead in signal precision and system compatibility — their seamless synergy with the firm's memory and computing products gives them an advantage over standalone market analog ICs, boosting overall system performance for targeted use cases.

Average Selling Price Trend of the Company's Key Products

Industry Average Selling Price of the Group's Major Products, 2023-2025

Products	Unit	ASP in 2023	ASP in 2024	ASP in 2025
Memory Chips				
SRAM	USD/Unit	~1.9	~2.1	~2.1
Niche DRAM	USD/Unit	~2.0	~2.2	~2.2
NOR Flash	USD/Unit	~0.4	~0.3	~0.3
Computing Chips				
IPC SoC	USD/Unit	~1.8	~1.5	~1.5

Source: Frost & Sullivan

Key Raw Material Pricing Analysis

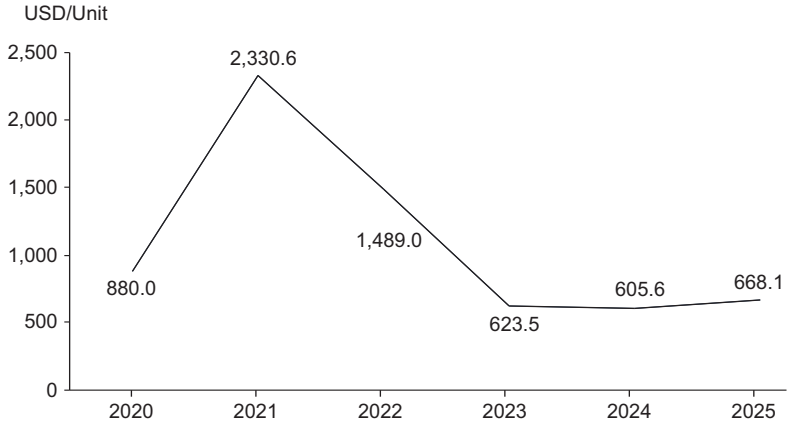
As a critical raw material underpinning DRAM production, 12-inch wafers experienced price fluctuations between 2020 and 2024, with their cost trajectory closely intertwined with the cyclical dynamics of the DRAM industry.

In 2020, the average unit price of 12-inch wafers was $880.0. By 2021, this figure surged dramatically to $2,330.6 — representing a sharp upward spike. This price jump was driven by the DRAM industry's upward cycle during this period: robust market demand for DRAM products tightened the supply of 12-inch wafers allocated to DRAM manufacturing, creating a supply-demand imbalance that pushed prices to a peak.

Starting in 2022, the market landscape shifted: weakened end-market demand and soaring inventory levels across the supply chain triggered a steep price decline, with the 12-inch wafer price dropping to $1,489.0 that year. The downward momentum continued into 2023, where the price fell further to $623.5. From 2023 to 2024, the market gradually adjusted to a state of relative supply-demand balance, leading to stabilized wafer prices — edging slightly down to $605.6 in 2024.

This price trend of 12-inch wafers is strongly correlated with the DRAM industry cycle, shaped by core factors including supply-demand dynamics and shifts in production capacity across the sector. In 2025, the wafer price saw a modest recovery to $668.1, signaling a potential rebound in market conditions.

12-Inch Wafer Price Trend, 2020-2025



Source: DRAMeXchange, Frost & Sullivan

Entry Barriers of the Integrated Circuit Industry

R&D Innovation and Product Development

The IC design sector is a technology-intensive industry. Companies must possess forward-looking market insight to define product specifications in advance and align with technology-evolution trends. IC design involves multidisciplinary collaboration, requiring coordination across circuit design, architecture, system integration, hardware — software co-design, and verification/testing — placing high demands on the capabilities of R&D teams. Development cycles are long and validation costs high, with continuous iteration required. In consumer-electronics segments with strong brand positioning, as well as in automotive and industrial-control (high-reliability) applications, the tolerance for product errors is extremely low, raising barriers to new entrants. For example, automotive-grade DRAM used in autonomous-driving ADAS systems must meet wide-temperature, vibration-resistance, and ASIL functional-safety requirements, which demand advanced stability-design and failure-mode-analysis expertise. Companies lacking extensive development experience are unlikely to enter such markets quickly.

Customer and Brand Relationships

ICs are foundational to electronic devices, with their reliability and stability directly affecting the performance and competitiveness of end products. Leading downstream customers often have long-standing supplier relationships, with rigorous standards for quality, delivery, and service processes. New entrants face lengthy qualification and testing periods that consume customers' strategic resources before they can secure orders. Established suppliers have built strong brand reputations through years of competition, making it significantly harder for new companies to win customer trust, develop sales channels, and secure contracts. For instance, niche DRAM is frequently used in networking equipment, automotive electronics and industrial-control devices, where demand for data stability and long-term supply continuity is high. Customers are cautious about switching suppliers, and new entrants face elevated switching-cost and trust-barrier challenges in penetrating existing customer bases.

Supply Chain

To ensure smooth volume production and stable delivery, IC design companies must effectively coordinate across key manufacturing stages such as wafer fabrication and assembly/testing. Leading enterprises, through long-term relationships, have developed deep cooperation with multiple upstream and downstream partners, giving them higher coordination efficiency, resource-allocation capability and the ability to maintain consistent quality and delivery timelines. By establishing end-to-end supply-chain management systems covering design, verification, wafer starts, testing, and delivery, incumbents can respond quickly to customer needs, enhance supply-chain resilience, and ensure business continuity. For example, automotive-grade DRAM, often used in autonomous-driving domain controllers and in-vehicle gateways, must comply with vehicle-production stability and relevant automotive-qualification requirements. As a result, customers prefer to work long-term with suppliers that have mature foundry-cooperation networks and automotive-grade testing capabilities. New entrants, due to smaller business scale and lower customer stickiness, often find it challenging to build equivalent supply-chain responsiveness and delivery capabilities in the early stages.

Wafer Price Analysis

The overall price trend of the global and Chinese wafer industry is highly consistent with the semiconductor industry cycle, with its core driving forces derived from supply and demand dynamics, capacity utilization rates, and technological iteration. The wafer industry does not have an independent price cycle; instead, it fluctuates in tandem with fluctuations in downstream demand and the rhythm of capacity expansion. From 2020 to 2021, benefiting from robust global semiconductor demand and tight production capacity, wafer foundry prices continued to rise. Entering 2022, sluggish demand in consumer electronics and phones led to idle capacity in some wafer fabs, resulting in a downward pressure on partial wafer prices. Since 2024, as the consumer electronics market has gradually recovered, coupled with the continuous release of demand for AI training, automotive-grade chips, and computing applications, wafer prices have gradually stabilized. The penetration of advanced processes in the fields of computing chips and automotive electronics has driven price stability and a slight upward trend; in contrast, in the mature process segment, the rapid capacity expansion of domestic manufacturers has brought about competitive pressures, leading to a certain downward price trend. Looking ahead, wafer prices will maintain overall stability in the medium to long term. In general, wafer prices will continue to exhibit characteristics similar to the semiconductor industry cycle, being influenced both by fluctuations in downstream demand and constrained by the pace of industry capacity construction.

FROST & SULLIVAN REPORT

We commissioned Frost & Sullivan to conduct market research on the semiconductor industry and prepare the Frost & Sullivan Report. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York that offers industry research and market strategies. We have contracted to pay RMB477,000 to Frost & Sullivan for compiling the Frost & Sullivan Report. In preparing the Frost & Sullivan Report, Frost & Sullivan conducted detailed primary research which involved discussing the status of the industry with certain leading industry participants and conducting interviews with relevant parties. Frost & Sullivan also conducted secondary research which involved reviewing company reports, independent research reports, and data based on its own research database. Frost & Sullivan obtained the figures for the estimated total market size from historical data analysis plotted against macroeconomic data as well as considered the above-mentioned industry key drivers. Its market engineering forecasting methodology integrates several forecasting techniques with the market engineering measurement-based system and relies on the expertise of the analyst team in integrating the critical market elements investigated during the research phase of the project. These elements primarily include expert-opinion forecasting methodology, integration of market drivers and restraints, integration with the market challenges, integration of the market engineering measurement trends and integration of econometric variables.

The Frost & Sullivan Report is compiled based on the following assumptions: (i) the social, economic and political environment of the globe and the PRC is likely to remain stable in the forecast period; and (ii) related industry key drivers are likely to drive the market in the forecast period.

INDUSTRY POLICIES

The State Council successively promulgated the Notice of the State Council on Issuing of Several Policies for Encouraging the Development of Software and Integrated Circuit Industries (Guo Fa [2000] No. 18) (《國務院關於印發<鼓勵軟件產業和集成電路產業發展若干政策>的通知》(國發[2000]18號)) in 2000, the Notice of the State Council on Issuing of Several Policies for Further Encouraging the Development of Software and Integrated Circuit Industries (Guo Fa [2011] No. 4) (《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》(國發[2011]4號)) in 2010, and the Notice of the State Council on Issuing of Several Policies for Promoting the High-quality Development of Integrated Circuit and Software Industries in the New Era (Guo Fa [2020] No. 8) (《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》(國發[2020]8號)) in 2020. These documents stipulate detailed regulations across eight aspects: fiscal and tax policies, investment and financing policies, research and development policies, import and export policies, talent policies, intellectual property policies, market application policies, and international cooperation policies. According to the above circulars, the integrated circuit industry and software industry constitute the core of the information industry and are key forces leading a new round of scientific and technological revolution and industrial transformation. As of the issuance date of Guo Fa [2020] No. 8, the policies specified in Guo Fa [2000] No. 18 and Guo Fa [2011] No. 4 continue to be implemented; where relevant policies are inconsistent with this policy (Guo Fa [2020] No. 8), Guo Fa [2020] No. 8 shall prevail.

The Outline for Promoting the Development of National Integrated Circuit Industry (《國家集成電路產業發展推進綱要》) was jointly released by the Ministry of Industry and Information Technology (MIIT), the National Development and Reform Commission (NDRC), the Ministry of Science and Technology (MOST), and the Ministry of Finance (MOF) on June 24, 2014, and became effective on the same date. The Outline states that the integrated circuit industry is the core of the information technology industry and a strategic, fundamental, and leading industry supporting economic and social development and safeguarding national security. The current and upcoming periods represent an important strategic opportunity and critical crucial period (攻堅期) for the development of China's integrated circuit industry. The main tasks and priorities for industrial development include: (i) Focusing on developing the integrated circuit design industry; (ii) Accelerating the development of the integrated circuit manufacturing industry; (iii) Elevating the development level of advanced packaging and testing; and (iv) Achieving breakthroughs in key integrated circuit equipment and materials.

The Circular of Ministry of Finance, General Administration of Customs and State Taxation Administration on Import Tax Policies to Support the Development of the Integrated Circuit Industry and Software Industry (Cai Guan Shui [2021] No. 4) (《財政部海關總署稅務總局關於支持集成電路產業和軟件產業發展進口稅收政策的通知》) was jointly issued by the Ministry of Finance (MOF), the General Administration of Customs (GAC), and the State Taxation Administration (STA) on March 16, 2021 and took effect from July 27, 2020. This Circular explicitly exempts import tariffs for five categories of circumstances.

The Notice on Administrative Measures on Import Tax Policies to Support the Development of Integrated Circuit Industry and Software Industry (Cai Guan Shui [2021] No. 5) (《關於支持集成電路產業和軟件產業發展進口稅收政策管理辦法的通知》) was jointly issued by the Ministry of Finance (MOF), the National Development and Reform Commission (NDRC), the Ministry of Industry and Information Technology (MIIT), the General Administration of Customs (GAC), and the State Taxation Administration (STA) on March 22, 2021, and took effect from July 27, 2020. The NDRC, in conjunction with the MIIT, MOF, GAC, and STA, formulates and jointly publishes the lists of integrated circuit production enterprises, advanced packaging and testing enterprises, and key raw material and component production enterprises for the integrated circuit industry eligible for import tariff exemption, as well as the lists of nationally encouraged key integrated circuit design enterprises and software enterprises eligible for import tariff exemption.

LAWS AND REGULATIONS RELATING TO COMPANIES

The Company Law of the PRC was promulgated by the Standing Committee of the National People's Congress (the "SCNPC") on December 29, 1993 and implemented since July 1, 1994, and last amended on December 29, 2023 and came into effect on July 1, 2024. Under the Company Law of the PRC, companies are generally classified into two categories, namely, limited liability companies and joint stock limited companies. The major amendments to the latest Company Law of the PRC, which came into effect on July 1, 2024, include improving the company establishment and exit regime, optimizing the organizational structures of companies, improving the capital system of companies, strengthening the responsibilities of controlling shareholders and management, and reinforcing the corporate social responsibilities, among others.

LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

Investment activities in the PRC by foreign investors are principally governed by the Catalog of Encouraged Industries for Foreign Investment (《鼓勵外商投資產業目錄》, the "Encouraged Catalog"), the Special Administrative Measures (Negative List) for Foreign Investment Market Access (《外商投資准入特別管理措施(負面清單)》, the "Negative List") and the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》, the "Foreign Investment Law"), together with its implementation rules and ancillary regulations, which are promulgated and amended from time to time by the MOFCOM and the National Development and Reform Commission (the "NDRC").

The Foreign Investment Law was promulgated by the National People's Congress (the "NPC") on March 15, 2019 and came into effect on January 1, 2020. According to the Foreign Investment Law, foreign investment shall enjoy pre-establishment national treatment, except for foreign investments that operate in industries deemed to be either "restricted" or "prohibited" in the Negative List was promulgated or approved by the State Council. To ensure the effective implementation of the Foreign Investment Law, 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》, the "Foreign Investment Law Implementation Regulations") was promulgated by the State Council in December 2019 and came into effect on January 1, 2020.

The NDRC and the MOFCOM jointly issued the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》, the "2024 Negative List") on September 6, 2024, which implemented since November 1, 2024, to replace the previous Negative List. Pursuant to the Foreign Investment Law, the Foreign Investment Law Implementation Regulations and the 2024 Negative List, foreign investors shall not make investments in prohibited industries as specified in the Negative List, while foreign investments must satisfy certain conditions stipulated in the Negative List for investment in restricted industries. Industries not listed in the Negative List are deemed "permitted" for foreign investments. All businesses of the Group do not involve areas prohibited or restricted from foreign investment as stipulated in the 2024 Negative List.

On December 30, 2019, the Ministry of Commerce of the PRC (the "MOFCOM") and the State Administration for Market Regulation (the "SAMR") promulgated the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》) which came into effect on January 1, 2020. Where foreign investors carry out investment activities directly or indirectly within the PRC, foreign investors or foreign-invested companies shall report investment information to commerce departments.

According to the Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》) (effective from January 18, 2021), promulgated by the NDRC and the MOFCOM on December 19, 2020, foreign investors or relevant parties in China must submit a security review application to the office of the working mechanism before making the following investments: (i) investing in fields related to national defense security, such as military industry and military industry support, as well as investing in areas surrounding military facilities and military industry facilities; and (ii) investing in important agricultural products, important energy and resources, major equipment manufacturing, important infrastructure, important transportation services, important cultural products and services, important information technology and internet products and services, important financial services, key technologies, and other important fields that involve national security, and acquiring control over the target enterprise.

LAWS AND REGULATIONS RELATING TO PRODUCT QUALITY

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》, the "Product Quality Law"), which was promulgated by the SCNPC on February 22, 1993 and implemented since September 1, 1993, and last amended on December 29, 2018, engaging in product manufacturing and sales activities within the territory of the PRC shall comply with the Product Quality Law. Manufacturers shall be responsible for the quality of the products they produce and sell. Quality of products shall meet the following requirements: (i) the products shall be free from any unreasonable threats to personal or property safety, and shall conform to national standards or industrial standards for ensuring human health and personal or property safety if there are such standards; (ii) the products shall have the functions they should have, except where there are description about the functional defects; and (iii) the products shall meet the standards specified on the products or their packages and the quality condition specified by way of product instructions or samples. In case of violation of the Product Quality Law, the market regulatory authorities have the right to order the producers and sellers to stop production and sales, confiscate the products which are illegally produced or sold and impose fines. In case of serious violations, the business license of the producer or seller will be revoked, and if the violation constitutes an offense, the violating producer or seller is obliged to hold criminal responsibility in.

Pursuant to the Civil Code of the PRC (《中華人民共和國民法典》), which was promulgated by the NPC on May 28, 2020 and came into effect on January 1, 2021, in the event of damages caused to others due to the defects in a product, the infringed party may seek compensation from the producer or the seller of such product and shall have the right to request the producer and the seller to assume tortious liability, such as cessation of infringement, removal of obstruction, and elimination of danger.

LAWS AND REGULATIONS RELATING TO IMPORT AND EXPORT OF GOODS

Import and Export Management

According to the Regulations of the PRC on the Administration of 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 December 10, 2001 and came into effect on January 1, 2002, and last amended on March 10, 2024 and came into effect on May 1, 2024, the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994 and came into effect on July 1, 1994, and last amended on December 30, 2022 and came into effect on the same date, the Customs Law of the PRC (《中華人民共和國海關法》) promulgated by the SCNPC on January 22, 1987 and came into effect on July 1, 1987, and last amended on April 29, 2021 and came into effect on the same date, and the Administrative Provisions of the Customs of the PRC on Record-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 of the PRC on

November 19, 2021 and came into effect on January 1, 2022, foreign trade business operators engaging in the import or export of goods or technology must go through the record filing and registration formalities with the MOFCOM or the agency entrusted by the MOFCOM.

According to the Notice on Matters Concerning the Registration of Consignors and Consignees of Import and Export Goods (《關於進出口貨物收發貨人備案有關事宜的通知》) issued by the Enterprise Management and Audit Department of the General Administration of Customs on January 3, 2023, entities applying for registration as consignors or consignees of import and export goods must obtain market entity qualification but are no longer required to obtain foreign trade operator registration.

Unless otherwise provided, the declaration for imported or exported goods and the payment of duties may be made by the consignees or consignors themselves, or by entrusted customs brokers. Customs declaration entities refer to consignees or consignors of imported or exported goods or customs brokers that have filed for record with customs. Customs declaration entities may conduct customs declaration business within the customs territory of the PRC.

Import and Export Commodity Inspection

According to the Law of the PRC on Import and Export Commodity Inspection (《中華人民共和國進出口商品檢驗法》) promulgated by the SCNPC on February 21, 1989 and implemented since August 1, 1989, and last amended on April 29, 2021 and came into effect on the same date, and the Regulations for the Implementation of the Law of the PRC on Import and Export Commodity Inspection (《中華人民共和國進出口商品檢驗法實施條例》) promulgated by the State Council on August 31, 2005 and implemented since December 1, 2005, and last amended on March 29, 2022 and implemented since May 1, 2022, the General Administration of Customs shall be responsible for inspection of commodities in the PRC. The entry-exit inspection and quarantine authorities shall conduct inspection on the import and export of commodities listed in the catalog and on the import and export of other commodities that shall be subject to the inspection by the entry-exit inspection authorities as prescribed by laws and administrative regulations. For the imported and exported commodities other than those that are subject to inspection by the entry-exit inspection and quarantine authorities as mentioned above, the entry-exit inspection and quarantine authorities shall conduct random inspection in accordance with state regulations. Imported commodities subject to inspection may not be sold or used if they have not been inspected. Exported commodities subject to inspection may not be exported if they have not been inspected or fail to pass the inspection.

LAWS AND REGULATIONS RELATING TO ANTI-MONOPOLY AND ANTI-UNFAIR COMPETITION

Anti-Monopoly

According to the Anti-Monopoly Law of the PRC (《中華人民共和國反壟斷法》) (the "Anti-Monopoly Law") promulgated by the SCNPC on August 30, 2007 and implemented since August 1, 2008, and last amended on June 24, 2022 and implemented since August 1, 2022, the Anti-Monopoly Law applies to the monopolistic practices in domestic economic activities in the PRC as well as the monopolistic practices outside the PRC which have exclusion or restriction effects on domestic market competitions. The monopolistic practices under the Anti-Monopoly Law include any monopoly agreement reached by any operators, abuse of market-dominating position by any operators and any concentration of operators which has eliminated or limited or may eliminate or limit the market competition. The anti-monopoly law enforcement agency of the State Council is responsible for enforcement of the Anti-Monopoly Law in accordance with the provisions thereof. The anti-monopoly law

enforcement authorities of the State Council may, depending on the needs of their work, authorize the corresponding authorities of the people's governments of provinces, autonomous regions, and municipalities to be responsible for enforcement of the Anti-Monopoly Law. Operators who violate the provisions of the Anti-Monopoly Law shall be ordered by the anti-monopoly law enforcement authority to stop the illegal act and may be imposed a fine.

Anti-Unfair Competition Law

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) (the "Anti-Unfair Competition Law") promulgated by the SCNPC on September 2, 1993 and implemented since December 1, 1993, and last amended on April 23, 2019 and came into effect on the same date, operators shall comply with the principle of voluntariness, equality, fairness, integrity and abide by laws and business ethics in market transactions. Under the Anti-Unfair Competition Law, unfair competition refers to disruption to market competition or order by an operator in violation of the provisions under the Anti-Unfair Competition Law in the production and operating activities, which cause damage to the legitimate rights and interests of other operators or consumers. Operators who violate the Anti-Unfair Competition Law shall bear corresponding civil, administrative and criminal responsibilities depending on the specific circumstances.

LAWS AND REGULATIONS RELATING TO TAXATION

Income Tax

According to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) (the "EIT Law") promulgated by the SCNPC on March 16, 2007 and implemented since January 1, 2008, and last amended on December 29, 2018 and implemented since the same date, and the Implementation Rules of the EIT Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on December 6, 2007 and came into effect on January 1, 2008, and last amended on December 6, 2024 and implemented since January 20, 2025, a resident enterprise means an enterprise established within the PRC in accordance with the laws, or established in accordance with any laws of foreign country or region but with an actual management entity within the PRC. A resident enterprise is subject to an EIT of 25% for any income generated within or outside the PRC. A preferential EIT rate is applicable to any key industry and project which is supported and encouraged by the State. Key high-tech enterprises which are supported by the State may enjoy a reduced EIT rate of 15%.

In December 2020, the MOF, the STA, the NDRC and the MIIT jointly issued the Announcement on Enterprise Income Tax Policies for Promoting the High-Quality Development of the Integrated Circuit Industry and the 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》). According to the aforementioned announcement, key integrated circuit design enterprises and software enterprises encouraged by the state shall be exempt from enterprise income tax from the first to the fifth year starting from the year in which they begin to make profits, and shall pay enterprise income tax at a reduced rate of 10% in the subsequent years.

Value-Added Tax

On December 25, 2024, the SCNPC promulgated the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》), which came into effect on January 1, 2026. Upon its entry into force, the Interim Regulations on Value-Added Tax of the People's Republic of China was abolished. The Implementation Regulations of the Value-Added Tax Law of the People's Republic of China (《中華人民共和國增值稅法實施條例》) was adopted at the 75th executive meeting of the State Council on December 19, 2025, is hereby promulgated, and shall come

into force on January 1, 2026, which functions as a supporting administrative regulation designed to elaborate and operationalize the practical implementation rules of the Value-Added Tax Law of the PRC. With the VAT reforms in the PRC, the rate of VAT has been changed several times. The MOF and the STA issued the Notice of on Adjusting VAT Rates (Cai Shui [2018] No. 32) (《關於調整增值税税率的通知》(財税[2018]32號)) on April 4, 2018 to adjust the tax rates of 17% and 11% applicable to any taxpayer's VAT taxable sale or import of goods to 16% and 10%, respectively, and this adjustment became effect on May 1, 2018. Further, under 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》), jointly issued by the MOF, STA and the General Administration of Customs on March 20, 2019 and effective April 1, 2019, the 16% and 10% rates were further adjusted to 13% and 9%, respectively.

Dividend Distribution

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》) promulgated by the SCNPC on September 10, 1980 and implemented since the same date, and last amended on August 31, 2018 and implemented since January 1, 2019, and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》) promulgated by the SCNPC on January 28, 1994 and implemented since the same date, and last amended on December 18, 2018 and implemented since January 1, 2019, dividends distributed by PRC enterprises are subject to individual income tax levied at a uniform rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty. Meanwhile, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於上市公司股息紅利差別化個人所得税政策有關問題的通知》) issued by the Ministry of Finance, the State Administration of Taxation and the CSRC on September 7, 2015 and came into effect on September 8, 2015, where an individual holds the shares of a listed company obtained from the public offering for more than one year and transfers the stock of the listed company on the stock market, the dividend and bonus income shall be temporarily exempted from individual income tax. Where an individual acquires shares of a listed company from the public offering and transfers the stock of the listed company on the stock market, if the holding period is within one month (inclusive), the dividend income shall be included in the taxable income in full; if the holding period is more than one month but less than one year (inclusive), the dividend income shall be included in the taxable income at the rate of 50%; the aforesaid income shall be subject to individual income tax at a uniform rate of 20%.

According to the EIT Law and the Regulation on the Implementation of the EIT Law of the PRC since January 1, 2008, an enterprise income tax rate of 10% shall normally be applicable to dividends declared to non-PRC resident investors which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC, unless the jurisdiction in which such non-PRC resident investors are incorporated has a tax treaty with the PRC that provides for a preferential withholding arrangement. According to the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by the PRC Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《國家税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税有關問題的通知》) issued by the State Administration of Taxation on November 6, 2008 and implemented on the same date, a PRC resident enterprise is required to withhold enterprise income tax at a uniform rate of 10% on dividends paid to non-PRC resident enterprise holders of H Shares since 2008.

According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《國家稅務總局關於<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》) (the "Fifth Protocol"), issued by The State Administration of Taxation and came into effect on December 6, 2019 provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

According to the Regulations of the People's Republic of China on Foreign Exchange Administration (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996 and implemented since April 1, 1996, and last amended on August 5, 2008 and implemented since the same date, payments of current account items, such as profit distributions, interest payments and trade and service-related foreign exchange transactions, subject to certain procedural requirements, can be carried out in foreign currency without prior approval from the SAFE. On the contrary, approval from or registration with relevant government authorities is required where RMB is to be converted into foreign currencies and remitted out of China to pay capital items such as direct investment, repayment of foreign currency loans, repatriation of investments and securities investment outside China. According to the Circular on Issues Concerning the Administration of Foreign Exchange Involved in Overseas Listing (《關於境外上市外匯管理有關問題的通知》) promulgated on December 26, 2014 by the SAFE and implemented since the same date, a domestic company shall, within 15 working days after the completion of its overseas listing and issuance, register the overseas listing with the local branch of the State Administration of Foreign Exchange of the place where it is incorporated. The funds raised by domestic companies through overseas listing may be repatriated to China or deposited overseas, provided that the use of funds shall be consistent with those as set out in the public disclosure documents such as the prospectus or corporate bond issuance prospectus, circulars to shareholders and resolutions of the board of directors or shareholders' meeting.

LAWS AND REGULATIONS RELATING TO LABOR AND SOCIAL INSURANCE

Labor Regulations

According to the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) promulgated by the SCNPC on July 5,1994, and came into effect on January 1, 1995 and last amended on December 29, 2018 and implemented since the same date, the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007, and implemented since January 1, 2008, and last amended on December 28, 2012 and implemented since July 1, 2013, and the Implementation Regulations of the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council on September 18, 2008 and implemented since the same date, labor contracts shall be entered into in writing if employment relationships are to be established between employers and employees. Employers shall truthfully inform the employees of the work duties, working conditions, occupational hazards, labor remuneration and any other information that employees request

to know. Employers shall pay labor remuneration to the employees in full and in a timely manner in accordance with the provisions of the employment contracts and relevant laws and regulations, and the wages of the employees may not be lower than the local standards on minimum wages.

Social Insurance

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》) promulgated by the SCNPC on October 28, 2010, and came into effect on July 1, 2011 and last amended on December 29, 2018, and implemented since same date, the Provision Regulations for The Collection And Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council on January 22, 1999 and implemented since the same date, and last amended on March 24, 2019 and implemented since the same date, Trial Measures on Maternity Insurance of employees (《企業職工生育保險試行辦法》) promulgated by the Ministry of Labor (now being the Ministry of Human Resources and Social Security) on December 14, 1994 and implemented since January 1, 1995, the Regulation on Work-related Injury Insurance (《工傷保險條例》) promulgated by the State Council on April 27, 2003 and implemented since January 1, 2004, last amended on December 20, 2010 and implemented since January 1, 2011, enterprises are required to register for social insurance at the local social insurance department and provide social insurance for their employees. Where an enterprise fails to pay social insurance premiums, the collection agency of the social insurance premiums has the power to order the breaching enterprise to pay or make up the amount within a prescribed time limit, and those that fail to pay within the time limit will be subject to administrative penalties such as fines. Pursuant to Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases promulgated and regulated by the Supreme People's Court on July 31, 2025 and became effective on September 1, 2025, where the employer and the employee agree, or the employee promises the employer that there is no need to pay social insurance, the people's court shall determine that such agreement or promise is invalid.

Housing Provident Fund

According to the Administrative Regulations on the Housing Provident Fund (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999 and implemented since the same date, and last amended on March 24, 2019 and implemented since the same date, enterprises are required to complete the registration of contribution to the housing provident fund with the housing fund management center, and the procedures for opening or transfer of the housing provident fund accounts for their employees. Enterprises shall make contribution to the housing provident fund in a timely manner. Where an enterprise fails to pay or underpays the housing provident fund, the housing provident fund management center has the power to order the breaching enterprise to make the payment within a prescribed time limit. If the contribution to the housing provident fund has not been made after the expiration of the time limit, an application may be made to a people's court for mandatory enforcement.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

Patent

The Patent Law of the People's Republic of China (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984, most recently amended on October 17, 2020 and effective on June 1, 2021, and its implementation rules (《中華人民共和國專利法實施細則》), which were promulgated by the State Council on June 15, 2001 and most recently amended by the State Council on December 11, 2023 and effective on January 20, 2024, provide for three types of patents: "invention," "utility model" and "design," "Invention" refers

to any new technical solution in relation to a product, or a process or improvement thereof; "utility model" refers to any new technical solution relating to the shape, structure, or their combination, of a product, which is suitable for practical use; "design" refers to a new design that is aesthetic and suitable for industrial application for the overall or partial shape, pattern or its combination of products, as well as the combination of color, shape and pattern. The validity period of patent for an "invention" is 20 years, while the validity period of patent for a "utility model" is 10 years and that of a "design" is 15 years, from the date of application.

Trademark

Registered trademarks are protected under the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated on August 23, 1982 and most recently amended on April 23, 2019, and the Implementation Rules of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) last amended by the State Council on April 29, 2014 and came into effect on May 1, 2014. Where registration is sought for a trademark that is identical or similar to another trademark which has already been registered or given preliminary examination and approval for use in the same or similar category of commodities or services, the application for registration of this trademark may be rejected. Trademark registrations are effective for 10 years which may be renewed for consecutive 10-year periods upon request by the trademark owner, unless otherwise revoked.

Copyright

According to the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), last amended by the SCNPC on November 11, 2020, and effective as of June 1, 2021, works of Chinese citizens, legal persons, or unincorporated organizations-defined as intellectual achievements in the fields of literature, art, and science that are original and can be expressed in a certain form, whether published or not-are entitled to copyright protection in accordance with the law. Copyright encompasses a series of personal and property rights, including but not limited to the right of publication, the right of authorship, the right of modification, the right to protect the integrity of the work, and the right of reproduction.

Pursuant to the Measures for the Computer Software Copyright Registration (《計算機軟件著作權登記辦法》), promulgated by the National Copyright Administration on February 20, 2002, and the Regulations on the Protection of Computer Software (《計算機軟件保護條例》), amended by the State Council on January 30, 2013, and effective as of March 1, 2013, the National Copyright Administration is the competent governmental authority responsible for the nationwide administration of software copyright registration. The China Copyright Protection Center is designated as the software registration authority, which shall issue registration certificates to computer software copyright applicants in accordance with the Measures for the Computer Software Copyright Registration and the Regulations on the Protection of Computer Software.

Domain Name

Pursuant to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》), promulgated by the Ministry of Industry and Information Technology (the "MIIT") on August 24, 2017 and effective on November 1, 2017, the MIIT supervises and administers domain services nationwide. The principle of "first come, first serve" is followed for the domain name registration service. Applicants of domain name registration shall provide the domain name registration authority with true, accurate and complete information about the identity of the domain name holder for registration purpose, and sign a registration agreement with it. After completing the domain name registration, the applicant becomes the holder of the domain name registered by him/her/it.

Layout design of an integrated circuit

Pursuant to the Regulations for the Protection of the Layout Design of Integrated Circuits (《集成電路佈圖設計保護條例》) issued by the State Council on April 2, 2001 and implemented on October 1, 2001, and the Detailed Implementation Rules for the Regulations for the Protection of the Layout Design of Integrated Circuits (《集成電路佈圖設計保護條例實施細則》) promulgated by the State Intellectual Property Office on September 18, 2001 and implemented on October 1, 2001, the State Intellectual Property Office is responsible for the administration of exclusive rights in layout-designs and handles the registration of layout-designs, accepting applications for such registration.

Layout design of an integrated circuit refers to a three-dimensional configuration in an integrated circuit which has two or more components, with at least one of these being an active component, and part or all of the interconnected circuitry or the three-dimensional configuration prepared for the production of integrated circuits. The protection period of the proprietary rights in a layout design is ten (10) years, commencing from the date of the application for registration of the layout design or the date that it is put into commercial use anywhere in the world, whichever is earlier. However, regardless of whether or not a layout design is registered, or whether or not it is put into commercial use, it shall no longer be protected by these Regulations after fifteen (15) years from the time of its creation.

LAWS AND REGULATIONS RELATING TO NETWORK SECURITY AND DATA SECURITY

Pursuant to the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) promulgated by SCNPC on November 7, 2016 and implemented since June 1, 2017, no individual or entity is allowed to engage in any activities endangering cyber security, including hacking into others' networks, interference with the normal functions of others' networks and theft of cyber data; or provide any programs or tools specifically used for activities endangering cyber security, including hacking, interference with the normal functions and protective measures of a network, and theft of cyber data; it is impermissible for any individual or entity to provide any assistance such as technical support, advertising and promotion, or payment and settlement to any person who, having been brought to such individual or entity's knowledge, engages in activities endangering cyber security. Network operators are required to take technical and any other necessary measures to ensure the security of personal data they collect, and prevent information leaks, damage or loss. In the event that leakage, damage or loss of personal data occurs or is likely to occur, such network operators are required to take remedial measures immediately, and inform users in a timely manner as required and report to relevant competent authorities.

Pursuant to the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) promulgated by SCNPC on June 10, 2021 and implemented since September 1, 2021, the State established a data classification and hierarchical protection system to conduct classified and hierarchical protection based on the importance of data in economic and social development, as well as the degree of harm to national security, public interest or the legitimate rights and interests of individuals and entities once such data is tampered with, destroyed, leaked or illegally obtained and used. Relevant authorities are coordinated under the national data security coordination mechanism (國家數據安全工作協調機制) to compile a catalog of important data to strengthen the protection of important data. The State established a data security review system to conduct national security reviews for data processing activities that affect or may affect national security.

Pursuant to Measures on Cybersecurity Review (《網絡安全審查辦法》) jointly announced by the Cyberspace Administration of China and several regulatory authorities in China on April 13, 2020 and implemented since June 1, 2020, last amended on December 28, 2021 and implemented since February 15, 2022, the Cybersecurity Review Office (網絡安全審查辦公室) is established under the Cyberspace Administration of China, and responsible

for formulating cybersecurity review systems and standards and organizing cybersecurity reviews. Critical information infrastructure operators who purchase network products and services and network platform operators who engage in data processing activities that affect or may affect national security are subject to cybersecurity review by the Cybersecurity Review Office. Network platform operators with personal information of more than one million users must file applications to the Cybersecurity Review Office for cybersecurity review before listing overseas. If the member units under the cybersecurity review working mechanism opine that any network products and services and data processing activities affect or potentially affect national security, the Cybersecurity Review Office has the duty to conduct a review in accordance with relevant requirements after reporting to the Central Cyberspace Affairs Commission for approval in compliance with the procedure.

LAWS AND REGULATIONS RELATING TO SECURITIES AND OVERSEAS LISTING

Securities Laws and Regulations

Pursuant to the Securities Law of the People's Republic of China (《中華人民共和國證券法》) (the "Securities Law") promulgated by SCNPC on December 29, 1998 and implemented since July 1, 1999, last amended on December 28, 2019 and implemented since March 1, 2020, trading activities in securities market in China are comprehensively regulated, including the issuance and trading of securities, takeovers by listed companies, the duties and responsibilities of stock exchanges, securities companies and securities regulatory authorities. The Securities Law further regulates that the issuance of securities overseas directly or indirectly by domestic companies or having their securities listed overseas are required to comply with relevant regulations of the State Council, with detailed implementation measures to be issued by the State Council separately. The China Securities Regulatory Commission (the "CSRC") is the securities regulatory body set up by the State Council to supervise and administer the securities market pursuant to the laws and regulations, to maintain market order, and to ensure lawful market operations. Currently, the issuance and trading of H shares are principally regulated by the laws and regulations promulgated by the State Council and the CSRC.

Overseas Securities Offering and Listings

On February 17, 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 Administrative Measures"), which took effect on March 31, 2023 — on the same date, the CSRC also released supporting documents (collectively called the Guidance Rules and Notice), including Supporting Guidance Rules No. 1 through No. 5, notes on the Trial Administrative Measures, a notice on overseas listing filing arrangements, and answers to reporter questions. Under these rules, domestic companies (whether conducting overseas securities offerings/listings directly or indirectly) must file with the CSRC within three working days after submitting an initial public offering or listing application. Non-compliance — such as failing to complete filings, concealing material facts, or falsifying filing documents — may result in administrative penalties (including rectification orders, warnings, and fines) for the company, as well as its controlling shareholders, actual controllers, and directly responsible personnel.

Confidentiality and Archives Administration

Pursuant to the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offering and Listing by Domestic Companies (《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》) jointly issued by the CSRC, MOF, the National Administration of State Secrets Protection and the National Archives Administration on February 24, 2023 and implemented since March 31, 2023, a domestic company that provides or publicly discloses, either directly or through its

overseas listed entities, any documents and materials involving state secrets or work secrets of government agencies to entities such as relevant securities companies, securities service providers or overseas regulators, and individuals shall obtain approval from competent authorities with approval authority in accordance with law, and file with the secrecy administrative department at the same level. The working papers prepared within China by the securities companies and securities service providers that provide corresponding services for overseas offering and listing of domestic companies are required to be kept within China. Cross border transfer shall go through the approval procedures in accordance with relevant regulations of China.

U.S. LAWS AND REGULATIONS

Laws and Regulations relating to U.S. Export Controls and 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 EAR part 744) 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: specified activities or transactions with transaction parties that are Footnote 5 designated entities or entities located at "facilities" where the "production" of "advanced-node integrated circuits" occurs that is in 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.

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(k)(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.

U.S. Outbound Investment Rule

On October 28, 2024, the Office of Investment Security of the Treasury published a final rule that implements Executive Order 14105 (the "Outbound Investment Order" or the "OIR") establishing new regulatory controls on certain technology-related investments by U.S. persons in or related to the People's Republic of China, Hong Kong and Macau. The OIR, "Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern" (August 9, 2023), applies to U.S. persons engaging in a "covered transaction" involving a "covered foreign person" that engages in certain "covered activities." Depending on the nature of the "covered activity," a covered transaction may be prohibited (prohibited transactions) or require notification to Treasury (notifiable transactions). Although the OIR is not generally regarded as a conventional economic sanctions law, the restrictions on investment activities by U.S. persons have similar effects to certain sanctions measures.

Covered activity encompasses activities referred to in the definition of "prohibited transactions" and "notifiable transactions" and includes research, development, or manufacturing involving "covered national security technologies and products," which are sensitive technologies and products in the semiconductors and microelectronics, quantum information technologies, and AI sectors that have military, intelligence, surveillance, or cyber-enabled capabilities.

Generally, activities and technology that are deemed to present the most acute national security concerns are prohibited, while other designated activities are subject to notification requirements.

The OIR also defines "excepted transactions" which are excluded from the scope of "covered transactions" and provides a mechanism for the Secretary of Treasury to exempt certain covered transactions from the rule on a case-by-case basis.

Labor Laws and Employment Laws

Our U.S. operations are conducted through a Delaware corporation with its principal office in California, employees across multiple states and business transactions nationwide. The employment of individuals in the United States is governed by federal, state and sometimes local laws. Federal laws set the minimum legal standard for employee rights; state and local laws may set different standards. Most employees in the United States are hired "at-will," meaning that their employment can be terminated at any time, with or without notice or cause. At-will employment can be modified by an employment agreement between an employee and employer, but in no event may an employee be terminated for an illegal reason (such as discrimination or harassment), nor may an employee be terminated or retaliated against for engaging in a legally protected activity. Individual verification of eligibility to work in the United States is required.

Intellectual Property Law

The United States has both federal and state laws that govern intellectual property rights. Some intellectual property rights are governed exclusively by federal law, while others are governed by both federal and state laws.

Intellectual Property Rights Governed by Federal Law

Copyrights and patents are exclusively governed by Federal Law.

- *Copyrights.* A copyright is a set of exclusive rights owned by the creator of an original work that is fixed in tangible form. A copyright (i) covers expressions, not ideas; (ii) cannot be purely functional; and (iii) must be an original work. U.S. copyright law is governed by the Copyright Act of 1976, as amended, codified at 17 U.S.C. 101 et seq.

- *Patents.* A patent is a government grant providing the patent owner with the right to exclude others from manufacturing, using, or selling a claimed invention within the United States or practicing a claimed method within the United States. A patent is obtained by filing an application with an agency within the U.S. Department of Commerce, the Patent and Trademark Office ("USPTO"), claiming a useful, novel invention. The application must comply with various requirements set forth in the Patent Act as amended, codified at 35 U.S.C. § 1 et seq., and regulations established by the USPTO. A patent owner can bring an infringement action in a U.S. federal court or, where the importation of infringing goods is involved, before the International Trade Commission. A patent owner may be entitled to remedies against an infringing party including preliminary and permanent injunctions, direct damages (including lost profits or royalties), and, in exceptional cases, treble damages and attorneys' fees.

Intellectual Property Rights Governed by both Federal and State Law

Trademarks and service marks

A "mark" is the use of one or more words, symbols, or logos to identify and distinguish the mark owner's goods and/or services. A trademark is a mark used for goods; a service mark is a mark used in connection with providing services. U.S. trademarks and service marks generally must (i) be different from prior marks, (ii) not be generic, and (iii) not be descriptive. U.S. federal trademark law is governed by the Lanham Act, as amended, codified at 15 U.S.C. § 1051 et seq. The USPTO is responsible for examining trademark and service mark applications and either granting or rejecting applications to register marks. Once granted, a trademark or service mark provides its owner with nationwide exclusivity within one or more particular fields of use.

State law is an alternative basis for trademark and service mark rights, either under specific state laws or under common law. States generally provide common law rights in trademarks and service marks upon their first use in commerce, without requiring registration. Some states have registries for trademarks and service marks. The rights inherent in such marks are limited to the state where they are used.

The owner of a trademark generally has a cause of action for infringement against a defendant who uses a mark that is likely to cause confusion in the relevant marketplace about the source of goods or services, or is likely to cause consumers to falsely infer some association or affiliation between the trademark owner and the defendant. A plaintiff may be entitled to preliminary and permanent injunctions (including destruction of infringing articles), actual monetary damages, accounting of the defendant's profits, and in some cases, attorneys' fees.

Trade secrets

A trade secret is information that (i) has independent economic value from being generally unknown to the public and (ii) is the subject of reasonable efforts under the circumstances to maintain its secrecy. Trade secrets are governed by both federal and state law. The Defend Trade Secrets Act, as amended, codified at 18 U.S.C. § 1836, et seq. ("DTSA"), is the federal trade secret law. Enacted in 2016, the DTSA applies only to trade secrets used in interstate or foreign commerce. The DTSA provides specific remedies for trade secret misappropriation, including ex parte seizure (seizure without the presence or notification of the other party) in specific and generally rare instances. The DTSA is similar to the Uniform Trade Secret Act ("UTSA"), a model set of laws enacted by almost all fifty states within the U.S. A trade secret owner may often have a choice in enforcing its trade secret rights under the DTSA or a relevant state's version of the UTSA.

LAWS AND REGULATIONS RELATING TO OUR GROUP'S BUSINESS AND OPERATION IN TAIWAN, CHINA

Foreign Investment

Under the existing Taiwan laws and regulations governing foreign investment, foreign investors (other than PRC persons) who are not Taiwan individual or entities and wish to make (i) direct investment in the shares of Taiwan private companies or (ii) investment in 10% or more of the equity interest of an Taiwan company listed on the Taiwan Stock Exchange ("**TWSE**") or the Taipei Exchange (formerly known as GreTai Securities Market, the "**TPEx**") in any single transaction and PRC investors who wish to make (i) direct investment in the shares of Taiwan private companies or (ii) investments, individually or aggregately, in 10% or more (or other threshold required by the regulators) of the equity interest of an Taiwan company listed on the TWSE or the TPEx in certain industries on the positive list are required to submit Foreign Investment Approval ("**FIA**") application to the Department of Investment Review of the Ministry of Economic Affairs (the "**MOEA**") (formerly the Investment Commission of the Ministry of Economic Affairs) or other government authorities. The Department of Investment Review of the MOEA or such other government authorities reviews each FIA application and approve or disapprove it after consultation with other government agencies. Under the current law, any non-Taiwan individual or entity possessing an FIA may remit capital for the approved investment and is entitled to repatriate annual net profits, interest and cash dividends attributable to such investment. Stock dividends, investment capital and capital gains attributable to such investment may be repatriated after approvals of the Department of Investment Review of the MOEA or other government authorities have been obtained.

Prohibited and Restricted Industries

In addition to the general restriction against direct investment by a non-Taiwan individual or entity in shares of Taiwan companies, a non-Taiwan individual or entity is currently prohibited from investing in certain industries in Taiwan pursuant to the Negative List as amended from time to time. The prohibition on foreign investment in the prohibited industries specified in the Negative List is absolute and provides no exemption from its application. Pursuant to the Negative List, certain other industries are restricted, and a non-Taiwan individual or entity (except in certain limited cases) may invest in such industries only up to a specific amount and with the specific approval of the relevant competent authorities responsible for enforcing the relevant legislation the Negative List is intended to implement.

On the other hand, in addition to the general restriction against direct investment by PRC investors in securities of Taiwan companies, PRC investors may only invest in certain industries in the Positive List. In addition, PRC investors who wish to be elected as a Taiwan company's director or supervisor shall also submit an investment approval application to the Department of Investment Review of the MOEA or other government authority for approval.

Currently the Company operates a subsidiary Integrated Circuit Solution Inc. (矽成積體電路股份有限公司, the "**Taiwan Subsidiary**") in Taiwan. In 2023, 2024, 2025 and the three months ended March 31, 2026, revenue contributed by the Taiwan Subsidiary accounted for 4.5%, 3.8%, 4.8% and 3.8% of the Group's net external revenue, respectively. The Company's investment in the Taiwan Subsidiary was approved by the Taiwan Department of Investment Review of the Ministry of Economic Affairs on November 24, 2015, in connection with the Company's acquisition of Integrated Silicon Solution (Beijing), Inc.. Pursuant to the said DIR approval, the Taiwan Subsidiary is permitted to engage in (i) wholesale of electronic materials (limited to business code 4642 — wholesale of electronic equipment and components under the Taiwan Standard Industrial Classification) and (ii) retail sale of electronic materials (limited to business codes 4831 — retail sale of computers, peripheral equipment and software, 4832 — retail sale of communication equipment, and 4833 — retail sale of audio and video equipment under the Taiwan Standard Industrial Classification). The Taiwan Subsidiary's business operations in Taiwan must comply with the "List of Industries for Mainland Area Investors in Taiwan (大陸地區人民來台投資業別項目)" as promulgated by the MOEA, as amended from time to time. Any amendment or expansion of the approved business scope is subject to prior approval by the Taiwan Department of Investment Review of the Ministry of Economic Affairs in accordance with applicable regulations.

Pursuant to the said DIR approval, the Taiwan Subsidiary is required to comply with the following conditions: (i) it shall not engage in any research and development activities or technology development, and (ii) it shall not conduct any talent-poaching activities. In addition, within six months after the end of each fiscal year, the Taiwan Subsidiary must engage an independent certified public accountant to issue a special-purpose audit report on its actual business activities, to be filed with the Industrial Development Bureau, MOEA for record. Failure to comply with the foregoing requirements may result in the revocation or termination of the DIR approval and the cancellation of the rights granted thereunder.

Under the Regulations Governing Investment in Taiwan by People of the Mainland Area (大陸地區人民來台投資許可辦法), the Taiwan Subsidiary is deemed a PRC-invested company as the aggregate shareholding or capital contribution of PRC investors in the Taiwan Subsidiary exceeds one-third of its total issued shares or paid-in capital. Any reinvestment by the Taiwan Subsidiary must be carried out in accordance with Article 5 of the said Regulations and be subject to case-by-case approval by the Taiwan Department of Investment Review of the Ministry of Economic Affairs upon submission of a detailed reinvestment plan. In addition, if the Taiwan Subsidiary intends to invest in securities in Taiwan, such investment shall be conducted in compliance with the relevant provisions of the Regulations Governing Securities Investment and Futures Trading in Taiwan by Mainland Area Investors (大陸地區投資人來台從事證券投資及期貨交易管理辦法).

Forms of Business Organization

(a) Principal forms of business organization

The principal forms of business organization used by foreign entities investing or conducting business in Taiwan include companies incorporated in Taiwan (i.e., subsidiaries), branch offices of foreign-incorporated companies, and representative offices. Foreign entities may also conduct business through other types of business relationships with local entities, such as joint ventures, licensing, distributorships, or agency relationships.

(b) Comparison of subsidiary and branch

From a Taiwan law perspective (including the Company Act (公司法), the Income Tax Act (所得税法), and associated rulings issued by the Ministry of Finance (财政部)), the main differences between a subsidiary and a branch are: (i) a branch is not subject to the 21% withholding tax on earning to be repatriated to its head office and is not subject to 5% undistributed earning tax, (ii) a branch has fewer administration matters to be attended to and bears lower maintenance costs, and yet (iii) a branch is viewed as the same legal entity as its head office and thus could not separate from the liabilities of its head office. A branch in general has lighter Taiwan tax burden than a subsidiary. For item (ii), a branch is not required to have a board of directors and meetings of the board and the shareholders, which are necessary for a subsidiary. As to item (iii), since a branch is not considered an independent legal person but a part of its foreign parent company, the liabilities of a branch theoretically will be extended to its foreign parent company if the assets of the branch in Taiwan is not sufficient to pay off such liabilities. In the case of a subsidiary which has its independent legal identity, unless the foreign parent company of the subsidiary would be jointly responsible with the subsidiary by laws or contracts, the liabilities of the subsidiary shall not extend to the foreign parent company.

Tax

(a) Business Tax

Business Tax is a form of VAT which is levied on the value of goods and services. According to the Value-added and Non-value-added Business Tax Act (加值型及非加值型營業税法), the current VAT is 5% on businesses generally. With very few exceptions, VAT is applied on the sale of most kinds of goods and services by a profits-seeking entity ("**PSE**") and is levied upon the purchaser. The VAT rate is 0% on the export of goods and services. VAT of 5% is applied on the import of goods and services and is paid by the importer.

(b) Income Tax

Under the Income Tax Act (所得税法), PSE income tax applies to any type of PSE regardless of the form of business, including a company, branch and job site office of foreign legal entities (although no PSE registration is available for a job site office) but with the exception of partnerships and sole proprietorships. A PSE established offshore is subject to income tax only on Taiwan-sourced income. A branch of an offshore PSE is subject to income tax not only on Taiwan-sourced income but also offshore income booked by the branch.

(c) Withholding Tax

According to the Income Tax Act (所得税法) and the Standards of Withholding Rates for Various Incomes (各類所得扣繳率標準), the responsible person or accountant in charge of an entity (including government agencies) must withhold tax from certain payments. All payments of interest, and royalties to the foreign entity are subject to withholding tax at 20% and payments of dividends to the foreign entity are subject to withholding tax at 21% unless there is an applicable tax treaty that offers preferential withholding rates.

Exchange Control

Exchange controls in Taiwan are governed by the Foreign Exchange Control Act (管理外匯條例), which is administered by the CBC. The Regulations Governing the Declaration of Foreign Exchange Receipts, Disbursements or Transactions (外匯收支或交易申報辦法) requires each foreign exchange remittance exceeding NT$500,000 to be declared to the CBC through the bank. Current regulations favor trade-related foreign exchange transactions. Consequently, foreign currency earned from exports of merchandise and

services may now be retained and used freely by exporters, and all foreign currency needed for the importation of merchandise and services may be purchased freely from the designed foreign exchange banks. Trade aside, companies incorporated in Taiwan and resident individuals may, without CBC's prior foreign exchange approval, remit outside Taiwan foreign currency of up to US$100,000,000 (or its equivalent) and US$10,000,000 (or its equivalent), respectively, in each calendar year. In addition, Taiwan companies and resident individuals may, without foreign exchange approval, remit into Taiwan foreign currency of up to US$100,000,000 (or its equivalent) and US$10,000,000 (or its equivalent), respectively, in each calendar year. Notwithstanding the above, CBC may, depending on the economic and financial situation and the need to maintain the order of the foreign exchange market, require that certain conversions exceeding a certain amount per year should be subject to the foreign exchange approval from the CBC.

In general, the CBC's prior foreign exchange approval is necessary in any of the following circumstances:

(a) Essential remittances by a Taiwan company or a firm whose annual aggregate settlement amount of foreign exchange purchased or sold has exceeded US$100,000,000 (or its equivalent); or essential remittances by a Taiwan association or a resident individual whose annual aggregate settlement amount of foreign exchange purchased or sold has exceeded US$10,000,000 (or its equivalent).

(b) A single remittance exceeding NT$500,000 (or its equivalent) by a natural person under 18-year-old, bearing a ID Card, a relevant Taiwan Area Resident Certificate, or an Alien Resident Certificate with a validity of more than one year.

(c) The following remittances where a single remittance by a non-resident exceeds US$100,000 (or its equivalent) in foreign exchange purchased or sold:

    (i) Revenue from contract construction within Taiwan;

    (ii) Deposits of guarantees and arbitration fees for pending legal disputes within Taiwan;

    (iii) Payment related to legally or approved by the competent authorities acquiring real estate for self-use within Taiwan;

    (iv) Inheritance, insurance benefits, and pensions legally acquired within Taiwan.

(d) Other essential remittances.

Employment

In Taiwan, the Labor Standards Act (勞動基準法) ("**LSA**") is the fundamental law which sets up the minimum requirements and standards of employment terms and conditions, such as working hours, overtime pay, leaves and benefits, severance pay, etc. There is a requirement of minimum wage as determined by the Ministry of Labor (勞動部) ("**MOL**"). As of August 31, 2025, the minimum wage is NT$28,590 per month, or NT$190 per hour. Employers must pay into the following social insurances for their employees (i) the labor pension plan (under either the LSA (the Old Pension Plan) or the Labor Pension Act (勞工退休金條例) (the New Pension Plan, described in more details below); (ii) national health insurance (under the National Health Insurance Act (全民健康保險法)); (iii) employment insurance (mainly for unemployment subsidy) (under the Employment Insurance Act (就業保險法)); and (iv) labor insurance (under the Labor Insurance Act (勞工保險條例)).

There are two separate statutory pension plans now operating in Taiwan – the Old Pension Plan and the New Pension Plan. The New Pension Plan is the scheme created under the Labor Pension Act, which became effective on July 1, 2005, and applies to employees hired after July 1, 2005. Employees hired before July 1, 2005 can either elect to remain in the Old Pension Plan (a scheme under the LSA) or switch to the New Pension Plan.

Whereas the Old Pension Plan was based on centralized pension accounts, the New Pension Plan creates individual retirement accounts ("**IRA**") and is a defined contribution program: employers contribute at least 6% of employees' monthly salary to an IRA for each employee, and such IRAs go with employees when they transfer from one employer to another. Employees become eligible for benefits under their IRA upon retirement after reaching age of 60. When an employee covered by the New Pension Plan changes employment, the amount contributed by the previous employer remains in place under the same IRA. Consequently, the employment transfer has no effect on the pension fund already accrued under the New Pension Plan.

Moreover, Taiwan is protective of employees (no at-will employment). Employers cannot unilaterally terminate an employment agreement unless they can clearly prove certain statutory requirements as set forth in the LSA. In most situations, the employer is required to pay statutory severance payment to the employee upon termination.

All employees in Taiwan, including expatriates, are covered by the LSA except those who work in industries or occupations specifically excluded by the MOL. A manager is covered by the LSA except that he/she is an appointed/mandate manager, who meets the three elements as established by the courts: (i) signed an appointment or mandate agreement (instead of an employment agreement); (ii) been appointed by the company's board of directors to assume a manager's position under Company Act (公司法), or (iii) been registered as responsible person/manager in the company's corporate registration form filed with the MOEA. If one of the three elements above cannot be established, it might still be possible, but difficult, to establish that an individual is an appointed manager by proving that he or she has high authority and autonomy when performing his or her duties.

Privacy Laws

The Personal Data Protection Act (個人資料保護法) ("**PDPA**") applies to all natural persons, business and non-business entities and the government agencies. Personal data can only be collected, processed, and used when (i) the data collector has specific purpose(s) to do so; (ii) at least one of the statutorily specified circumstances (e.g., there is a contractual relationship between the parties) exists; (iii) the data collecting agency provides adequate notice to the data subject. The personal data collected must be processed and/or used within the scope of purposes identified upon collection.

Fair Trade Law

The Fair Trade Law (公平交易法) ("**FTL**") targets restrictive business practices and unfair trade practices. With respect to business practices, the scope of the FTL's regulations govern the anti-competitive aspects of monopolies, mergers, concerted actions such as business cartels, and resale price maintenance. For unfair trade practices, the FTL seeks to prevent misleading advertising and labeling, misappropriation of trade secrets, copying of trade dress, and other anti-competitive practices in the field of intellectual property law. When it comes to prohibition of abuse of dominance, the FTL regulates companies with monopolistic positions in markets, and the prohibited activities include, for instance, preventing other players from competing by unfair means, improper pricing, preferential treatment to trading counterpart without justification, and other abusive conducts.

Intellectual Property

Intellectual property is accorded protection through laws relating to patents, trademarks, copyrights, and trade secrets.

Patents

Under the Patent Act (專利法), protection has been given to inventions, new utility models and new designs, but it is only available to holders of patent registrations in Taiwan. Therefore, a foreign patent itself provides no protection under Taiwan law. However, the right of priority will be recognized with any country that offers reciprocity to the rights of patents filed in Taiwan.

(i) Inventions: An invention is defined under the Patent Act as "any creation of technical concepts by utilizing the rules of nature."

(ii) Utility models: The Patent Act defines a utility model as "any creation of technical concepts by utilizing the rules of nature, in respect of the form, construction or combination of articles." An application for a utility model can be made unless one of the above listed circumstances for an invention patent exists.

(iii) Design patent: Under the Patent Act, a design is defined as "any creation made in respect of the shape, pattern, color, or combination thereof, of an article as a whole or in part by visual appeal."

Trademark

Based on the Trademark Act (商標法), a trademark is a sign recognized by ordinary consumers and capable of distinguishing the mark owner's goods from those of another. A trademark may consist of any word, device, symbol, color, sound, three-dimensional shape, motions, holograms, sounds, or any combination thereof. The mark must be distinctive, and it may not be so similar to another mark as to be confusing or misleading to the public (including unregistered well-known foreign trademarks).

Once accepted, a mark is published in the Trademark Gazette. An opposition may be filed within three (3) months upon the publishment. A registered mark is protected for ten (10) years from the date of registration. However, a registered mark is subject to cancelation by the trademark authority, ex officio, or upon the application of an interested party, if the mark has not been used for at least three years. An application for renewal of a trademark registration for another 10-year period must be filed up to six months before or six months after expiry of the registration.

Under the current Trademark Act, there is no need to obtain prior approval of a trademark license from the authority. However, trademark licenses must be recorded with the trademark authority. Failure to record a trademark license will result in the inability of the parties to the trademark license to raise a defense against third parties.

Copyright

Under the Copyright Act (著作權法), the concept "work made for hire" comprises two types of work: a work by an employee for an employer and a work by a contractor or other persons at the request of and paid for by another. Unless otherwise agreed, an employee who completes a work within the scope of employment shall own the moral right to such work while the employer shall own the economic rights. Registration of works is no longer necessary to obtain copyright protection. Copyright protection is provided automatically upon the completion of work, but any challenge to its validity must be determined by the courts.

The term of a copyright begins from the date of completion and exists for the life of the author plus fifty (50) years. In the case of joint works, the term of the copyright is the life of the last surviving author plus fifty (50) years. If the author is a juristic person, the copyright is valid for fifty (50) years from the time of public release.

Trade secret

Trade secrets in Taiwan are primarily governed by the Trade Secrets Act (營業秘密法) ("**TSA**"). Trade secrets, regardless of its form, that may be used in the course of business and that is not known to persons generally involved in the information of this type, have economic value, and is subject to reasonable confidentiality measures is protected as a trade secret under the TSA.

Under the TSA, trade secrets developed by an employee within the scope of employment belong to the employer, unless otherwise agreed in contact. Trade secrets developed by an employee outside the scope of employment belong to the employee, except where the development involves the employer's resources or experience, in which case the employer may use such trade secrets in its business upon paying reasonably compensation. Trade secrets developed by commissions or similar contracts, ownership is determined by contract. In the absence of contractual provisions, ownership rests with the commissioned party, provided that the commissioning party may use such trade secrets in its business.

Environment

According to the Environmental Impact Assessment Act (環境影響評估法), before engaging in development activities which may cause adverse impact on the environment, the enterprise shall conduct an environmental impact assessment and submit the environmental impact assessment statement (the "**Statement**") and environmental impact assessment report (the "**Report**") to competent authority for approval. If the competent authority deems that the development activity could cause material impact on the environment, it may request the enterprise to conduct a phase II assessment. No permission of the development activity shall be issued if the relevant Statement and/or Report is not approved. The enterprise shall also follow the content and conclusion of the Statement and Report while conducting the development activity. The competent authority may monitor and investigate such activities from time to time.

Operations of an enterprise (e.g., companies, factories, mines and quarries, substitute wastewater treatment enterprises, livestock enterprises and other enterprises designated by the central competent authority) shall also be subject to environmental laws such as Water Pollution Control Act (水污染防治法), the Air Pollution Control Act (空氣污染防治法), the Noise Control Act (噪音管制法), and Waste Disposal Act (廢棄物清理法). These laws and relevant regulations establish different standards in respect of water and waste discharge, air emissions, noise, etc., according to specially designated industry categories. An enterprise shall comply with the standards and requirements prescribed in relevant laws and regulations; otherwise, central or local government may impose a fine for violation.

Investment in Chinese Mainland

The Act Governing Relations between the People of the Taiwan Area and the Mainland Area (台灣地區與大陸地區人民關係條例) ("**Relations Act**") covers a broad spectrum of cross-Taiwan Strait matters, including documentation, verification, employment, inheritance, communications, advertisements, business activities, and civil and criminal procedures.

On November 7, 2002, Taiwan lifted several restrictions on Taiwanese trade with and investments in Chinese Mainland. In 2002, the Taiwan government also removed its prohibition of direct investments in Chinese Mainland. Prior to 2002, permissible investments in or technical cooperation with parties in Chinese Mainland had to be indirect, i.e., via a third country or territory, with the exception of investments not exceeding US$1 million.

The Relations Act authorized the MOEA to promulgate the Regulations Governing Permission of Investment or Technical Cooperation with Chinese Mainland (在大陸地區從事投資或技術合作許可辦法), and the Reviewing Principles of Investment or Technical Cooperation with Chinese Mainland (在大陸地區從事投資或技術合作審查原則) (collectively, "**Chinese Mainland Investment Regulations**"). Among other things, the Chinese Mainland Investment Regulations set forth a list of items in which Taiwanese or legal persons may or may not invest or cooperate with Chinese Mainland ("**Investment List**"). Currently, the Investment List is divided into two (2) categories: general items (一般類) and prohibited items (禁止類). "Prohibited items" are those items for which Taiwanese investment or technical cooperation is prohibited because of reasons linked to (i) international conventions, (ii) national security, (iii) major infrastructure projects, and (iv) industrial developments (such as core technologies and essential components). Items not identified as prohibited are "general items" for which investment is permitted with prior approval by the Taiwan Department of Investment Review of the MOEA.

The Investment Regulations prescribe that, except for limited exceptions (e.g., purchase of listed shares in Chinese Mainland), any Taiwanese, juridical person, organization, or other entity ("**Taiwan Investor**") desiring to invest or engage in technical cooperation in Chinese Mainland must first apply to the Taiwan Department of Investment Review (except in the event that the investment is made to a certain enterprise in the Chinese Mainland with an aggregate amount of less than US$1 million, in such situation only a post-investment filing (within six (6) months after the investment) with the Taiwan Department of Investment Review for record is required). As to the maximum aggregate investment quota, the Chinese Mainland Investment Regulations establish the following:

(i) The maximum aggregate investment quota in Chinese Mainland by any Taiwanese individual: US$5 million per year;

(ii) By a small and medium-sized enterprise: either (A) 60% of its net value or consolidated net value or (B) NT$80 million, whichever is higher;

(iii) By other enterprises: 60% of its net value or consolidated net value, whichever is higher.

The abovementioned maximum aggregate investment amount or investment cap does not apply to (i) an enterprise that obtains a "Operational Headquarter Recognition Letter" (企業營運總部認定函) issued by the Industrial Development Administration, MOEA (經濟部產業發展署), or (ii) a Taiwan subsidiary of a multi-national corporation (跨國企業) ("**MNC**"). MNC referenced herein means an enterprise (i) whose worldwide revenues in the previous year reaches US$100 million, (ii) has subsidiaries or branches in two or more countries, (iii) the parent company/head office exercises effective control and decision-making over those subsidiaries or branches to engage in cross-border production and operation, and (iv) the parent company/head office is located outside of Taiwan.

The above Chinese Mainland Investment Regulations generally apply to Taiwan companies investing in or cooperating with companies or other entities in the Chinese Mainland. Currently, the Taiwan Subsidiary has no plan to make any investment in Chinese Mainland. Accordingly, the impact of the Chinese Mainland Investment Regulations on the Group's business and operations in Taiwan is relatively limited.

Dividend Distribution

Except under limited circumstances, a Taiwan company will not be permitted to distribute dividends or make other distributions to shareholders in any given year for which it did not record net income or retained earnings (excluding reserves). The Taiwan Company Act also requires that 10% of annual net income (less prior years' losses, if any, and applicable income taxes) be set aside as a legal reserve until the accumulated legal reserve equals the paid-in capital of each Taiwan company.

OVERVIEW

The history of the Company began in July 2005, when it was founded in Beijing and commenced its exploration into the semiconductor industry. In May 2011, the A Shares of the Company were listed on the ChiNext of the Shenzhen Stock Exchange under the stock code 300223.

Over the years, the Group has evolved into a leading IC provider with a product portfolio spanning across memory, computing, and analog ICs. The Group aspires to shape the future of the industry. Leveraging industry trends and proprietary technologies, the Group delivers memory ICs, computing ICs, and analog ICs. The Group's products are widely adopted in automotive electronics, industrial and medical, AIoT, and security.

MILESTONES

The following sets out the summary of the Company's key business development milestones:

Year	Milestone
2005	The Company was established and headquartered in Beijing.
2006	The Company released its first IC, JZ4730, which marks its entry into the fingerprint recognition market.
2007	The Company received the "Integrated Circuit Design Enterprise Recognition Certificate" (集成電路設計企業認定證書) issued by the then Ministry of Information Industry of the PRC (中華人民共和國信息產業部).
2010	The Company was awarded "Leading Design Enterprise Award for the 'China Chips' Decade (2001-2010)" ("十年中國芯"(2001-2010)領軍設計企業獎) by the Software and Integrated Circuit Promotion Center (軟件與集成電路促進中心) of the MIIT.
2011	The A Shares of the Company were listed on the ChiNext of the Shenzhen Stock Exchange (stock code: 300223).
2015	The Company launched X1000, the first of its X series ICs, which marks its entry into the IoT market. The Company released T10, the first of its IP-Cam ICs, which marks its entry into the security market.
2018	The Company received "China Semiconductor Innovative Product and Technology Award" (中國半導體創新產品和技術獎) by China Semiconductor Industry Association (中國半導體行業協會).
2020	The Company completed the acquisition of 100% equity interest of Beijing ISSI, acquiring memory and analog product lines and successfully entering the automotive, industrial and medical markets.
2022	The annual sales volume of the Company surpassed 800 million units. The Company was awarded "17th China Chips Special Achievement Award" (第十七屆中國芯特別成就獎) by the China Center for Information Industry Development (中國電子信息產業發展研究院).

Year	Milestone
2023	The Company was awarded "Beijing Science and Technology Award — Science and Technology Progress Award" (北京市科學技術獎—科學技術進步獎).
2024	The Company commenced its deployment of 3D DRAM and AI-MCU.
2025	The first AI glasses featuring the Company's chips were launched.
	The annual sales volume of the Company's intelligent vision SoCs exceeds 100 million units.

MAJOR SUBSIDIARIES

The following sets out the principal business activities, place of establishment/incorporation and date of establishment/incorporation of the Company's subsidiaries that made a material contribution to the Group's results of operations during the Track Record Period.

Name of subsidiary	Place of establishment/ incorporation	Date of establishment/ incorporation	Equity interest attributable to the Company	Principal business activities
Hefei Ingenic	PRC	February 14, 2014	100%	Design, research and development, and sales of IC
Beijing ISSI	PRC	November 2, 2014	100%	Design, research and development, and sales of IC
ISSI	The U.S.	October 27, 1988	100%	Design, research and development, and sales of IC
Lumissil Xiamen	PRC	March 23, 2005	88.01%	Design, research and development, and sales of IC

MAJOR SHAREHOLDING CHANGES OF THE COMPANY

Early Development and Conversion into a Joint Stock Company

On July 15, 2005, the Company was established under the laws of the PRC as a limited liability company with an initial registered capital of RMB5,000,000 and was held as to 44% by Dr. Liu Qiang (an executive Director, chairman of the Board and general manager of the Company), 14% by Mr. Li Jie (a non-executive Director), 14% by Mr. Zhang Jin (an executive Director and deputy general manager of the Company), 14% by Mr. Xian Yonghui (an executive Director and deputy general manager of the Company) and 14% by Mr. Liu Jun (劉軍) (an Independent Third Party). Between 2005 and 2009, the Company underwent several rounds of capital increases and equity transfers, upon completion of which its registered capital increased to RMB6,950,000.

On December 24, 2009, the Company was converted into a joint stock company. Upon completion of the conversion, the Company had a total share capital of RMB60,000,000 divided into 60,000,000 Shares, which were held as to 30.15% by Dr. Liu Qiang, 20.00% by Mr. Li Jie, 17.99% by Infotech Venture Capital Co., Ltd. (盈富泰克創業投資有限公司) (an institutional investor), 7.68% by Mr. Zhang Jin, 7.68% by Mr. Xian Yonghui, 1.00% by Ms. Zhang Yanxiang (a non-executive Director), 1.00% by Ms. Zhang Min (a deputy general manager and Board secretary of the Company) and 14.50% by six other then Shareholders of the Company, each holding less than 5% of the then total issued share capital and an Independent Third Party.

Listing on the ChiNext of the Shenzhen Stock Exchange

In May 2011, the A Shares of the Company were listed on the ChiNext of the Shenzhen Stock Exchange (stock code: 300223) (the "**A-Share Listing**"). The Company offered a total of 20,000,000 A Shares under the A-Share Listing, representing 25% of the Company's enlarged share capital immediately following the completion of the A-Share Listing. Immediately upon the completion of the A-Share Listing, the share capital of the Company increased to RMB80,000,000.

Consideration Issue and Private Placement of A Shares in 2020

As approved by the Shareholders in September 2019 and April 2020 and the CSRC in December 2019, the Company (i) issued certain A Shares (the "**2020 A Share Issuance**") as the share consideration for the Group's acquisition of 59.99% of the equity interest in Beijing ISSI and the entire assets of Shanghai Chengyu Asset Management Partnership (Limited Partnership) (上海承裕資產管理合夥企業(有限合夥), "**Shanghai Chengyu**"), the then owner of the remaining 40.01% of the equity interest in Beijing ISSI (collectively, the "**ISSI Acquisition**"); and (ii) conducted a private placement of its A Shares (the "**2020 A Share Placement**") to raise funds for the payment of the cash consideration for the ISSI Acquisition and the investment in the IC research and development projects of Beijing ISSI.

Pursuant to the 2020 A Share Issuance, a total of 248,650,730 A Shares were issued to eight then shareholders of Beijing ISSI and three then partners of Shanghai Chengyu, each an Independent Third Party, as the share consideration of approximately RMB5,584.7 million for the ISSI Acquisition. Pursuant to the 2020 A Share Placement, a total of 18,181,818 A Shares were issued and allotted to (i) Sihai Junxin, a company controlled by Dr. Liu Qiang, and (ii) three other investors who are Independent Third Parties. The 2020 A Share Placement raised net proceeds of approximately RMB1,483.2 million. Following the completion of the 2020 A Share Issuance and the 2020 A Share Placement, the Company's total issued share capital increased to RMB468,977,393.

Private Placement of A Shares in 2021

As approved by the Shareholders in May 2021 and the CSRC in August 2021, the Company conducted a private placement of its A Shares to raise funds for the research and development and industrialization projects of the Group's ICs and the supplementation of the Group's working capital (the "**2021 A Share Placement**"). Pursuant to the 2021 A Share Placement, a total of 12,592,518 A Shares were issued in the placement to (i) Shaoxing Weihao, an entity controlled by Mr. Yu Renrong (a former Director) and (ii) two other investors who are Independent Third Parties. The 2021 A Share Placement raised net proceeds of approximately RMB1,280.7 million. Following the completion of the 2021 A Share Placement, the Company's total issued share capital increased to RMB481,569,911.

ACTING-IN-CONCERT AGREEMENT

In order to maintain stability in the Group's management and operations, Dr. Liu Qiang and Mr. Li Jie entered into the Acting-in-Concert Agreement on December 1, 2009, which was subsequently renewed and/or amended on July 8, 2014 and December 14, 2016, pursuant to which, Dr. Liu Qiang and Mr. Li Jie have agreed, among other things, to act in concert when voting at general meetings of the Company and meetings of the Board. The current term of the Acting-in-Concert Agreement shall remain in effect until December 31, 2028. Unless both parties mutually agree not to renew the Acting-in-Concert Agreement, its term shall be automatically renewed for successive periods of 36 months.

MATERIAL ACQUISITION, MERGER AND DISPOSAL

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

LISTING ON THE CHINEXT OF THE SHENZHEN STOCK EXCHANGE AND REASONS FOR THE H SHARE LISTING

Since May 2011, the A Shares of the Company have been listed on the ChiNext of the Shenzhen Stock Exchange. The Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, there had been no instances of material non-compliance of the Company with the applicable rules of the Shenzhen Stock Exchange and other applicable PRC securities laws and regulations. To the best knowledge of the Directors, there are no material matters in relation to the compliance record of the Company on the Shenzhen Stock Exchange that should be brought to the attention of the Stock Exchange or potential investors of the Global Offering. The PRC Legal Advisor is of the view that, during the Track Record Period and up to the Latest Practicable Date, the Company had not been subject to any administrative penalties imposed by the PRC securities regulatory authorities and the Company had therefore complied with the relevant laws and regulations on the A-Share Listing in all material respects. Based on the independent due diligence conducted by the Sole Sponsor and the PRC Legal Advisor's view above, no material matter has come to the Sole Sponsor's attention that would cause them to disagree with the Directors' confirmation with regard to the compliance records of the Company on the Shenzhen Stock Exchange.

The Company seeks to list its H Shares on the Stock Exchange to raise additional capital for business growth and expansion, diversify its fundraising channels, deepen its strategic layout of globalization, and optimize its capital structure and shareholder composition to support sustainable development and governance. See "Business — Our Strategies" and "Future Plans and Use of Proceeds" in this prospectus for more details.

PUBLIC FLOAT AND FREE FLOAT

Pursuant to Rules 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules, as the Company has A Shares in issue apart from the H Shares for which the Listing is sought, the H Shares for which the Listing is sought that are held by the public, at the time of the Listing, must (a) represent at least 10% of the Company's total number of issued Shares (excluding treasury shares); or (b) have an expected market value of not less than HK$3 billion.

The total number of the H Shares to be issued pursuant to the Global Offering represents approximately 6.08% of the total issued share capital of the Company (assuming the Over-allotment Option is not exercised and no additional Shares are issued pursuant to the 2024 Restricted Share Incentive Plan). It is expected that upon Listing (assuming the Over-allotment Option is not exercised), based on an Offer Price of HK$102.80 per H Share, being the maximum Offer Price, the market value of the H Shares that are held by the public is approximately HK$3,216.3 million, which is higher than the prescribed market value of the H Shares required to be held by the public of HK$3 billion under Rule 19A.13A(2) of the Listing Rules, thereby satisfying Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules.

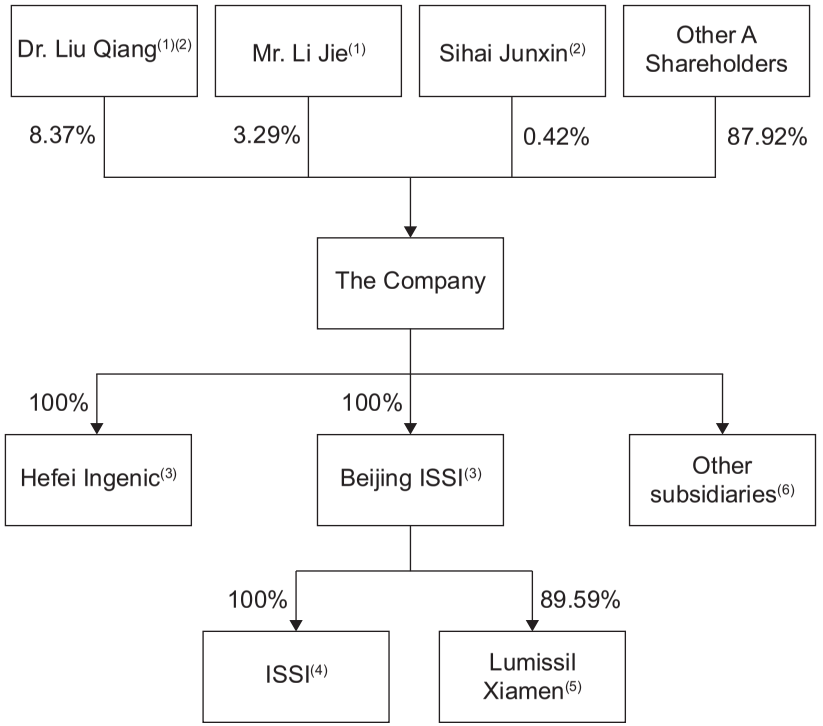
Based on an Offer Price of HK$102.80 per H Share, being the maximum Offer Price, the minimum prescribed public float percentage under Rule 19A.13A(2)(b) of the Listing Rules is approximately 5.67%, being the percentage derived by dividing HK$3,000,000,000 by the total market value of the Company's total issued Shares at the time of Listing, which is calculated based on (x) 514,951,667 Shares, representing the sum of (i) 31,287,300 H Shares to be issued immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised) and (ii) 483,664,367 A Shares in issue as of the Latest Practicable Date), multiplied by (y) the maximum Offer Price.

Based on an Offer Price of HK$102.80 per H Share, being the maximum Offer Price, the Company will satisfy the free float requirement under Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules.

CORPORATE STRUCTURE

Corporate Structure Immediately before the Global Offering

The following chart sets forth the shareholding and corporate structure of the Group immediately before the Global Offering:



Notes:

(1) Dr. Liu Qiang and Mr. Li Jie have entered into the Acting-in-Concert Agreement. See "— Acting-in-Concert Agreement" above for details.

(2) As of the Latest Practicable Date, Sihai Junxin was held as to approximately 66.67% by Qingdao Junpin Investment Partnership (Limited Partnership) (青島君品投資合夥企業(有限合夥), "**Qingdao Junpin**") and 33.33% by Beijing Zhongguancun Science City Technology Investment Partnership (Limited Partnership) (北京中關村科學城科技投資合夥企業(有限合夥)), an Independent Third Party. Qingdao Junpin was held as to 70% by Lhasa Junpin Enterprise Management Co., Ltd. (拉薩君品企業管理有限公司, formerly known as Lhasa Junpin Venture Capital Co., Ltd. (拉薩君品創業投資有限公司), "**Lhasa Junpin**") as its general partner, 15% by Mr. Zhang Jin as a limited partner and 15% by Mr. Xian Yonghui as a limited partner. Lhasa Junpin was wholly owned by Dr. Liu Qiang.

(3) As of the Latest Practicable Date, Beijing ISSI was held as to 62.33% by the Company and 37.67% by Shanghai Chengyu, which was in turn held as to 99.9973% by the Company as a limited partner and 0.0027% by Hefei Ingenic as the general partner. Hefei Ingenic was directly wholly owned by the Company. Accordingly, Beijing ISSI was wholly owned by the Company.

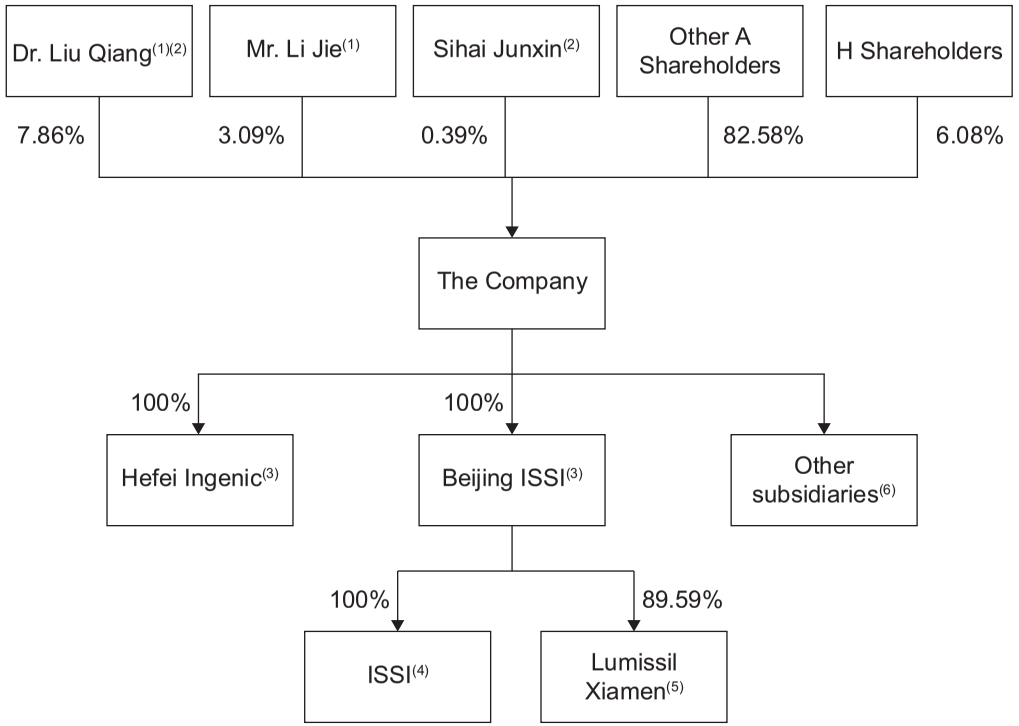
(4) As of the Latest Practicable Date, ISSI was indirectly wholly owned by Beijing ISSI through its wholly owned subsidiaries.

(5) As of the Latest Practicable Date, Lumissil Xiamen was directly held by Beijing ISSI as to approximately 61.90% and indirectly held by Beijing ISSI through its wholly-owned subsidiaries as to approximately 27.69%. The remaining equity interest in Lumissil Xiamen was held by eight employee shareholding platforms, each an Independent Third Party.

(6) Other subsidiaries include 22 subsidiaries established in various jurisdictions as of the Latest Practicable Date.

Corporate Structure Immediately after the Global Offering

The following chart sets forth the shareholding and corporate structure of the Group immediately after the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no additional Shares are issued pursuant to the 2024 Restricted Share Incentive Plan):



Notes:

(1)-(6) See "— Corporate Structure — Corporate Structure Immediately before the Global Offering" in this section.

OVERVIEW

Who We Are

We are an IC provider with a product portfolio spanning across memory, computing, and analog ICs. Our products are widely adopted in automotive electronics, industrial and medical applications, as well as the AIoT and intelligent security devices.

We operate a fabless model whereby we focus on R&D and design of ICs, while partnering with leading foundries and OSAT companies to ensure scalability. Through organic growth and strategic acquisitions, we have become a company with a comprehensive product portfolio. According to Frost & Sullivan, we hold leading positions in key markets worldwide, continuously enabling the advancement and innovation of automotive electronics, edge computing, and other technology frontiers. Specifically, in terms of revenue in 2025:

- **Niche DRAM**: Among DRAM products, we focus on niche DRAM, which is designed for applications with specific requirements for performance, reliability or operating environments, as opposed to mass-produced commodity DRAM. We ranked seventh globally, second among companies headquartered in Chinese Mainland.

- **SRAM**: We ranked second globally, first among companies headquartered in Chinese Mainland.

- **NOR Flash**: Our Flash memory IC product line includes NOR Flash and NAND Flash. NOR Flash is optimized for fast and reliable code execution. We ranked seventh globally, third among companies headquartered in Chinese Mainland.

- **IP-Cam SoC**: Our Intelligent Vision SoC product line primarily includes IP-Cam SoCs, Image Signal Processors ("**ISP**"), and Network Video Recorder ("**NVR**") SoCs, and IP-Cam SoC integrates ISP, video encoding, and other key functions to provide all-in-one computing power for network cameras. We ranked second globally among IP-Cam SoC providers.

Our Business Approach

We offer products that combine ICs, hardware, software, toolchains, and algorithms that serve a diverse array of applications. At the core of our business approach is a comprehensive product portfolio across three product lines: memory, computing, and analog ICs.

Memory. We offer a range of memory ICs, including DRAM, SRAM, and Flash, targeting automotive electronics, and industrial and medical. Our memory ICs meet stringent requirements for stability and endurance in demanding environments.

Computing. On the back of our long-term dedication to R&D, we have built extensive core computing technologies, including embedded CPU, video processing unit (VPU), image signal processing (ISP), neural network processing unit (NPU), and various other technologies to strengthen the AI functionality of the end products that incorporate our computing ICs. These competencies underpin our SoC product line, which is widely adopted in applications such as AIoT and security.

Analog. We offer LED driver ICs and other Combo ICs, primarily for automotive electronics, industrial, and home appliances.

Our Products

Memory IC

We focus on DRAM, SRAM, NOR Flash, and NAND Flash. Our memory ICs are offered in a wide range of capacities and bandwidths, meeting the stringent requirements such as (i) operational stability under extreme conditions, (ii) limited power consumption, and (iii) lifespan. As such, our memory ICs are widely applied in sectors including automotive electronics, and industrial and medical.

During the Track Record Period, our automotive electronic IC shipment volume exceeded 1.0 billion units.

Building on such success, we are also committed to developing emerging memory technologies, such as 3D DRAM.

Computing IC

We offer three product categories that incorporate our core computing technologies: Intelligent Vision SoCs, embedded MPUs, and AI-MCUs. These products are widely applied in edge computing scenarios, including AIoT, and security, as well as other embedded applications, such as QR/bar code recognition, display and control, and printers. Our Intelligent Vision SoC also supports 4K video encoding and computing acceleration.

Analog IC

We offer analog ICs, leveraging our automotive LED driver and lighting effects control capabilities. Our product portfolio includes linear drivers, DC-DC drivers, matrix drivers, power management ICs, ambient lighting drivers, and RGB drivers.

Our LED driver ICs are widely deployed in both exterior automotive lighting — including headlights, daytime running lights, turn signals, tail lights, brake lights, and reverse lights and interior applications such as ambient lighting and reading lights.

In addition, we integrate MCU, LED driver, sensing, and connectivity technologies to deliver Combo ICs, addressing the evolving needs of automotive electronics, industrial, and home appliances.

Our Market Opportunities

The development of AI technologies is leading to a wider adoption of automotive electronics and edge AI devices, which are among our key markets. This trend is expanding demand for our memory, computing and analog IC portfolios, creating clear product-level market opportunities.

Automotive Electronics

According to Frost & Sullivan, the automotive industry is rapidly evolving toward greater electrification, intelligence, and connectivity. These trends are changing the demand structure for automotive-grade ICs, creating strong tailwinds for the growth of our memory and analog ICs product lines.

The surge in data generated by automotive electronics is fueling memory IC upgrades in both capacity and bandwidth. Vehicles with L3 and above capability must process real-time inputs from LiDAR, multiple cameras, and other sensors, increasing the single-vehicle memory requirement from 8GB in traditional models to 200GB or more. These applications also require reliable operation across wide temperature ranges (-40°C to 125°C) and data retention for over 10 years. The adoption of centralized domain controller architectures is further boosting demand for high-speed memory ICs, such as LPDDR4 and automotive-grade NAND Flash. These dynamics expand design-in opportunities for our automotive-grade DRAM, SRAM, NOR Flash, and NAND Flash portfolios.

The demand for analog ICs is also increasing as vehicle electrification becomes more widespread. The rise of the cockpit drives the demand for LED driver ICs towards higher precision dimming (16-bit PWM), and multi-channel configurations (4-channel RGB+W). Automotive-grade interface ICs must support protocols such as ISO 15118 for fast charging and 10Mbps data rates, aligning with our automotive LED driver, interface, and power management IC offerings.

With over two decades of dedication to the automotive-grade IC sector, we have established a comprehensive quality management system and an extensive customer support network. Our products, engineered to stringent automotive-grade standards, are widely deployed in critical electrical and electronic systems including powertrain control, safety, driver information, cockpit entertainment, and lighting control. This capability supports higher win rates and lifecycle value for our automotive memory and analog IC products.

We hold a strong position in the automotive-grade DRAM, SRAM and NOR Flash markets. Our LPDDR4 products, with high bandwidth and low power, are particularly suitable for autonomous driving domain controllers, while our asynchronous SRAM is the preferred choice for LiDAR caching due to its speed. We are also developing automotive-grade 3D NAND Flash, addressing domestic demand in high-end automotive NAND products. In addition, we offer a rich portfolio of automotive-grade LED driver ICs with differentiated features, which provides us with competitive edge.

Edge AI

2025 marks the beginning of significant growth in the edge AI market. According to Frost & Sullivan, shipment volume of edge AI devices is expected to reach 1.9 billion units by 2030. As edge AI becomes increasingly adopted, the market for related integrated circuits is anticipated to expand. This creates incremental socket opportunities for our memory and computing (CPU+NPU).

Edge AI broadens the scope of AI applications, converting conventional devices into intelligent terminals endowed with autonomous decision-making capabilities, and further catalyzing the comprehensive evolution of core industries such as consumer electronics, industrial applications, automotive, and humanoid robotics into the AI domain. These developments are increasing the demand for edge AI components, including real-time, low-power, and reliable memory and analog ICs. Our products address these requirements by providing fast data access, efficient processing, precise signal management, and accurate sensing, which are critical for edge AI performance and map directly to our low-power memory and efficient computing portfolios.

The advancement of edge AI requires ICs that deliver high-performance memory, low power consumption, and exceptional reliability — capabilities that are closely aligned with our product roadmap and existing portfolios. We are actively bringing advanced DRAM and Flash products to market and making significant investments in 3D DRAM products to address the increasing bandwidth requirements of AI workloads, providing customers with secure and controllable options for edge AI memory.

By combining our strengths in CPU and neural network acceleration, we have created a unique NPU technology that integrates CPU and NPU for optimal efficiency. Our NPU is widely deployed in security, doorbell, and other edge AI applications. By integrating world-class automotive-grade memory ICs with proprietary edge computing ICs, our products address a broadening range of applications such as AIoT and automotive electronics.

Our computing ICs combine high performance and low power consumption, meeting the stringent requirements of AIoT devices such as security devices and wearables. With the rise of AIoT, intelligence, battery power, and wireless connectivity have become core requirements. The miniaturization and battery capacity of devices place extreme demands on IC power consumption. AI-powered devices that integrate analysis and detection, as well as decision support, for factors such as sound, vision, interaction, and environmental perception also necessitate ICs that offer maximum computing power at a given power-consumption level. Leveraging our proprietary NPU architecture, our ICs optimize power consumption while still providing ample computing power for AI computing, strengthening our competitiveness in edge AI device design.

In the field of robotics, the global robotics market is projected to expand at a CAGR of 10.5% from 2025 to 2030 according to Frost & Sullivan. China's "14th Five-Year" plan includes an objective to double manufacturing robot density by 2025. The embodiment of large AI models is driving the industry shift from "tools" to "intelligent agents," opening up new growth opportunities. Our ICs are widely applied in sweeping robots, industrial robots, service robots, and delivery robots. As the robotics sector evolves toward greater intelligence and scenario-specific applications, we are well-positioned to capture market share and establish a strategic advantage in the new era, expanding demand for our motor control/power analog ICs and low-power memory ICs.

3D DRAM

The rapid development of AI and continual upgrades in computing infrastructure are driving the expansion of AI applications. As computing workloads become more intensive and data-driven, there is a corresponding surge in demand for high-capacity and high-bandwidth memory ICs that can efficiently support these applications. 3D DRAM is a product to address the above requirements. This translates into a sizeable addressable market for our planned 3D DRAM products.

3D DRAM features higher memory capacity, bandwidth, and energy efficiency through the use of advanced three-dimensional integration and vertical interconnect technologies. These ICs can cater to the requirements of AI servers, data centers, and edge computing devices, where high bandwidth, large capacity, and low latency are essential. The application of 3D DRAM is expected to expand rapidly from servers to automotive electronics and AIoT, with the market poised for exponential growth. We primarily target design-ins in automotive domain controllers and edge accelerators.

To capture these emerging market trends, we commenced the development of 3D DRAM. Our 3D DRAM product addresses the memory requirements in AI applications, including capacity, bandwidth and power consumption, creating new product growth opportunities for our Group.

NAND Flash

The increasing adoption of intelligent features in vehicles is driving strong growth in demand for automotive-grade NAND Flash. According to Frost & Sullivan, vehicles featuring L2+ and above autonomous driving process massive volumes of data from LiDAR, multi-camera systems, and other sensors, with daily data per vehicle exceeding 1TB. This trend sets high requirements for read/write speeds of memory IC, endurance, and reliability under a wide range of temperature. These requirements align with our automotive-grade NAND roadmap.

According to Frost & Sullivan, in the automotive instrument clusters, demand for storing high-definition graphics and vehicle status data requires fast boot and reliable storage, which our eMMC/UFS and serial/parallel NAND address.

Industrial applications also contribute to the growth of NAND Flash. In industrial automation, PLC controllers, robotic arms, and other similar equipment require continuous operation in temperature environments ranging from -40°C to 85°C, handling frequent data writes — up to 100GB per day. These features require the support of memory ICs with 20,000-30,000 program/erase cycles in pSLC mode and strong resistance to electromagnetic interference, specifications that our pSLC-enabled NAND portfolio is designed to meet.

In the edge computing sector, industrial IoT sensor nodes and meters have high demand for lightweight storage with low power consumption and high vibration resistance. Separately, manufacturers are increasingly sourcing from Chinese Mainland-based suppliers. As a result, the market share of such suppliers is rising, supporting adoption of our low-power serial NAND products.

We have established a product portfolio to address these market requirements. In 2D NAND, we have built both serial and parallel NAND product lines, utilizing mature process nodes optimized for industrial and automotive applications. We are also advancing the development of high-bandwidth 8IO serial NAND Flash. In the 3D NAND segment, our eMMC and UFS products meet the needs of automotive cockpit and autonomous driving scenarios. Supported by a flexible supply chain, we are developing 3D NAND products to ensure long lifecycle support for customers, reinforcing our position as a core supplier of automotive electronics and industrial memory ICs.

OUR COMPETITIVE STRENGTHS

A provider across memory, computing, and analog ICs

We are an IC provider with a product portfolio spanning across memory, computing, and analog ICs. Leveraging industry trends and proprietary technologies, we deliver memory ICs optimized for AI workloads, computing ICs with on-chip acceleration and inference features, and analog ICs that enable intelligent sensing and power management. Our products are widely adopted in automotive electronics, industrial and medical, AIoT, and security. Our established market position provides first-mover advantages and strengthens customer trust, supporting faster design-ins, deeper collaboration, and sustained share gains.

We operate a fabless model whereby we focus on R&D and design of ICs, while partnering with leading foundries and OSAT companies to ensure scalability. Through organic growth and strategic acquisitions, we have become a company with a comprehensive product portfolio. According to Frost & Sullivan, we hold leading positions in key markets worldwide, continuously enabling the advancement and innovation of automotive electronics, edge computing, and other technology frontiers.

Wide array of core technologies developed in-house

Our market position is rooted in a clear understanding of industry needs and an unwavering commitment to in-house innovation. With deep expertise in IC design, we have established strong in-house R&D capabilities and a portfolio of proprietary technologies. This allows us to deliver comprehensive products across the entire value chain from architecture, IP, IC design, reference designs and software to mass production support. We have made notable advances in key technology fields such as low-power consumption design, high-performance memory, computing, and automotive lighting drivers, and have developed a versatile technology platform that can be leveraged across multiple applications.

Memory. We target high-performance and high-reliability products that meet stringent requirements across automotive electronics, and industrial and medical. Our on-chip error detecting and correcting technology applied in DRAM devices is capable of detecting two-bit and correcting single-bit errors — fully compliant with ISO 26262 functional safety standards. Unlike mainstream external architectures, our design allows cost efficiency, ease of deployment, and high integration. For NOR Flash, our proprietary design delivers high bandwidth and low power consumption. Our 128Mb NOR Flash outperforms industry peers in read/write and erase speeds, and features a robust built-in error detecting and correcting mechanism with data retention ability significantly higher than the industry standard.

Computing. As one of the few IC design houses in Chinese Mainland with proprietary CPU design capabilities, our self-developed embedded CPUs adopt innovative microarchitectures that deliver industry-leading performance in terms of frequency, power efficiency, and silicon area. As RISC-V CPU architecture becomes the de-facto industry standard, we have developed a series of CPU cores based on this architecture. These CPU cores are deployed in our various computing IC product lines.

In addition, we have also developed other core computing technologies. Our video processing technology supports most mainstream video formats, and is designed for high efficiency in terms of performance, area, and power consumption. By combining our strengths in CPU and neural network acceleration, we have created a unique neural network processing unit for optimal efficiency. Our neural network processing units balance computational efficiency and flexibility and deliver higher performance at the same power consumption, achieving advanced industry standards in energy efficiency. Our image signal processing technology supports advanced features including 2D/3D noise reduction, wide dynamic range, automatic anti-flicker, and noise modeling. We also have made breakthroughs in image signal processing by leveraging AI to enable adaptive noise reduction, wide dynamic range, and detail reconstruction and enhancement, further improving image quality.

Analog. We offer an analog IC portfolio featuring automotive lighting and effect control technologies. Our proprietary matrix lighting driver integrates optimization algorithms and anti-ghosting features, enabling flicker-free, low-noise, ghost-free, and low-power operation. These technologies support high-quality lighting performance for emerging applications. We remain committed to technological innovation and product excellence, continually optimizing performance and expanding application scenarios to meet growing demand for lighting products in multiple scenarios.

During the Track Record Period, we invested 15.1% of revenue in R&D, a testimony to our unwavering commitment to innovation and R&D. We also had a dedicated team of 822 engineers focusing on continuous core technology and product innovation as of March 31, 2026. As of the same date, we held 812 patents that underpin our long-term growth.

Product portfolio through core technology integration

We offer a broad portfolio of products across the memory, computing, and analog ICs incorporating our core technologies developed in-house. Our products are designed to address the specific requirements of, and widely adopted in various high-growth sectors including automotive electronics, industrial and medical, AIoT, and security.

To address the specific requirements of these markets, we design our ICs to offer high performance, low power consumption, reliability, and product longevity. In particular, we offer automotive-grade and industrial-grade ICs that have higher standards for reliability, consistency, and environmental compatibility compared to consumer electronics.

We integrate our core technologies directly into three major product lines:

Memory IC.

We apply our DRAM, SRAM, NOR Flash, and NAND Flash expertise to product designs through advanced memory cell and circuit architectures, low-power peripheral design, and robust reliability engineering. We integrate error detecting and correcting, wear and retention management, and process-variation tolerance to ensure data integrity and endurance across automotive, industrial, and medical conditions, while co-optimizing controllers and interfaces for deterministic latency and high bandwidth.

Computing IC.

We embed our self-developed CPU cores (XBurst/MIPS and Victory/RISC-V) as the system control and scheduling backbone, and tightly couple them with our proprietary NPU to deliver low-latency, low-power AI inference on device. These two technologies form the core of our computing ICs used in intelligent vision and edge applications. Our video and image processing technologies such as VPU/ISP blocks, complement this foundation by accelerating video and imaging pipelines and enabling rapid model deployment through our toolchain.

Analog IC.

We incorporate our analog technologies — precision analog design, power management, LED driver architectures, lighting control algorithms, and robust LIN/CAN interfaces — into products for automotive, industrial, and home appliances. By combining low-noise, high-accuracy mixed-signal blocks with high-efficiency power stages and secure, standards-compliant communications, we deliver reliable, highly integrated analog ICs tailored to system-level requirements.

As the AIoT market expands, devices increasingly require intelligence, wireless connectivity, and battery-powered operation. The miniaturization of products like AI glasses, battery-powered doorbells, and cameras places strict constraints on power consumption and physical size. At the same time, these devices must support advanced AI features — such as analysis, detection, and decision-making for sound, vision, interaction, and environmental sensing — which demand high computing power within limited power budgets.

Leveraging our proprietary NPU architecture, we deliver ICs that strike a balance between computing performance and energy efficiency. This enables our customers to develop intelligent, battery-powered devices with extended operating life and robust AI capabilities, giving us a distinct competitive edge in the evolving intelligent device landscape.

Our long-term collaborative relationship with top-tier customers testifies to the performance and quality of our product and our ability to address the pain points and needs from different sectors. Our ICs are applied in products of globally renowned Tier 1 companies across various sectors.

Robust supply chain and quality management systems

Underpinning our ability to fulfill demand for high-spec ICs is our mutually beneficial relationships with our supply chain partners. As of March 31, 2026, we worked closely with 18 quality foundry partners for IC fabrication, and 28 OSAT partners for IC packaging and testing. Furthermore, we have strategically developed both domestic and overseas supply chain systems to meet the demands of customers across the globe, ensuring supply chain resilience.

Our robust quality management system, certified to ISO 9001 and aligned with ISO 14001 environmental standards, is critical in fostering trust with downstream customers. For automotive electronics, we have established a supply chain management system in accordance with IATF 16949 requirements. Our dedicated laboratories and processes ensure that all automotive-grade ICs can pass AEC-Q100 qualification tests, with corresponding reports available to customers. Our quality management system standardizes internal operations and sets clear benchmarks for foundry and outsourcing partners, supporting consistent product quality that meets the technical demands of various industries.

International sales network with localized service

We have established a sales network, covering countries and regions, including China, North America, South America, Europe, Korea, Japan, and Southeast Asia. We maintain long-term, strategic partnerships with leading distributors and customers in key sectors. Our distribution partners are “primarily” prominent electronic component distributors.

Our products are sold to downstream customers in approximately 50 countries and regions, supported by a team of hundreds of local sales professionals with extensive industry experience, fully covering major countries and regions across Asia, the Americas, and Europe. This ensures both a broad customer base and strong localized service capability.

Leveraging our sales network and localized service, we optimize resource allocation and execute our business and market strategies. Our sales network provides localized service through a combination of in-region staff, authorized distributors and sales representatives, and traveling supporting teams. This enables us to capture industry trends and market shifts, continuously identify new opportunities, and expand our customer base.

International talents with cross-cultural collaboration

Our core management and technical team forms a solid foundation for the company. Our founder, Chairman, and CEO, Dr. Liu Qiang, holds advanced degrees from Tsinghua University and the Chinese Academy of Sciences, and is a pioneer in embedded CPU architecture in China. With visionary leadership, he spearheaded our transformation from a local design house into a critical supplier for automotive electronics and expanded our product lines across memory, computing, and analog through the acquisition of ISSI, among other efforts. Dr. Liu has been recognized as one of Beijing’s Top 100 Technology Leaders, and has driven our growth through a dual strategy of technology leadership and strategic M&A.

We have built an international IC design team, with members based in China, the United States, Israel, South Korea, Japan, and other countries, covering all major product lines including memory, computing and analog IC design. Through years of technical accumulation and talent development, we have formed a robust talent pipeline and continuously enhance team cohesion through equity incentives and other programs. We also encourage cross-border knowledge exchange, with key team members participating in international collaboration each year. Cross-cultural management mechanisms and multinational project teams foster innovation and drive our sustained growth.

OUR STRATEGIES

Enhancing technology and product portfolio

We aim to strengthen our technology and product roadmap across memory, computing, and analog product lines to ensure that our technical innovation, product development, and market expansion reinforce and complement each other.

- ***Technology Development.*** We are committed to building an independent and robust technology system centered on both memory and computing. In particular, we plan to (i) adopt a multi-core heterogeneous computing architecture, and achieve high computing power and low power consumption in compact physical area through "dedicated core + collaborative scheduling" approach, (ii) adopt the RISC-V architecture for our embedded CPUs to take advantage of its ecosystem, (iii) optimize the NPU architecture in conjunction with the development of AI algorithms, and customize the NPU's computing units according to different scenarios for a balance of computing power and power efficiency, (iv) optimize AI-ISP technology to enhance imaging effects in complex scenarios, and (v) focus our R&D efforts on 3D DRAM for high-capacity, high-bandwidth, and lower power consumption.

- ***Product Portfolio.*** We aim to optimize our product portfolio for AI applications across all our product lines. In particular, we plan to (i) introduce high-capacity, high-bandwidth memory ICs for autonomous driving, intelligent cockpit, and AIoT scenarios that can move and store more data per second, enabling smoother perception and decision-making than our existing memory offerings, (ii) upgrade and iterate our computing ICs for AIoT and security by increasing on-chip computing and improving power efficiency, so devices can run more complex models locally with faster response and longer battery life compared with our current products, (iii) launch eMMC and UFS products that provide faster app loading and data access and better reliability under automotive conditions, fully meeting the needs of autonomous driving and cockpit applications versus today's general-purpose storage, (iv) advance new memory ICs such as 3D DRAM, which stacks memory layers to deliver higher bandwidth and density in the same footprint, supporting larger AI workloads at the edge than our current 2D designs, and (v) focus on automotive-grade LED drivers and Combo ICs that offer higher integration, wider temperature tolerance, and stricter safety compliance, making them easier to adopt in automotive electronics, industrial, and home appliances compared with our existing consumer-grade parts.

- ***Market acceptance.*** We plan to leverage our established partnerships with automotive OEMs, Tier 1 suppliers, and AIoT device manufacturers to actively promote new products. We also plan to enhance cooperation with industry leaders and strengthen technical support to drive the adoption of AI-powered devices such as AI glasses, robotics, autonomous driving, and cameras.

Upgrading automotive IC and expanding product portfolio

We aim to upgrade automotive-grade memory ICs by adopting advanced DRAM process technologies for emerging products. We plan to expand our portfolio from DDR3/DDR4/LPDDR4 to LPDDR5. In parallel, we plan to invest in the development of 3D DRAM technology, leveraging hybrid bonding processes to enhance both bandwidth and power efficiency.

Building on our leadership in automotive-grade DRAM, SRAM, and NOR Flash, we plan to actively expand into new application scenarios such as ADAS and intelligent cockpits. In response to the accelerating trends of electrification, intelligence, and connectivity in the automotive sector, we plan to roll out additional product series, including 2D NAND and 3D NAND, and to enhance our analog offering with high-precision LED driver ICs, further strengthening our position as a comprehensive semiconductor products provider for emerging vehicles.

Reinforcing our sales network

In response to cyclical fluctuations in the semiconductor industry and new opportunities presented by AI, we are committed to further reinforcing our sales network. Our sales network provides localized service through a combination of in-region staff, authorized distributors and sales representatives, and traveling supporting teams. We tailor market strategies for different regions, focusing on scenario-driven promotion of automotive-grade memory and analog ICs in key automotive markets, while prioritizing the deployment of edge AI solutions in regions experiencing rapid growth in edge computing. We are also strengthening our technical service teams to deliver customized technical support and prompt response to key customers.

By adopting this strategy, we are able to better capture semiconductor market demand, facilitate the deep integration of AI technologies with our automotive and industrial businesses, and lay a solid foundation for our future growth.

Pursuing targeted investment and M&A along the value chain

To supplement our organic growth, we closely monitor market trends to identify merger and acquisition opportunities that offer technological synergy, market complementarity, and strategic resource alignment. We pursue both horizontal technology integration and vertical value chain extension, using targeted investments and acquisitions to access critical technologies and resources, and to build a more competitive technology and product ecosystem.

In practice, we prioritize targets with strong technology fit and resource synergy to fill technology gaps and accelerate R&D cycles, while ensuring supply chain resilience. We select targets that align with our core business and generate significant synergies. Through M&A, we rapidly acquire patents, talent, and market channels, progressively building a comprehensive ecosystem from IC design to application, and providing more competitive products for automotive and industrial markets to support long-term growth.

Strengthening talent resources

Talent is a cornerstone for our future sustainable growth. We focus on key areas such as memory, automotive-grade, and edge AI, closely linking our talent strategy with technology R&D and market expansion. By building a multi-regional, multi-layered talent network, we ensure strong intellectual support for technological breakthroughs and product advancement.

On one hand, we plan to expand our talent pool, recruiting world-class experts in memory architecture, AI algorithm optimization, and automotive-grade IC design, while deepening cooperation with research institutions to foster a technology exchange platform. On the other hand, we are committed to internal talent development, cultivating our core R&D team through key technical projects and equity incentive programs to drive innovation and maintain long-term stability. By adopting a "recruitment + local development" approach, we ensure the forward-looking nature of our technology roadmap and lay a solid foundation for sustainable growth, empowering us to achieve continuous breakthroughs and enhanced competitiveness in IC design and R&D.

OUR EVOLUTION

We began our journey in CPU design in 2005, continuously building deep expertise in computing IC technologies. In 2020, we expanded our portfolio through the acquisition of ISSI, adding memory and analog IC product lines. Today, we have established ourselves as a leading IC provider with comprehensive capabilities across memory, computing, and analog ICs, serving diverse markets and applications.

Our memory IC product line, under the ISSI brand, includes DRAM, SRAM, and Flash products tailored for automotive electronics, and industrial and medical.

Our computing IC product line, under the Ingenic brand, includes Intelligent Vision SoCs, embedded MPUs and AI-MCUs, which power a wide range of devices across AIoT and security.

Our analog IC product line, under the Lumissil brand, includes LED drivers and other Combo ICs for automotive electronics, industrial, and home appliances.

We have operated under a fabless business model since our inception, allowing us to concentrate on IC design and innovation, while partnering with quality foundries and OSAT partners to ensure scalability and high-quality products.

OUR PRODUCTS

Our product portfolio encompasses three major product lines: memory, computing, and analog. Through years of accumulation and innovation, we have developed memory ICs — including DRAM, SRAM, NOR Flash, and NAND Flash — primarily for automotive electronics, and industrial and medical, and computing ICs for AIoT and home security; and analog ICs, including LED driver ICs and Combo ICs, for automotive electronics, industrial, and home appliances. Our products comply with automotive-grade and industrial-grade standards, and are characterized by high quality, high reliability, low power consumption, and product longevity.

Memory IC

Our memory IC product line includes DRAM, SRAM, NOR Flash, and NAND Flash, which are designed to meet the stringent requirements of automotive electronics and industrial and medical. For automotive, these requirements include extended temperature and humidity grades, qualified reliability, long-term supply and lifecycle support, enhanced data retention and endurance, and low acceptable defect rate all supported by automotive-grade production, screening, and change-control processes. These products are engineered for high performance, reliability, and efficiency in challenging operating environments. Our memory IC products generally have a product life cycle of five to 20 years, commencing from the date of mass production. During this period, we upgrade and iterate the underlying process nodes while maintaining pin-to-pin compatibility, so as to secure long-term supply to our customers.

Computing IC

Our computing IC product line includes a series of high-performance and low-power SoCs based on our proprietary core computing technologies, such as CPU, VPU, NPU, ISP, and AI-ISP. These encompass three sub-product lines: Intelligent Vision SoCs, embedded MPUs, and AI-MCUs. Designed to deliver high performance and low-power consumption, these products address the evolving needs of a wide range of devices, primarily including security camera, doorbell, AR glasses, sweeping robot, QR/bar code recognition, and facial and fingerprint recognition. We are also in the process of adopting RISC-V as the predominant architecture for our computing ICs, fully leveraging its openness and flexibility to further enhance our technological competitiveness. Our computing IC products generally have a product life cycle of five to 15 years.

Analog IC

We design analog ICs for the automotive electronics, industrial, and home appliances in lighting, touch, sound, power, and control applications. We also offer multi-function Combo ICs that combine MCU, LED drivers, power management, and communication interfaces (e.g., CAN or LIN) into a single chip. Our analog IC products generally have a product life cycle of five to 20 years.

The table below sets forth our revenue by product line during the years/periods indicated.

	Years ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	(in RMB thousands, except for percentages)						*(unaudited)*			
Memory IC										
DRAM	1,590,161	35.1%	1,328,242	31.5%	1,414,456	29.8%	338,247	31.9%	522,348	33.5%
Flash	868,836	19.2%	883,461	21.0%	1,095,127	23.1%	231,991	21.9%	372,613	23.9%
SRAM	452,561	10.0%	377,789	9.0%	401,671	8.5%	92,317	8.7%	122,909	7.9%
Subtotal	**2,911,558**	**64.3%**	**2,589,492**	**61.5%**	**2,911,254**	**61.4%**	**662,555**	**62.5%**	**1,017,870**	**65.3%**
Computing IC										
Intelligent Vision SoCs	945,450	20.9%	906,385	21.5%	997,410	21.1%	216,836	20.5%	308,200	19.7%
Embedded MPUs	162,921	3.6%	183,719	4.4%	296,001	6.2%	53,270	5.0%	94,507	6.1%
Subtotal	**1,108,371**	**24.5%**	**1,090,104**	**25.9%**	**1,293,411**	**27.3%**	**270,106**	**25.5%**	**402,707**	**25.8%**
Analog IC										
LED Driver IC	393,214	8.7%	450,874	10.7%	484,889	10.3%	113,268	10.6%	128,214	8.2%
Combo IC	15,704	0.3%	20,648	0.5%	20,750	0.4%	6,001	0.6%	4,200	0.3%
Subtotal	**408,918**	**9.0%**	**471,522**	**11.2%**	**505,639**	**10.7%**	**119,269**	**11.2%**	**132,414**	**8.5%**
Others[(1)]	**102,079**	**2.3%**	**61,508**	**1.5%**	**30,704**	**0.6%**	**8,302**	**0.8%**	**6,776**	**0.4%**
Total	**4,530,926**	**100.0%**	**4,212,626**	**100.0%**	**4,741,008**	**100.0%**	**1,060,232**	**100.0%**	**1,559,767**	**100.0%**

Note:

(1) Mainly including sales of other goods including development boards, provision of technical services and rental income.

The table below sets forth the sales volume and average selling prices of our ICs during the years/periods indicated.

	Years ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	Sales volume	Average Selling Price[1]	Sales volume	Average Selling Price[1]	Sales volume	Average Selling Price[1]	Sales volume	Average Selling Price[1]	Sales volume	Average Selling Price[1]
	(Unit'000)	*(RMB)*	*(Unit'000)*	*(RMB)*	*(Unit'000)*	*(RMB)*	*(Unit'000)*	*(RMB)*	*(Unit'000)*	*(RMB)*
							(unaudited)			
Memory IC	415,932	7.0	479,042	5.4	602,424	4.8	137,678	4.8	191,036	5.3
Computing IC	75,503	14.7	93,526	11.7	120,868	10.7	23,739	11.4	26,632	15.1
Analog IC	179,356	2.3	217,335	2.2	250,252	2.0	56,748	2.1	64,340	2.1

Note:

(1) Average selling price is calculated through dividing revenue by the relevant sales volume during the same year/period, which represented the average price at which our products were sold to our customers.

Memory IC

DRAM

Dynamic Random-Access Memory (DRAM) is a widely used volatile memory known for its high-density storage and cost efficiency. We focus on niche DRAM, which is designed for applications with specific requirements for performance, reliability or operating environments, as opposed to mass-produced commodity DRAM. We offer a comprehensive portfolio of DRAM products, including SDR, LPSDR, DDR, DDR2, LPDDR2, DDR3, DDR4, and LPDDR4, designed to support a wide range of applications that require high-speed data processing, power efficiency, and reliable performance.

DDR memory transfers data twice per clock cycle, delivering enhanced speed, power efficiency, and storage density. DDR4 represents the fourth generation of this technology, offering improved performance over its predecessors. Designed for mobile devices and power-sensitive applications, LPDDR operates at lower voltages than standard DRAM, making it ideal for any application where energy efficiency is critical.

According to Frost & Sullivan, in terms of revenue in 2025, we are the second largest niche DRAM provider headquartered in Chinese Mainland, and the seventh largest globally.

Specifications

The table below sets forth our main DRAM products.

Product series	Capacity	Speed	Operating temperature range	Major applications
SDR	16Mb-512Mb	143Mhz-200Mhz	-40°C-115°C	Industrial and medical (IM) and automotive electronics
LPSDR	32Mb~512Mb	133Mhz~166Mhz	-40°C-105°C	IM and automotive electronics
DDR	256Mb-512Mb	166Mhz-200Mhz	-40°C-105°C	IM and automotive electronics

Product series	Capacity	Speed	Operating temperature range	Major applications
DDR2	256Mb-2Gb	667Mbps-800Mbps	-40°C-115°C	IM and automotive electronics
DDR3	1Gb-16Gb	1600Mbps-2133Mbps	-40°C-125°C	IM and automotive electronics
DDR4	4Gb-16Gb	2400Mbps-3200Mbps	-40°C-125°C	IM and automotive electronics
Mobile DRAM				
LPDDR	32Mb-2Gb	166Mhz-200Mhz	-40°C-115°C	IM and automotive electronics
LPDDR2	256Mb-8Gb	400Mhz-533Mhz	-40°C-115°C	IM and automotive electronics
LPDDR4	2Gb-32Gb	3200Mbps-4266Mbps	-40°C-125°C	IM and automotive electronics

Application Scenarios

Our DRAM products are essential for performance-intensive applications. In automotive electronics, they enable:

- **Cockpits:** Supporting high-resolution digital displays, AR navigation, and personalized in-car experiences.
- **Autonomous Driving Systems:** Facilitating real-time data processing to support the operation of AI models for object detection, route planning, and decision-making.
- **Battery Management:** Ensuring efficient energy management in electric vehicles through fast and reliable memory ICs.

Our DRAM also plays a vital role in AI-enabled devices and IoT systems, providing the bandwidth and capacity required for data-heavy operations while maintaining low power consumption.

SRAM

Static Random-Access Memory (SRAM) is a type of volatile memory that does not require periodic refreshing, making it faster and more reliable than DRAM for certain applications. Our SRAM portfolio ranges from Synchronous SRAM and Asynchronous SRAM to high-performance QDR SRAM. PSRAM combines the simplicity of SRAM with the high-density advantages of DRAM, offering a cost-effective, low-power solution for applications that require large memory capacity at reduced power consumption. It is particularly well-suited for mobile devices, IoT applications, and wearable electronics, where energy efficiency and compact design are critical.

Our SRAM products are designed for high-speed operation with low latency, extended temperature ranges, and long lifecycle support, ensuring reliability in demanding environments such as automotive and industrial applications. According to Frost & Sullivan, we are the second largest SRAM provider globally in terms of revenue in 2025, and the largest among companies headquartered in Chinese Mainland in terms of revenue in 2025.

Specifications

The table below sets forth our main SRAM products.

Product	Capacity	Speed	Operating temperature range	Major applications
Synchronous SRAM	2Mb-72Mb	133Mhz-250Mhz	-40°C-125°C	Communication, Automotive, Industrial
High speed Asynchronous SRAM	64Kb-4Mb	10-12ns	-40°C-85°C	IM and auto
Low power Asynchronous SRAM	256Kb-8Mb	45-55ns	-40°C-125°C	IM and auto
High Speed Low Power Asynchronous SRAM	256Kb-32Mb	8-12ns	-40°C-125°C	IM and auto
PowerSaver™ Lower Power Asynchronous SRAM	256Kb-16Mb	35-55ns	-40°C-125°C	IM and auto
Pseudo SRAM	8Mb-64Mb	70ns	-40°C-105°C	IM and auto
Serial SRAM and Serial RAM	512Kb-128Mb	104Mhz-133Mhz	-40°C-105°C	IM
HyperRAM/OctalRAM	32Mb-1Gb	133Mhz-250Mhz	-40°C-105°C	IM and auto
QDR SRAM	18Mb-72Mb	250-550Mhz	-40°C-85°C	Communication

Application Scenarios

Our SRAM products are particularly suited for automotive electronics, where reliability, performance, and environmental resilience are critical. These ICs are widely used in:

- **Advanced Assisted-Driving Systems:** Enabling real-time data processing for vehicle safety functions such as collision avoidance and lane-keeping assistance.
- **Infotainment Systems:** Providing fast and reliable data storage for media playback, navigation, and communication systems.
- **Powertrain Controls:** Supporting engine and transmission systems with high-speed, low-latency memory for real-time monitoring and adjustment.
- **Industrial and Medical:** Delivering robust and efficient memory ICs for programmable logic controllers, motor control systems, and factory automation, where real-time data processing and reliability are paramount.
- **Communication:** Enhancing the performance of base stations, routers, and switches by offering high-speed, low-latency memory for data buffering, signal processing, and protocol management.

Additionally, SRAM's ability to operate under extended temperature ranges and its robustness against environmental stress make it a key component in automotive systems operating in extreme conditions.

Flash

Flash memory is a type of non-volatile storage that retains data even without power. Our Flash memory IC product line includes NOR Flash and NAND Flash. NOR Flash is optimized for fast and reliable code execution, and NAND Flash are designed for data storage. Our Flash memory are designed for embedded systems, automotive electronics, and industrial applications.

NOR Flash

NOR Flash allows random access to data, enabling fast and reliable code execution directly from the memory, making it widely used in embedded systems that require frequent and fast access to executable code. We focus on the mainstream SPI NOR Flash due to its advantages in relatively lower cost, compact size, easier integration for space- and power-sensitive applications, and growing adoption in applications such as embedded systems and small-size wearables, as compared to parallel NOR Flash. According to Frost & Sullivan, we are the seventh largest NOR Flash provider globally in terms of revenue in 2025, and the third largest among companies headquartered in Chinese Mainland in terms of revenue in 2025.

Specifications

The table below sets forth the main specifications of our NOR Flash products.

Product	Density	Voltage	Speed	Temp
Serial NOR Flash	1Mb-2Gb	2.5V/3V	104, 133, 166MHz	-40°C-125°C
Serial NOR Flash with ECC	128Mb-2Gb	1.65V-2.0V 2.3V-3.6V	50, 133 80, 166MHz	-40°C-125°C
Parallel NOR Flash	32Mb-256Mb	2.7V-3.6V	70ns	-40°C-125°C
Security NOR Flash (RPMC)	32Mb-256Mb	1.65V-2.0V 2.3V-3.6V	66, 133 80, 166MHz	-40°C-105°C
Octal NOR Flash (xSPI)	32Mb-2Gb	1.70V-2.0V 2.7V-3.6V	133, 200MHz	-40°C-125°C

NAND Flash

NAND Flash offers large storage capacity, fast erase/write speeds and longevity, making it suitable for a wide range of large-capacity storage applications. We focus on SLC 2D NAND Flash, featuring smaller capacities but higher reliability and endurance as compared with MLC and TLC 2D NAND Flash. Our NAND Flash are suited for performance-oriented applications where high reliability is needed.

Our portfolio includes SPI NAND Flash, automotive-grade SPI NAND Flash, Parallel NAND Flash, and automotive-grade Parallel NAND Flash. Our automotive-grade NAND Flash products, when paired with our automotive-grade NOR Flash, are widely adopted in intelligent cockpits, autonomous driving systems, intelligent communication and powertrains of electric vehicles.

We also offer managed NAND, which combines NAND Flash with a sophisticated controller and firmware in a single package, allowing the memory to manage itself, handling tasks like wear leveling, bad block management, and error correction internally, freeing the host system from these tasks. Our products include eMMC and UFS, which are compact and reliable, making them widely used across the mobile, automotive, and industrial markets.

Specifications

The table below sets forth the main specifications of our 2D NAND Flash and 3D (managed) NAND Flash products.

Product	Density	Voltage	Speed	Temp
2D NAND Flash				
SPI NAND Flash	1Gb-4Gb	1.8V/3.3V	104MHz	-40°C-105°C
Parallel NAND Flash .	1Gb-8Gb	1.8V/3.3V	25ns	-40°C-105°C
3D (Managed) NAND Flash				
eMMC	4Gb-128Gb	VCCQ = 1.8V/ 3.3V VCC = 3.3V	200MHz	-40°C-105°C
UFS	64Gb-256Gb	VCCQ = 1.2V VCC = 2.5/3.3V	/	-40°C-105°C

Application Scenarios

NOR Flash is widely used in automotive electronics for:

- **Boot Operations and Firmware Storage**: Ensuring reliable code execution for various vehicle systems, including infotainment and ADAS.

- **Powertrain Systems**: Supporting real-time operations in temperature-sensitive environments.

NAND Flash is ideal for high-capacity storage needs in applications such as:

- **Advanced Assisted-Driving Systems**: Storing large datasets and AI model parameters required for real-time computation.

- **Data Loggers**: Recording and analyzing vehicle performance data for diagnostics and optimization.

In addition to automotive applications, NOR Flash memory is also widely adopted in industrial devices and IoT systems, where reliability and endurance are critical in harsh environments.

Computing IC

Intelligent Vision SoC

Intelligent Vision SoCs are semiconductor products designed for video and image acquisition, processing, analysis, and storage. Our Intelligent Vision SoC product line primarily includes IP-Cam SoCs, ISPs, and NVR (Network Video Recorder) SoCs, which form comprehensive visual processing products for a broad range of applications.

- **IP-Cam SoC:** Integrates ISP, video encoding, and other key functions to provide all-in-one computing power for network cameras.

- **ISP:** Specializes in optimizing raw image signals and enhancing overall image quality.

- **NVR SoC:** Responsible for the storage and management of network video streams.

These products complement each other and collectively address diverse visual processing requirements across multiple scenarios. Our Intelligent Vision SoCs combine advanced video and image processing capabilities with AI-powered features, delivering high-quality visual performance and low power consumption. They are widely used in applications such as wearable cameras, AI glasses, sports cameras, medical and specialized devices, doorbells, security cameras and network video recorders.

According to Frost & Sullivan, we were the second largest Intelligent Vision SoC provider globally by revenue in 2025 and the second largest IP-Cam SoC provider globally in terms of revenue in 2025.

The table below sets forth our main Intelligent Vision SoC products.

Product	Mainstream[(1)]	Entry level[(2)]	Low power consumption[(3)]
T23		√	√
T31		√	√
T32	√		√
T33		√	√
T41	√		√
T40	√		√
C100		√	√
A1	√		

Notes:

(1) Refers to Intelligent Vision SoC that has AI computing performance exceeding 0.5 up to 2 TOPS (INT8).

(2) Refers to products with a computing power of up to 0.5 Top.

(3) Refers to Intelligent Vision SoCs with operating power consumption below 400mW.

Key Features

Our Intelligent Vision SoCs are designed with proprietary CPU, VPU, ISP, and NPU, delivering high performance, high integration, and low power consumption to meet the growing demand for advanced video processing and AI-driven imaging applications.

Advanced Imaging and Video Processing. Our self-developed ISPs support multi-level noise reduction (2DNR/3DNR), dynamic range adjustment, and image sharpening, ensuring clear and detailed visuals even under challenging lighting conditions. The proprietary VPUs support H.264 and H.265 video coding at resolutions up to 4K (2160p) with real-time recording at up to 30fps. Our AI-powered ISP further enhances video quality through adaptive noise reduction, wide dynamic range, detail reconstruction, and scene-based optimization, making them ideal for applications such as security cameras, and machine vision.

Solid support for AI. Equipped with self-developed NPUs, our Intelligent Vision SoCs enable advanced AI applications such as real-time object detection, facial recognition, and intelligent video analytics. These capabilities are crucial for home security, autonomous driving, and industrial monitoring. To accelerate AI application development, our platform provides developers with tools and resources to efficiently implement and deploy custom AI solutions.

Energy Efficiency and Compact Design. Our SoCs are engineered for low power consumption, making them ideal for battery-powered devices such as security cameras, wearable cameras, AI glasses, and portable medical imaging systems. The ultra-compact C100 series, with a package size of just 5 mm x 6 mm, allows integration into space-constrained devices like endoscopes and AI glasses, enabling lightweight and portable designs.

Comprehensive Interfaces and System Integration. Our Intelligent Vision SoCs support a wide range of I/O interfaces for seamless connectivity with peripheral devices, including MIPI CSI for camera input, UVC/UAC for plug-and-play audio and video devices, and DMIC for advanced audio input. Additional features such as a real-time clock, integrated audio codecs, and fast start-up technologies enhance system integration and user experience, empowering customers to develop highly functional and user-friendly devices for diverse markets.

Applications

Our Intelligent Vision SoCs support a wide range of applications, meeting the needs of both consumer and industrial markets:

- **Wearable Cameras and AI Glasses:** Enabling lightweight, low-power video recording for portable devices, including wearable cameras and AI glasses.
- **Security Cameras:** Offering real-time, high-resolution monitoring with efficient video compression and AI-powered analytics for facial recognition, motion detection, and other security applications.
- **Sports Cameras:** Delivering high-definition video recording with advanced features such as image stabilization, object tracking, and real-time analytics.
- **Medical and Specialized Devices:** Supporting compact, low-power video products for applications like endoscopes, industrial inspection tools, and live streaming equipment.
- **Doorbells:** Providing real-time visitor alerts and two-way communication through AI-powered camera doorbells.
- **NVR:** Enabling reliable video recording and storage products for security systems.

Embedded MPU

Embedded MPU has emerged in recent years as a new category positioned between traditional MCUs — which emphasize real-time control — and application processors that focus on high-performance computing. The core strength of embedded MPUs lies in their ability to combine the data processing power of application processors with the real-time control features of MCUs, resulting in a crossover product that delivers both high computational performance and fast, responsive real-time control.

Our embedded MPUs are compact ICs that integrate multiple CPU cores with dedicated engines, memory, timers, and peripheral circuits on a single chip. Serving as both the computing and control units in intelligent devices, these MPUs are engineered for high performance and low power consumption.

Our embedded MPU products are widely used in diverse IoT application, including robotics, facial and fingerprint recognition devices, printers, QR/bar code recognition devices, display and control devices, educational electronics, and data transmission devices.

The table below sets forth our main embedded MPU products.

Product	High-performance[(1)]	Mainstream[(2)]	Low power consumption[(3)]	Specialized[(4)]
X1500			√	√
X1600		√	√	√
X2000	√		√	
X2600	√			

Notes:

(1) Refers to products that uses XBurst2 CPU for high computing power and processing speed.

(2) Refers to products that offer a balanced trade-off between performance and cost.

(3) Refers to products with a sleep power consumption of less than 2.0mW.

(4) Refers to products tailored for specific industries or applications, such as barcode scanning equipment.

Key Features

Multi-Core Heterogeneous Architecture. Our embedded MPUs adopt a multi-core heterogeneous architecture, integrating self-developed, high-performance CPU cores with multiple functional blocks — including VPU, ISP, and display controllers — on a single chip to achieve an optimal balance between computational power and energy efficiency. The primary CPU features 1-3 cores running at up to 1.2GHz for demanding workloads, while an auxiliary RISC-V core operating at 300MHz is optimized for real-time control tasks. This architecture is particularly well-suited for industrial automation, automotive electronics, and edge computing, where high performance and low power consumption are essential.

Edge Computing. Our embedded MPUs integrate proprietary NPUs, enabling advanced AI applications such as image recognition, voice processing, and audio analysis. On-device AI processing reduces latency, enhances security, and improves overall efficiency, making these products ideal for homes, robotics, and industrial IoT scenarios.

Advanced Imaging and Video Capabilities. Engineered for high-quality imaging and video, our embedded MPUs feature integrated ISPs supporting video resolutions up to 1080p at 60fps and still images up to 1920 x 1080. They also support H.264 decoding, MJPEG video codecs, and audio codecs, as well as 2D graphics and display processing units. These capabilities meet the growing demand for high-resolution video in both industrial and consumer applications.

Comprehensive Connectivity and Interfaces. Equipped with versatile input-output interfaces, our embedded MPUs ensure seamless integration across a wide range of applications. Key features include MIPI CSI and DVP for image input, MIPI DSI and LVDS for display output, and USB, CAN, UART, and SPI for communications. For networking, they support RMII, while real-time control is enhanced through PWM and GPIO interfaces for efficient peripheral management. These rich interfaces make our MPUs highly adaptable, addressing the evolving requirements of modern intelligent systems and enabling flexible deployment in diverse use cases.

Applications

Our embedded MPUs are widely deployed across diverse application scenarios, enabling intelligent functionality in various industries:

- **Robotics**: Enabling devices such as robotic vacuum cleaners and lawn mowers.
- **Facial and Fingerprint Recognition Devices**: Powering fingerprint, facial and vein recognition systems used in office attendance, access control, and checkpoint security.
- **Printers**: 3D printers for specialized applications such as component printing, enclosure printing, toys, and print farms; photo printers for consumer electronics; laser printers for office, publishing, and home use; Inkjet printer for office, factory, and home use; label printers for logistics, transportation, and retail industries.
- **QR/Bar Code Recognition Devices**: Supporting QR code and barcode scanning for retail payment, logistics, transportation, checkpoint security, pharmaceutical sorting, and industrial production.
- **Display and Control Devices**: visual intercoms, monitoring displays, and home control panels for homes; LCD price tags for retail, electronic photo frames, and industrial display screens; LED display control for data transmission and display control for LED screens.
- **Educational Electronics**: Powering devices such as scanning translation pens, electronic dictionaries, and reading pens.
- **Data Transmission Devices:** Supporting data transmission in mobile terminals and audio playback devices, or enabling data processing and secure transmission in various industry applications.

AI Micro-controller Unit (AI-MCU)

AI-MCU is an IC product based on a general-purpose MCU architecture enhanced with integrated NPU modules for AI computation. By combining real-time control logic with on-device AI inferencing, AI-MCUs retain the advantages of traditional MCUs — such as precise hardware control and ultra-low power consumption — while significantly enhancing AI algorithm processing capabilities through the NPU.

Our AI-MCU integrates a RISC-V CPU, NPU, and on-chip memory, enabling devices to execute intelligent tasks locally. Compared with general-purpose MCUs, our AI-MCU stands out with its combination of ultra-low power consumption and robust AI processing capability. In non-AI operating modes, the IC can power down the NPU to maintain extremely low power consumption, and only activates the NPU when AI tasks are triggered, achieving seamless integration of control and intelligence.

Our AI-MCU features a multi-core heterogeneous architecture, combining RISC-V cores with a compact neural processing unit for efficient on-device AI inferencing. The IC offers versatile interfaces such as MIPI-DSI/CSI, Ethernet, and USB OTG. With ultra-low-power operation and multi-power-domain control, standby power consumption can reach microampere levels, making our AI-MCU ideal for battery-powered and always-on applications.

As of the Latest Practicable Date, we have completed the engineering sample verification test for the Multi-Project Wafer ("MPW") and are currently making design modifications for the mass production version for our AI-MCU.

Key Features

Our AI-MCU adopts a multi-core heterogeneous architecture, integrating self-developed RISC-V cores with a compact neural processing unit capable of up to 0.5 TOPS for efficient AI inferencing. It features built-in PSRAM ranging from 4MB to 32MB, and supports a variety of interfaces including MIPI-DSI/CSI, and USB OTG.

Key Application Scenarios

Our AI-MCU products are well-suited for a wide range of industries, leveraging their high performance, low power consumption, and versatile interfaces:

- **Home Applications**. Our AI-MCUs enable multi-modal human-machine interactions — such as display, gesture recognition, and voice recognition — for devices including refrigerators, air conditioners, and control panels.

- **Industrial Control**. Our AI-MCUs support motion control and vision-guided systems for small robotic arms, facilitate real-time data acquisition and control and enable device interconnection through CAN networks.

- **Medical Applications**. Our AI-MCUs provide the computational power for portable health monitoring devices, performing sensor data fusion and low-power edge AI inferencing. They excel in always-on sensing modes, ensuring continuous and reliable operation.

Analog IC

LED Driver IC

For automotive applications, we offer a wide range of LED driver and power management ICs that support voltage ranges from 4.5V to 70V and output currents from 450mA to 6A. These ICs are widely used in exterior car lighting (e.g., headlights, taillights, stop lights, turn lights, fog lights and others) and interior car lighting (e.g., ambient lighting, map lights, seating lights, signal lights and backlighting for mini-LED screens). For non-automotive markets, our LED drivers are used in high-end gaming equipment (e.g., RGB lighting in gaming mice, keyboards, and computer cases) and home devices (e.g., breathing lights in speakers, robotic vacuum cleaners, and home appliances). These ICs support advanced features such as PWM dimming and ghosting elimination, catering to both functional and aesthetic needs.

Combo IC

To address the growing demand for compact and integrated designs, we are also providing Combo ICs that integrate MCU, LED driver, touch sensor, and LIN/CAN bus, to support ambient lighting, touch-control applications such as door handles or panels. By leveraging our expertise in analog technologies, we provide extensive and diverse portfolio with products to meet the requirements of multiple applications ensuring reliability, efficiency, and scalability.

Seasonality

The demand for and sales of our products generally follow the seasonality trends of the end products that incorporate them, with variations across different product categories and markets.

Product Pricing

As an IC design house, our pricing strategy is closely aligned with the inherent cyclical nature of the semiconductor industry and the dynamics of supply and demand. See "Financial Information — Significant Factors Affecting Our Results of Operations — Industry Cycle." Beyond industry trends, our pricing is determined by a combination of factors, including product development and manufacturing costs, market competition, customer relationships, order size, and our target profit margins. During the Track Record Period and as of the Latest Practicable Date, there was no governmental regulatory pricing guidelines applicable to us.

For standard, widely-used products, we adopt a market-driven pricing approach that ensures competitiveness while maintaining reasonable profitability. For more advanced and differentiated products, pricing is set to reflect their higher value and technical complexity, aligning with our goals of achieving strong returns on investment. In markets with intense price competition, we may strategically adjust pricing to prioritize market share growth, volume expansion, or other long-term objectives.

Additionally, for products like automotive-grade IC, we conduct detailed analyses of market trends, competitive pricing, and sales forecasts to ensure sustainable profitability over the product lifecycle. By balancing cost considerations with market dynamics, we aim to offer competitive pricing that supports both our customers' needs and our business objectives.

RESEARCH AND DEVELOPMENT

Research and development are essential to maintaining our competitive position and driving the long-term growth of our business by enabling us to meet the evolving demands of downstream applications. We have implemented the IPD framework, a systematic R&D management model that treats product development as a strategic investment decision. Underpinned by market demand and driven by cross-departmental collaboration to achieve commercial success, this framework unifies our product business lines into a cohesive R&D process.

This structured workflow and phased decision-making mechanism effectively shorten our product time-to-market and reduce R&D costs. Specifically, the execution of step-by-step reviews mitigates the risk of mid-way strategic misalignment or design errors. Concurrently, by adopting asynchronous development and concurrent engineering practices, we are able to advance and run downstream tasks, including packaging, testing, and system solution development in parallel. Furthermore, the early-stage involvement of marketing, production, and supply chain teams ensures that potential manufacturing or commercial hurdles are identified early, thereby minimizing downstream operational friction, reducing costly design reworks, and driving overall R&D efficiency.

Our R&D efforts focus on the in-house development of core IPs for our products, while we also strategically incorporate mature licensed IPs to enhance our technical capabilities and optimize product performance. R&D expenses are recognized as incurred and expensed in the period when the activities take place, unless they meet the criteria for capitalization under applicable accounting standards.

Key Technologies

Through years of sustained investment, we have gradually established proprietary key technologies in the following areas:

Embedded CPU. We have engaged in the R&D of embedded CPU technology for many years, achieving breakthroughs in critical metrics such as high performance and low power consumption. Our self-developed XBurst series CPU cores are designed based on the 32-bit MIPS instruction set architecture, featuring innovative microarchitectural designs. These cores deliver industry-leading frequency, power efficiency, and silicon area among comparable 32-bit RISC microprocessor cores on the same process node. Since 2014, we have actively embraced the RISC-V open instruction set architecture, developing the Victory series CPU cores. Our proprietary RISC-V CPU cores have already been deployed in our computing IC product line.

VPU. We have developed a range of video encoders and decoders supporting mainstream formats such as H.264 and H.265. By co-optimizing algorithms and hardware on critical encoding paths, we have enhanced performance and reduced dynamic power consumption through granular gating techniques. Our products achieve industry-leading levels in performance, area, and power, providing robust support for our expansion in the intelligent vision sector.

ISP. Our self-developed ISP technology continually advances toward industry-leading standards, featuring core algorithms such as 2D/3D noise reduction, wide dynamic range, automatic anti-flicker, and noise modeling. These technologies provide a stable and high-quality imaging foundation for a wide range of complex lighting environments.

AI-ISP. We have deeply integrated our proprietary NPU with the ISP pipeline, leveraging neural network algorithms to replace traditional image processing methods. By harnessing AI technology, we aim to achieve adaptive noise reduction, dynamic range enhancement, and detail reconstruction, significantly improving both objective image quality metrics and subjective visual experience.

NPU. We have continuously invested in the research and development of NPU technology. Leveraging our strengths in self-developed CPU technology, our unique NPU architecture integrates CPU and neural network acceleration units organically. Our proprietary NPU balances high computational performance with flexibility, supporting programmability for both traditional convolutional neural network acceleration and efficient execution of large-scale AI models. Advanced low-bit quantization further enhances our NPU's low-power and low-bandwidth AI computing capabilities, enabling scalable performance at different precision levels for diverse computational needs and application scenarios.

AI Development Platform. To address a wide range of AI application scenarios, we have developed a comprehensive deep neural network development platform that covers model training, optimization, conversion, and inference deployment. This platform includes model training plugins for mainstream frameworks, a toolchain for model optimization and conversion, and inference firmware libraries. It offers a rich repository of pre-trained models (including image recognition, speech processing, large models, etc.) as well as proprietary algorithms. With end-to-end toolchain support, developers can rapidly deploy the latest AI technologies from model development to edge deployment, accelerating time-to-market.

AI Algorithm. We have made significant investments in AI algorithm research and application, with mature products launched in areas such as facial recognition, license plate recognition, infant cry detection, human detection and tracking, multi-object detection, and mask detection. Our ongoing optimization of quantization tools and training plugins streamlines the development of low-bit models and accelerates iteration. As our AI algorithm technology and platform openness mature, our co-design capabilities for hardware and software continue to advance, supporting rapid feedback and iteration cycles for algorithm innovation.

Memory Technology. With over three decades of deep expertise in memory technology, we have established comprehensive technical know-how across DRAM, SRAM, and NOR Flash technologies. Our core competencies include advanced memory cell design, high-speed and low-power circuit architectures, process optimization, reliability engineering, and robust error correction techniques. These capabilities enable us to develop high-performance and high-reliability memory ICs tailored for demanding applications in automotive electronics, industrial control, and medical devices.

Analog Technology. Our analog technology encompasses a broad range of innovations, including precision analog circuit design, high-efficiency power management, advanced LED driver architectures, lighting control and effects algorithms, as well as robust communication interface solutions for LIN and controller area network protocols. We have accumulated significant expertise in low-noise, high-accuracy, and high-integration analog and mixed-signal design — enabling us to address complex requirements across automotive electronics, industrial, and home appliances.

R&D Team and Expenses

As of March 31, 2026, we had 822 R&D staff, accounting for 65.7% of our total number of employees as of the same date. They are distinguished by their high academic credentials, professional expertise and extensive experience in project development. As of March 31, 2026, approximately 95.1% of our R&D employees held a bachelor's degree or above. In 2023, 2024 and 2025 and the three months ended March 31, 2026, our R&D expenses amounted to RMB708.3 million, RMB681.3 million, RMB712.0 million and RMB171.9 million, respectively, representing 15.6%, 16.2%, 15.0% and 11.0% of our total revenue in the respective years/period.

To ensure the long-term sustainability of our R&D capabilities, we have developed a comprehensive R&D strategy supported by a dedicated allocation of financial resources. While our historical R&D expenses as a percentage of revenue declined slightly during the Track Record Period due to rapid revenue expansion and economies of scale, our absolute R&D investments remain highly robust. We intend to execute this strategy by systematically recruiting global R&D talent, acquiring advanced R&D equipment, and deepening technical collaborations with upstream and downstream industry partners. Specifically, in our memory IC segment, we will invest in advanced memory technologies, including 3D DRAM and secure NOR Flash, to capture structural opportunities in automotive electronics and edge AI. Concurrently, in our computing IC segment, we plan to optimise proprietary RISC-V CPU architectures, NPUs, and edge AI algorithms to expand our Intelligent Vision SoC and AI-MCU portfolios. Furthermore, in our analog IC segment, we will focus on expanding our high-reliability, automotive- and industrial-grade LED driver and Combo IC portfolios to capture market demand driven by vehicle electrification and industrial automation. Through these efforts, we believe we will be well-positioned to sustain and further enhance our core R&D capabilities.

SALES AND MARKETING

Our products are sold to downstream customers in approximately 50 countries and regions across Asia, the Americas, and Europe. To further enhance our global reach, we maintain an international team of sales and marketing professionals as well as engineers who provide localized support to our sales and service network. This team excels at gathering and acting on real-time market insights, ensuring prompt and effective responses to customer needs.

Our products are primarily sold through distributors; however, we also accommodate direct sales to certain customers upon request. We believe that consistently delivering high-quality products on time — while meeting and exceeding customer expectations — is the most effective approach to driving sales and marketing success. Accordingly, our efforts are centered on maintaining and expanding strategic relationships with both direct and indirect customers.

Under our integrated product development framework, our sales teams actively participate in the product R&D process to ensure that our offerings meet the specific needs of our customers. This collaboration allows us to deliver products that align with the expectations of our diverse customer base while maintaining a high standard of quality and satisfaction.

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	(in RMB thousands, except for percentages)									
							(unaudited)			
Distributorship										
Buy-sell	3,143,088	69.4%	2,940,396	69.8%	3,436,650	72.4%	737,672	69.6%	1,153,578	74.0%
Consignment	421,405	9.3%	338,185	8.0%	334,567	7.1%	79,556	7.5%	110,998	7.1%
Subtotal, distributorship	**3,564,493**	**78.7%**	**3,278,581**	**77.8%**	**3,771,217**	**79.5%**	**817,228**	**77.1%**	**1,264,576**	**81.1%**
Direct sale	**966,433**	**21.3%**	**934,045**	**22.2%**	**969,791**	**20.5%**	**243,004**	**22.9%**	**295,191**	**18.9%**
Total	**4,530,926**	**100.0%**	**4,212,626**	**100.0%**	**4,741,008**	**100.0%**	**1,060,232**	**100.0%**	**1,559,767**	**100.0%**

Distributor Sales

Typically, our sales team directly engages with potential buyers to understand their specific needs. Once a potential buyer is secured, we generally collaborate with local distributors to sell our products, unless the buyer specifically requests otherwise. This approach offers several strategic benefits:

- **Expanded Market Reach**: Partnering with distributors who possess extensive sales channels allows us to tap into broader markets, as these distributors can leverage their networks to source customers and effectively meet regional demands.

- **Improved Cash Flow**: Distributors are typically required to make prepayments for products, which helps to enhance our cash flow and mitigate financial risks.

- **Operational Efficiency**: By outsourcing aspects of customer acquisition and relationship management, we reduce the workload on our internal sales team. Additionally, distributors manage inventory and handle deliveries, streamlining logistics and reducing operational burdens, enabling faster and more efficient order fulfillment.

- **After-Sales Service**: Distributors can utilize their established networks to provide after-sales service to customers, while we offer technical support to end users when required.

According to Frost & Sullivan, utilizing a distribution model aligns with industry norms. We maintain a seller-buyer relationship with our distributors, where ownership of the products is transferred to the distributors upon their purchase. Our sales to distributors are recurring in nature. See note 4 to "Appendix I — Accountants' Report" for our revenue recognition policy with respect to sales through distributors.

Our distributors are typically companies specializing in the sales and distribution of semiconductors and electronic components, making them well-positioned to support the needs of our customers and facilitate the growth of our business.

Distributor Management

We operate two distributor models to address different customer and supply scenarios. Under the buy-sell (sell-in) model, title and risk transfer to the distributor upon delivery, and revenue is recognized at shipment to our distributors. Under the consignment model, products are stored at the distributor but title remains with us until the distributor sells to the end customer, at which point revenue is recognized.

When we use each model

The buy-sell model is our default for routine replenishment and broadline distribution. We use the consignment model selectively to support programs that require assured availability, tighter demand visibility, or coordinated launch ramps, for example new platform rollouts, long-lead automotive/industrial projects, or regions with pronounced seasonality. The objective is to mitigate channel-stuffing risk and align inventory with confirmed consumption. The consignment model supports this by eliminating the distributor's incentive to over-order, anchoring replenishment to real sell-through data rather than stocking sentiment.

During the Track Record Period, a portion of our memory and analog ICs were sold through consignment. Although goods were physically delivered to distributors, they remained our inventory until sell-through, when revenue was recognized. Because title does not transfer before sell-through, over-shipment from our end does not increase revenue or the distributor's inventory.

Controls and governance under consignment

To tie stocking and replenishment to verified demand, our sales team works with distributors to confirm downstream requirements (including volumes and target pricing) and to validate pull quantities. Inventory releases are gated by end-customer purchase orders or equivalent firm backlog and are subject to agreed coverage thresholds. Distributors provide periodic sell-through and aging reports, which we use to adjust stocking caps and replenishment cadence.

Why consignment fits memory and analog ICs

Memory and analog ICs involve diverse specifications and numerous SKUs, particularly in automotive and industrial markets where slow-moving inventory can arise. Distributors are cautious about holding inventory because we do not accept returns of unsold slow-moving stock. Consignment ensures availability at the point of sale without transferring title, thereby preventing excess stocking in the channel.

Commercial terms

Except for title transfer and the timing of revenue recognition, other commercial terms of our distributor agreement under consignment model — including pricing model and distributor remuneration — are consistent with our standard distributor agreements.

We maintain a rigorous process for selecting our distributors to ensure they meet our standards and align with our strategic goals. For instance, we may consider the following factors:

- the distributor's general background, including their qualifications, business scale, industry experience, local network, geographical sales coverage, customer service capabilities, and technical support capacity.

- the synergy of products, ensuring there are no conflicts with their existing portfolio and looking for potential synergies that could enhance customer solutions.

- their ability to provide comprehensive solutions that combine different products to meet diverse customer needs.

- their systematic management capabilities, including well-established data infrastructure, robust CRM systems, and advanced sales analytics.

To maintain control and ensure quality, we do not allow distributors to engage sub-distributors, as specified in our agreements with distributors. To the best knowledge of our Directors, during the Track Record Period, all our distributors were independent third parties, and none of our distributors were controlled by any of our former or present employees during the Track Record Period.

We do not set sales targets or minimum purchase requirements on our distributors. We regularly assess their performance to determine whether to renew our agreements with them. The assessment considers factors such as their historical sales of our products, payment records, compliance with the distribution agreement, after-sales capabilities, and sales and marketing performance.

While distributors are responsible for managing their own inventories, we encourage them to place orders based on their actual and projected demands. To improve market demand forecasting, we require distributors to submit sales projections. In cases of significant fluctuations in sales or deviations from forecasts, we may directly verify demand with end customers and adjust orders as needed. Additionally, we maintain close communication with our distributors and may request their inventory records when necessary. Once products are delivered and accepted by the distributors, generally they cannot be returned or exchanged, except in cases involving quality issues.

Our distributors are typically granted non-exclusive rights to sell our products within specific distribution areas outlined in their agreements. We generally reserve the right to terminate the agreement with a 30-day written notice if they breach these territorial requirements. Regarding pricing, we usually provide suggested retail prices for our products, while our distributors retain flexibility in their pricing strategies.

We assess whether to grant credit terms to a distributor based on a holistic review under our customer credit management practice. Key considerations include the distributor's financial strength and liquidity (e.g., audited results and leverage), payment history and track record with us, the stability and visibility of its downstream demand and customer base, the expected transaction volume and continuity of orders, and the strategic importance of the account or project. We also consider product characteristics and lead times, seasonal sales patterns, and the distributor's inventory levels. Where risk indicators are higher, we may shorten terms, require partial prepayment or collateral, set credit limits, or revert to full prepayment; where risk is lower and order visibility is strong, we may extend terms within the 30-90 day range. These assessments are reviewed periodically and may be adjusted based on changes in the distributor's operating situation and performance.

We formalize our relationships with distributors through distribution agreements, the distribution agreement varies depending on the outcome of negotiations with individual distributors. These agreements ensure a clear framework for cooperation while maintaining flexibility to accommodate specific circumstances.

The table below sets forth the key terms of our distribution agreements:

Duration	:	Generally one year, which will be renewed automatically for additional one year if we are satisfied with the assessment results of the distributor.
Payment and credit terms	:	We typically require our distributors to make prepayments for the products. We may provide certain distributors with credit terms according to our customer credit management policy, depending on their operating situations, financial condition and expected transaction volume.
Delivery of products	:	We are responsible for delivering products to the locations specified in the orders to the distributors or designated receivers.
Transfer of risks	:	Risks are transferred to the distributors once products have been delivered by us to the agreed-upon location or receiver.
Product returns/ exchanges	:	We typically do not accept product returns or exchanges other than in the case of quality issues. We do not assume product liability in the event of end-product failure, provided that such failure is not caused by our products or specifications, design or manufacturing defects, or our breach of applicable warranties or laws.

Sales of products	:	Our distributors are only allowed to sell our products in designated areas.
Pricing	:	The selling price of our products will be separately agreed in the order placed by the distributors.
Termination	:	Either party to the agreement has the right to unilaterally terminate the agreement without cause by providing written notice in advance according to the actual term of the agreement. If either party fails to perform or comply with any of its obligations under the agreement within 30 days after receipt of written notice from the other party, or enters into bankruptcy, liquidation, receivership, or any other situation indicating insolvency or inability to fulfill its obligations, the other party may terminate the agreement immediately. Termination of the agreement shall not affect either party's obligation to pay any amounts due to the other party under this Agreement, and all such amounts shall remain payable when due.

The table below sets forth the total number of our distributors and their movement during the Track Record Period.

	Years ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
Number of distributors at the beginning of the year/period	127	131	133	137
Number of new distributors	4	2	4	1
Number of terminated distributors	–	–	–	–
Number of distributors at the end of the year/period	**131**	**133**	**137**	**138**

Avoidance of Competition among Distributors

We manage cannibalization primarily through defined territories, monitoring, and pricing guidance consistent with our existing practices. Distributors are appointed on a non-exclusive basis but assigned specific geographic regions under our distribution agreements. We monitor distributor performance and market coverage to identify overlaps early and take corrective actions where needed, including enforcing territorial requirements under the agreements.

To manage pricing across distributors, we provide suggested retail prices to promote consistency and discourage disruptive price competition, while distributors retain pricing flexibility. Where we observe significant fluctuations in sales or material deviations from forecasts that may indicate channel conflict or cannibalization, we may verify demand with end-customers and adjust distributor orders as appropriate. We also monitor inventory levels and forecasts to align shipments with demand, which helps reduce incentives for price undercutting among channels.

For distributorships without exclusive rights in a given area, the combination of territorial assignments, ongoing performance monitoring, suggested pricing, and our ability to intervene when material deviations arise is intended to limit cannibalisation and maintain an orderly marketplace. Products accepted by distributors are generally not returnable except for quality issues, which further discourages speculative stocking and price-driven conflict. Based on these measures, we aim to balance coverage and competition while minimising cannibalisation across sales channels.

To minimize competition among our distributors, we take several proactive measures to ensure a balanced and cooperative distribution network. We assign non-exclusive distribution rights based on specific geographic regions, clearly defining the areas in which each distributor operates. This helps distributors focus on their designated markets without overlapping with others. These territorial arrangements are strictly enforced through our distribution agreements, with provisions allowing us to terminate agreements if distributors breach these requirements.

To maintain fair market coverage, we regularly monitor and evaluate distributor performance. This enables us to identify potential conflicts or overlaps early and take corrective actions to prevent excessive competition within the same customer base. We also provide suggested retail prices to our distributors to promote pricing consistency and avoid disruptive price wars. While distributors retain flexibility in setting their own prices, these guidelines help maintain a stable market environment.

By requiring distributors to submit sales forecasts and closely monitoring their inventory levels, we align their activities with actual market demand. We do not set minimum purchase amounts for distributors and encourage them to place orders according to their actual and projected demands on a rolling basis. In the event of significant fluctuations in sales or material deviations from their forecasts, we may reach out to end customers to verify actual demand and adjust distributor orders accordingly. Moreover, once the products are delivered and accepted by the Company's distributors, they cannot be returned or exchanged other than in the case of quality issues.

Through these measures, we foster a collaborative distribution network that minimizes conflicts and ensures sustainable growth for all parties involved. The Company maintains close communication with its distributors.

Channel Inventory Controls

We align shipments with end-market demand by reconciling distributor sell-through reports and order backlogs with our production and delivery schedules, and by linking shipments of key products to identified design-ins and customer production ramps. Orders are accepted under established lead times and minimum order policies, and, for automotive and industrial products, are generally placed on non-cancellable, non-returnable terms to deter speculative purchases. We maintain routine oversight of channel health through distributor-provided inventory and ageing summaries and adjust shipment pacing when inventory approaches our internal comfort levels. Based on the above, our Directors are of the view that our sales reflect actual end-customer demands.

Our distributor arrangements comprise (i) buy-sell (sell-in) arrangements under which title and risks pass to distributors upon delivery; and (ii) consignment arrangements under which title remains with us until the goods are sold by the distributor to end customers.

For consignment arrangements, products physically held by distributors but not yet sold remain recorded as our inventories until sell-through. For buy-sell arrangements, unsold inventory resides on the distributors' balance sheets and is not reported to us on a standardized, auditable basis. As such, we are not aware of the average time required for distributors to resell the products to end consumers under buy-sell arrangements. We also have no information relating to the amount of unsold inventory held by distributors as at the end of each year/period during the Track Record Period.

Based on the independent due diligence conducted by the Sole Sponsor and the information and representation given to the Sole Sponsor by the Company, nothing has come to the Sole Sponsor's attention that would cause them to disagree with our Directors' views in any material respect.

Direct Sales

We generally enter into framework agreements with our major customers, with actual price and volume specified in individual purchase orders. The terms of these agreements vary depending on the specific product or project and the result of our negotiation with each customer, but these agreements generally contain the following terms:

Duration	:	Generally one year, unless otherwise agreed.
Pricing	:	The selling price of our products will be separately agreed in the order placed by the customer.
Transfer of risks	:	Risks are transferred to the customers when the products are accepted by them.
Payment and credit terms	:	We typically require our customers to make prepayments for the products. We may provide certain customers with credit terms ranging from 30 to 90 days according to our customer credit management policy, depending on their operating situations, financial condition and expected transaction volume.
Minimum purchase requirements	:	Our framework agreements with our customers usually do not contain minimum purchase requirements.
Delivery of products	:	We are generally responsible for delivering products to the locations and at the times as specified in the orders placed by our customers.
Product returns/ exchanges	:	Our customers are generally entitled to return or exchange products that do not meet their requirements in terms of quality or specifications. We do not assume product liability in the event of end-product failure, provided that such failure is not caused by our products or specifications, design or manufacturing defects, or our breach of applicable warranties or laws.
Confidentiality	:	These framework agreements usually have strict confidentiality provisions that restrict the parties of the agreement from disclosing any confidential information.
Termination	:	These framework agreements can be terminated with mutual agreement of parties, or terminated unilaterally under certain circumstances such as unrectified material breach of the contract, force majeure or bankruptcy of a party.

Our Customers

Our customers are distributors and direct sales customers which mainly include manufacturers and distributors of electronic components. Manufacturers are companies that design and produce parts used inside electronic systems and devices, and the products they procure from us include memory ICs, microcontrollers/SoCs, analog and power management ICs. Distributors are companies whose primary role is to commercialize and distribute these parts rather than make them.

Top Five Customers

In 2023, 2024 and 2025 and three months ended March 31, 2026, sales to our five largest customers amounted to RMB2,470.4 million, RMB2,187.6 million, RMB2,406.0 million and RMB784.9 million, respectively, accounting for 54.5%, 51.9%, 50.7% and 50.3% of our total sales in the respective years/period. In 2023, 2024 and 2025 and the three months ended March 31, 2026, sales to our largest customer amounted to RMB953.7 million, RMB817.3 million, RMB812.5 million and RMB243.2 million, accounting for 21.0%, 19.4%, 17.1% and 15.6% of our total sales in the respective years/period. In 2023, 2024 and 2025 and the three months ended March 31, 2026, to the best knowledge of our Directors, none of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) had any interest in our five largest customers in any period during the Track Record Period that are required to be disclosed under the Listing Rules.

The following tables set forth certain information relating to our top five customers for the years/period indicated.

For the three months ended March 31, 2026

	Customer	Transaction amount	Percentage of revenue	Duration of Cooperation	Major products sold	Credit Term	Sales Type
		(in RMB thousands)	*%*	*(year)*			
1	Customer A[(1)]	243,202	15.6	22	Memory IC	Within 45 days	Distributor
2	Customer B[(2)]	193,153	12.4	17	Memory IC	Within 60 days	Distributor
3	Customer C[(3)]	160,995	10.3	8	Computing IC	Within 30 days	Distributor
4	Customer D[(4)]	116,930	7.5	7	Computing IC	Within 30 days	Distributor
5	Customer E[(5)]	70,601	4.5	17	Memory IC	Within 60 days	Distributor

Notes:

(1) Customer A is engaged in the distribution and supply of technology products, headquartered in the United States. Its shares are listed on the New York Stock Exchange. The duration of our cooperation with Customer A is calculated by reference to the length of the business relationship between Customer A and ISSI (which was incorporated in 1988), our subsidiary, which commenced prior to the establishment of the Company. ISSI had established and maintained the business relationship with Customer A before it became a member of our Group, and we have continued this cooperation following our acquisition of ISSI.

(2) Customer B is engaged in the sourcing and engineering technology solutions, headquartered in the United States. Shares of its parent company are listed on the New York Stock Exchange.

(3) Customer C is engaged in agency sales of ICs, electronic components and modules, headquartered in Shenzhen, China.

(4) Customer D is engaged in the development, production and distribution of electronic products, headquartered in Shenzhen, China.

(5) Customer E is a private supplier of industrial and automotive chips and IoT solutions, headquartered in Hong Kong.

For the year ended December 31, 2025

	Customer	Transaction amount	Percentage of revenue	Duration of Cooperation	Major products sold	Credit Term	Sales Type
		(in RMB thousands)	*%*	*(year)*			
1	Customer A	812,542	17.1	22	Memory IC	Within 45 days	Distributor
2	Customer B	561,414	11.8	17	Memory IC	Within 60 days	Distributor
3	Customer C	527,837	11.1	8	Computing IC	Within 30 days	Distributor
4	Customer D	354,802	7.5	7	Computing IC	Within 30 days	Distributor
5	Customer E	149,501	3.2	17	Memory IC	Within 60 days	Distributor

For the year ended December 31, 2024

	Customer	Transaction amount	Percentage of revenue	Duration of Cooperation	Major products sold	Credit Term	Sales Type
		(in RMB thousands)	*%*	*(year)*			
1	Customer A	817,289	19.4	22	Memory IC	Within 45 days	Distributor
2	Customer C	443,508	10.5	8	Computing IC	Within 30 days	Distributor
3	Customer B	438,986	10.4	17	Memory IC	Within 60 days	Distributor
4	Customer D	366,029	8.7	7	Computing IC	Within 30 days	Distributor
5	Customer F[(6)]	121,791	2.9	18	Memory IC	Within 75 days	Direct sales

For the year ended December 31, 2023

	Customer	Transaction amount	Percentage of revenue	Duration of Cooperation	Major products sold	Credit Term	Sales Type
		(in RMB thousands)	*%*	*(year)*			
1	Customer A	953,688	21.0	22	Memory IC	Within 45 days	Distributor
2	Customer B	514,585	11.4	17	Memory IC	Within 60 days	Distributor
3	Customer D	468,267	10.3	7	Computing IC	Within 30 days	Distributor
4	Customer C	421,499	9.3	8	Computing IC	Within 30 days	Distributor
5	Customer G[(7)]	112,292	2.5	Over 5	Memory IC	Within 30 days	Distributor

Customer Complaints

We have established comprehensive customer complaint policies and handling procedures to ensure timely and effective resolution of any customer concerns. Throughout the track record period, we maintained transparent communication channels and dedicated support teams to address customer feedback in accordance with our internal protocols. During the Track Record Period, we did not receive any material customer complaints.

(6) Customer F is engaged in the supply of semiconductors, powertrain and electromobility, headquartered in Gerlingen, Germany.

(7) Customer G is engaged in electronic component distribution, headquartered in Taiwan, China.

PRODUCTION, PROCUREMENT, INVENTORY AND LOGISTICS

Our Fabless Model

We do not directly manufacture our products. Instead, we have adopted the fabless model, whereby we cooperate with quality production partners for all phases of the manufacturing process. This allows us to concentrate our resources on IC design, platform development and market-oriented innovation, while partnering with leading foundries and OSAT providers to ensure scalability and high-quality products. In addition, the fabless model allows us to avoid many of the significant costs and risks associated with owning and operating various fabrication and packaging and testing facilities. As of March 31, 2026, we worked closely with 18 quality foundry partners for IC fabrication, and 28 OSAT partners for IC packaging and testing.

Beyond IC design, we dedicate resources to develop optimized production processes for our products and collaboratively establish Design for Manufacturability (DFM) and Design for Reliability (DFR) rules suitable for our products, resulting in strong integration capabilities between process design and manufacturing. Through sharing industry insights, technical exchanges and collaborative custom development, we contribute to upstream industry advancements in areas such as architecture upgrades and process technology evolution and innovation, securing preferential and comprehensive support from the supply chain.

Our foundry partners are responsible for procurement of raw materials used in the production of our ICs. Once our foundry partners complete the fabrication of the wafers, the foundry partners or we are responsible for shipping them to our OSAT partners for cutting, packaging and testing, depending on the agreements. See "— Logistics" for further details.

During the Track Record Period, the demand for IC products across the industry has, to varying degrees, shifted toward AI-driven applications. During such periods, we did not encounter any material supply-chain constraints or disruptions that had a material adverse effect on our operations or financial performance, and there was no breach of contract by or against us under our arrangements with our foundry and OSAT partners. Leveraging our long-standing relationships with our diversified base of foundry and OSAT partners, together with our long-term capacity binding arrangements with certain key foundry partners, we were able to secure sufficient wafer supply and packaging and testing capacity to meet our production requirements during the Track Record Period. Accordingly, such shifts in demand did not have any material impact on our operations or results of operations during the Track Record Period.

Arrangements with Our Production Partners

Selection of Production Partners

We carefully select our production partners, and we evaluate them based on a range of factors, including overall track record, technological expertise, product quality and quality control effectiveness, price, reliability, ability to meet our delivery timeline, locations, logistics and production capacity. We cooperate with quality foundry partners and OSAT partners, which we believe safeguards the quality of the IC.

IC Fabrication

In order for our foundry partners to allocate their production resources, we provide production plans upon their request. The actual terms and conditions of the purchases, including the pricing, volume and specification of the IC, are specified in individual purchase orders.

We operate a fabless model and rely on qualified foundry partners to procure raw materials such as silicon wafers, photoresists, gases, chemicals, and metals used in IC fabrication. To ensure the quality of these inputs and the resulting wafers, we implement layered controls across partner qualification, specification control, and ongoing oversight.

Packaging and Testing

We typically settle with our OSAT partners on a monthly basis.

Our Suppliers

Our suppliers are mainly our foundry partners for IC fabrication and OSAT partners for IC testing and packaging.

We generally enter into framework agreements with our major foundries and OSAT partners, with the actual price and volume specified in individual purchase orders. The terms of these agreements vary depending on the specific product or project and the result of our negotiation with each supplier, but these agreements generally contain the following terms:

Duration	:	Generally three to five years for foundries, and three years for packaging and testing agreements, unless otherwise agreed.
Principal rights and obligations of parties involved	:	We provide product parameters, technical specifications, production process requirements, and other product requirements to foundry partners. Our foundry partners fabricate wafer products according to our requirements. We provide wafer products and technical specifications to packaging and testing service providers who provide packaging and testing services in accordance with our requirements.
Payment and credit terms	:	We make payments according to the terms specified in the purchase orders or the agreements. We are typically granted a credit term of one month by our foundry partners, and a credit term of one to two months by our OSAT partners.
Capacity Arrangement	:	For selected nodes and packages, our supply agreements may include capacity commitments tied to our rolling forecasts. Typically, a near-term portion of forecasted wafer starts or package units becomes firm within the supplier's lead time, with the supplier reserving corresponding capacity. Within agreed limits, we may adjust mix or volume; changes beyond those limits may incur fees. In tight-supply periods, we may agree to reservation or take-or-pay terms to secure priority, with corresponding remedies if capacity is not delivered. These commitments are subject to the supplier meeting our quality and delivery requirements.
Quality assurance	:	The foundries and OSAT partners are required to deliver products that meet our specified quality requirements and product specifications.

Product return . . . . . : We have the right to reject, replace or return products due to non-conformity with our product quality requirements or specifications due to suppliers' faults.

Termination . . . . . : Either party is entitled to terminate the agreement in accordance with the terms specified in the agreement, including material breach of contract.

Top Five Suppliers

In 2023, 2024 and 2025 and the three months ended March 31, 2026, purchases from our five largest suppliers amounted to RMB1,701.0 million, RMB1,423.3 million, RMB1,555.1 million and RMB430.4 million, respectively, accounting for 58.3%, 47.8%, 45.1% and 41.6% of our total purchases in the respective years/period. In 2023, 2024 and 2025 and the three months ended March 31, 2026, purchases from our largest supplier amounted to RMB773.9 million, RMB350.4 million, RMB479.7 million and RMB126.6 million, accounting for 26.5%, 11.8%, 13.9% and 12.3% of our total purchases in the respective years/period. In 2023, 2024 and 2025 and the three months ended March 31, 2026, to the best knowledge of our Directors, none of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) had any interest in our five largest suppliers in any period during the Track Record Period that is required to be disclosed under the Listing Rules.

The tables below set forth certain information about our top five suppliers during the Track Record Period.

For the three months ended March 31, 2026

	Supplier	Transaction amount	Percentage of purchases	Duration of Cooperation	Major products/services provided to us	Credit term
		(in RMB thousands)	*%*	*(year)*		
1 . .	Supplier A[(1)]	126,584	12.3	Over 8	Wafers	Within 30 days
2 . .	Supplier C[(2)]	95,219	9.2	Over 3	Packaging and testing	Within 60 days
3 . .	Supplier D[(3)]	75,888	7.3	Over 3	Wafers	Within 30 days
4 . .	Supplier J[(4)]	66,633	6.4	Over 18	Wafers	Within 30 days
5 . .	Supplier B[(5)]	66,054	6.4	Over 12	Wafers	Within 30 days

(1) Supplier A is engaged in semiconductor manufacturing, headquartered in Taiwan, China. Its shares are listed on the TWSE.

(2) Supplier C is engaged in semiconductor packaging and testing services, headquartered in Taiwan, China. Its shares are listed on the TWSE.

(3) Supplier D is a company engaged in NAND Flash controller IC design and storage solutions, headquartered in Taiwan, China. Its shares are listed on the TWSE.

(4) Supplier J is a company engaged in semiconductor manufacturing, headquartered in Shanghai. The shares of its parent company are listed on the Shanghai Stock Exchange and the HKEX.

(5) Supplier B is a company engaged in semiconductor manufacturing, headquartered in Wuhan, China.

For the year ended December 31, 2025

	Supplier	Transaction amount	Percentage of purchases	Duration of Cooperation	Major products/services provided to us	Credit term
		(in RMB thousands)	*%*	*(year)*		
1 . .	Supplier A	479,740	13.9	Over 8	Wafers	Within 30 days
2 . .	Supplier I[(6)]	320,244	9.3	Over 1	Wafers	Within 15 days
3 . .	Supplier C	296,712	8.6	Over 3	Packaging and testing	Within 60 days
4 . .	Supplier B	252,822	7.3	Over 12	Wafers	Within 30 days
5 . .	Supplier E[(7)]	205,711	6.0	Over 8	Wafers	Within 30 days

For the year ended December 31, 2024

	Supplier	Transaction amount	Percentage of purchases	Duration of Cooperation	Major products/services provided to us	Credit term
		(in RMB thousands)	*%*	*(year)*		
1 . .	Supplier A	350,359	11.8	Over 8	Wafers	Within 30 days
2 . .	Supplier B	346,812	11.6	Over 12	Wafers	Within 30 days
3 . .	Supplier E	316,201	10.6	Over 8	Wafers	Within 30 days
4 . .	Supplier F[(8)]	207,367	7.0	Over 14	Wafers	Within 30 days
5 . .	Supplier C	202,491	6.8	Over 3	Packaging and testing	Within 60 days

(6) Supplier I is a private company engaged in DRAM manufacturing, headquartered in Hong Kong.

(7) Supplier E is a multinational semiconductor contract manufacturing and design company, headquartered in the United States. Its shares are listed on the NASDAQ Global Select Market.

(8) Supplier F is engaged in semiconductor manufacturing, headquartered in Taiwan, China. Its shares are listed on the TWSE.

For the year ended December 31, 2023

	Supplier	Transaction amount	Percentage of purchases	Duration of Cooperation	Major products/services provided to us	Credit term
		(in RMB thousands)	*%*	*(year)*		
1 . .	Supplier A	773,931	26.5	Over 8	Wafers	Within 30 days
2 . .	Supplier B	448,482	15.4	Over 12	Wafers	Within 30 days
3 . .	Supplier C	190,029	6.5	Over 3	Packaging and testing	Within 60 days
4 . .	Supplier F	161,466	5.5	Over 14	Wafers	Within 30 days
5 . .	Supplier G[(9)]	127,134	4.4	Over 2	Packaging and testing	Within 60 days

Overlapping of Suppliers and Customers

We did not have any overlap between our major customers and major suppliers during the Track Record Period.

Inventory Management Policy

We maintain a structured inventory management framework designed to balance supply assurance with working-capital efficiency. See "Financial Information — Selected Balance Sheet Items — Inventories — Inventory Management Policy."

Logistics

Either the foundry partners or we are responsible for shipping the wafers from the foundries to the testing and packaging facilities. We are responsible for shipping the packaged and tested IC to the locations or receivers as designated by our distributors or direct sales customers.

We engage qualified third-party logistics service providers for the deliveries. When selecting a logistics service provider, we typically consider their specialty and professional qualification, price, reputation, transportation efficiency, transportation capability and their track records. We also require our logistics providers to possess transportation permits and other relevant qualifications to conduct their business, as well as other qualifications as required by law. We normally enter into long-term agreements with our logistics service providers.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any significant delay in delivery that materially affected our business operations.

Quality Control

We emphasize quality control in all aspects of our operations, covering process, customers and business. From product development and sourcing of supplies to sales and deliveries, we strictly control the quality of our products to ensure our products meet our stringent internal standards as well as international and industry standards. We have been certified under ISO 9001 and ISO 14001.

(9) Supplier G is engaged in semiconductor packaging and testing, headquartered in Shanghai, China. Shares of its parent company are listed on the TWSE.

During the Track Record Period and up to the Latest Practicable Date, we had never experienced any material penalties in relation to production quality or any material product quality disputes.

Warranty and After-sales Services

We provide a warranty for our products that is aligned with industry standards, typically ranging from one to three years depending on the product category, customer requirements, and sales channel. Our warranty covers defects or failures of products that do not meet the specifications published by us or agreed upon with customers in writing.

We offer comprehensive after-sales support through our Field Application Engineering (FAE) team, which assists customers in product application and development. For automotive customers, we can provide detailed return merchandise authorization analysis reports when required.

For direct sales, we handle after-sales services directly with customers, ensuring that any reported issues are resolved promptly and effectively. For distributor sales, we require any after-sales issues reported by indirect customers to be recorded in our system through a standardized process. We then coordinate with distributors or communicate directly with the customer to resolve the issue and track its progress to maintain high service quality.

We accept returns of our products for defects. We believe our return policy is consistent with the relevant PRC laws and regulations governing product quality and consumer rights and interests, as applicable. We did not receive any requests for returns during the Track Record Period that individually or in aggregate had a material adverse effect on our business and financial condition. In addition, during the Track Record Period and up to the Latest Practicable Date, we had not experienced any product recall that materially and adversely impacted our reputation, business operations or financial condition.

INTELLECTUAL PROPERTIES

We had 812 patents, 152 registered trademarks, 187 copyrights and 16 domain names as of March 31, 2026. See “Appendix VI — Statutory and General Information — Further Information about the Business — Intellectual Property.” These intellectual properties cover our production processes as well as the designs of our products. During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge, we had not been subject to any material intellectual property claims that could have a material adverse effect on our business or operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Overview

We recognize that environmental, social and governance factors are becoming important dimensions for measuring a company’s sustainability capabilities and long-term value creation. While complying with the ESG-related disclosure requirements of the A-share market regulatory authorities, we will also comply with the requirements of Appendix C2 of the Hong Kong Listing Rules after listing on the H-share market. We will publish an ESG report annually to disclose our ESG practices and performance results to stakeholders in a timely and accurate manner.

Risk Management and Internal Control

Given the nature of our business, the Group currently does not generate significant emissions or waste, nor does it cause severe pollution, thereby fundamentally reducing the direct impact of environmental ESG risks. Nevertheless, we proactively analyze the multidimensional impacts of ESG risks: On the business front, we develop low-power chips and proactively position ourselves for ESG compliance through product innovation to align with national green development trends; Strategically, we have established a Strategy and ESG Committee to research ESG-related matters and propose recommendations, systematically advancing ESG management at the strategic level; Financially, by consistently implementing ESG requirements, we have reduced carbon emissions and energy consumption while lowering average labor cost related to energy consumption, continuously optimizing operational expenses; additionally, we have proactively aligned with regulatory standards, establishing a framework for ESG reporting and disclosure systems to address future compliance costs and risks, thereby supporting the Company's long-term, stable development.

We proactively identify ESG risks and opportunities, continuously focusing on reducing energy consumption, protecting the environment, and mitigating the potential impacts of climate change on our business, strategy, and finances. For instance, we have introduced charging station services to facilitate employees' use of new energy vehicles; We have deployed waste sorting bins in office spaces to foster environmental awareness in daily operations.

Metrics and Targets

Greenhouse Gas Emission Management

As a contribution to the national "dual carbon" targets, we have constantly improved our carbon emission management to avoid the risk of non-compliance with carbon emission regulations, and have proactively performed the accounting for carbon emission data to lay a solid foundation for subsequent greenhouse gas statistics and emissions reduction. To keep in line with international mainstream standards, we have made continuous efforts to strengthen internal review of carbon emission data in accordance with the Corporate Accounting and Reporting Standard (《企業核算與報告標準》) and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard (《企業價值鏈(範圍三)核算與報告標準》) under the Greenhouse Gas Protocol (GHG Protocol) (《溫室氣體核算體系》), and have laid a more solid data foundation of energy conservation and carbon reduction.

Details of our greenhouse gas (GHG) emission metrics are as follows:

		Year ended December 31,			Three months ended March 31,
Metrics	**Unit**	**2023**	**2024**	**2025**	**2026**
Scope 1 GHG emissions	tCO_2e	238.6	205.3	189.6	84.9
Scope 2 GHG emissions	tCO_2e	2,907.3	3,306.0	3,561.5	854.4
Scope 3 GHG emissions	tCO_2e	1,436.0	1,543.0	1,702.0	453.9
Total GHG emissions	tCO_2e	4,582.0	5,054.3	5,453.0	1,393.3
Total GHG emissions per unit of revenue	tCO_2e/RMB million	1.0	1.2	1.2	0.9
Period-to-period change in total GHG emissions per unit of revenue	%	45.1	18.3	(4.6)	(22.3)

Scope 1 emissions are mainly direct GHG emissions from our operations, including fuels, natural gas, and fugitive gas emissions. Scope 2 emissions are mainly indirect GHG emissions from purchased electricity consumption in our office premises.

We are gradually expanding the scope of our GHG emission data statistics and accounting treatment to include Scope 3 emissions, including Category 3: Fuel- and energy-related activities not included in the calculation of Scope 1 or Scope 2 emissions, Category 6: Business travel, and Category 13: Emissions from downstream leased assets. In the future, we plan to further expand the scope of our statistics and accounting treatment of Scope 3 GHG emissions to better control GHG emissions and disclose relevant information.

From 2023 to 2025, the increase in Scope 2 GHG emissions was mainly attributable to the growth of electricity consumption for the company's production and operation activities. Purchased electricity consumption rose from 5,418.08 MWh to 6,637.08 MWh, driving a corresponding increase in Scope 2 GHG emissions. The rise in Scope 3 GHG emissions was primarily due to increased employee business travel resulting from the deepening of overseas business layout, which led to a year-on-year growth in Scope 3 GHG emissions.

Energy Management

We adhere to a "dual carbon" strategic orientation, integrating green development into its energy management. We actively respond to the United Nations Sustainable Development Goals (SDGs) and the "3060 Dual-Carbon Targets," continuously promote the use of renewable energy in its own operations and supplier product production processes. Meanwhile, we will continue to optimize daily management, actively follow up on new technologies, continuously improve power operation efficiency, reduce energy waste, and save energy costs.

In its daily operations, our energy consumption primarily includes purchased electricity and gasoline used by operational vehicles. We strictly comply with relevant laws, regulations, rules, policies, and industry standards, such as the Law of the People's Republic of China on Energy Conservation (《中華人民共和國節約能源法》), and will continue to optimize and upgrade our energy mix to improve energy efficiency.

Details of our energy consumption are as follows:

		Year ended December 31,			Three months ended March 31,
Metrics	**Unit**	**2023**	**2024**	**2025**	**2026**
Total electricity consumption	MWh	5,418.1	6,161.0	6,637.1	1,592.3
Total electricity consumption per unit of revenue	MWh/RMB million	1.2	1.5	1.4	1.0
Period-to-period change in total electricity consumption per unit of revenue	%	32.5	22.3	(4.3)	(27.1)
Gasoline consumption	liters	6,483.6	6,980.6	6,116.5	1,302.8
Gasoline consumption per unit of revenue	liters/RMB million	1.4	1.7	1.3	0.8
Period-to-period change in gasoline consumption per unit of revenue	%	11.2	15.8	(22.1)	(35.3)
Natural gas consumption	m^3	83,562.6	60,410.4	54,066.1	31,126.0
Natural gas consumption per unit of revenue	m^3/RMB million	18.4	14.3	11.4	20.0
Period-to-period change in natural gas consumption per unit of revenue	%	32.7	(22.2)	(20.5)	75.0

Water Management

We attach great importance to water management, strictly comply with relevant laws, regulations, and management provisions such as the Water Law of the People's Republic of China (《中華人民共和國水法》), actively respond to national water conservation policies, raise employee awareness of water conservation by posting water conservation slogans and other measures, and incorporate water conservation initiatives into our daily operations to ensure our sustainable development and contribute to the protection of water resources.

Details of our water consumption are as follows:

		Year ended December 31,			Three months ended March 31,
Metrics	**Unit**	**2023**	**2024**	**2025**	**2026**
Total water consumption	tons	13,878.9	15,352.9	21,654.1	4,661.5
Total water consumption per unit of revenue	tons/RMB million	3.1	3.6	4.6	3.0
Period-to-period change in total water consumption per unit of revenue	%	(47.2)	19.0	25.3	(34.6)

Waste Management

Our waste mainly consists of kitchen waste and we do not generate or discharge industrial wastewater or hazardous waste. We strictly comply with the Law of the People's Republic of China on Water Pollution Prevention and Control (《中華人民共和國水污染防治法》), the Law of the People's Republic of China on Solid Waste Pollution Prevention and Control (《中華人民共和國固體廢棄物污染環境防治法》), and other relevant laws and regulations applicable to our operations in other places. Our kitchen waste is recycled by a qualified third party.

Details of our waste generation are as follows:

		Year ended December 31,			Three months ended March 31,
Metrics	**Unit**	**2023**	**2024**	**2025**	**2026**
Quantity of harmless waste	tons	48.4	79.0	91.1	15.9
Quantity of harmful waste	tons	–	–	–	–
Total quantity of waste	tons	48.4	79.0	91.1	15.9
Total waste per unit of revenue	tons/RMB million	0.0	0.0	0.0	0.0
Period-to-period change in total waste per unit of revenue	%	66.4	75.6	2.4	(47.0)

Climate Change

We view addressing climate change as our corporate responsibility for sustainable development, take active actions to identify and resolve climate risks, and at the same time, seize development opportunities in the low-carbon transition to lay a solid foundation for further enhancing climate management in the future.

Physical risks: We will strengthen monitoring and early-warning for extreme weather, enhance response measures, conduct regular emergency drills and provide training to improve safety awareness and preparedness.

Transition risks: We face risks from stricter carbon regulations, the need for green technology and product innovation and potential cost increases from low-carbon raw materials and energy. We support the national "dual-carbon" targets, pursue a green and low-carbon strategy and promote climate planning, low-carbon management and energy-saving upgrades to manage these risks.

Climate-related opportunities: In addressing climate challenges, we also recognize and energetically seek development opportunities brought by resource efficiency optimization and green product innovation. For example, while purchasing distributed photovoltaic equipment may increase costs in the short term, energy costs will gradually decrease with more use of green electricity. In the long term, it would result in reduced operational costs and increased market competitiveness of products. Focusing on green product R&D not only creates new opportunities for business growth, but also achieves synergy between sustainable development and commercial value by optimizing product characteristics of low-energy and climate adaptability.

To quantify the effectiveness of climate action, we plan to gradually sort out climate-related data in the future, including the amount and percentage of assets and business activities that are more vulnerable to climate-related physical risks or transition risks, determine the control focus for high-risk areas, calculate the amount and percentage of assets and business activities related to climate opportunities, quantify the input-output benefits of green development initiatives, and continuously improve climate risk management levels through a data-driven management model to promote high-quality development toward low-carbon and sustainability.

Occupational Health and Safety

We strictly abide by the provisions of the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) and the Requirements and Applicable Guidelines for Occupational Health and Safety Management Systems (《職業健康安全管理體系要求及適用指南》), always prioritize occupational health and safety of our employees, and strive to create and maintain a safe, reliable, and comfortable working environment and balance economic development with the well-being of our employees. During the Track Record Period and up to the Latest Practicable Date, there have been no serious occupational health incidents, claims for personal injury or property damage, or payments of compensation to employees that are material to our business operation.

Anti-Corruption and Anti-Bribery

We have always upheld integrity and business ethics as our core principles, committed to fostering a culture of uprightness, integrity, justice, and honesty, and have adopted systematic measures to establish a robust defense line of integrity. We have established a multi-channel whistleblowing platform as of the Latest Practicable Date.

DATA PRIVACY AND CYBERSECURITY

We collect and store business, management and transaction data generated during or in connection with our business operations, including data related to our business and transactions with our customers, suppliers and other relevant parties. We collect personal information of our customers only in very limited and necessary circumstances.

To facilitate business operation and uniform management of ISSI and Lumissil brands, the information of customers' contacts, business partners' contacts and relevant transaction data, the employee data collected within PRC under ISSI and Lumissil entities are processed through overseas developed management information systems and stored outside the territory of the PRC. The systems for customer relationship and order management, employee management are located in the U.S. and the system for business operation (ERP) is located in Singapore. As advised by our PRC Legal Advisors, such overseas storage of data complies with the applicable laws and regulations and during the Track Record Period and up to the Latest Practicable Date, since: 1) such overseas storage of data does not apply to the requirement of acquiring prior approval from or filing with Cyberspace administration according to *the Provisions on Promoting and Regulating Cross-border Data Flows* (the "Provisions"), as: i) the overseas stored data has not been informed or publicly announced as important data by any competent authorities; ii) for the overseas stored data of employees, it is considered necessary for the purpose of conducting cross-border human resources management within the Group, which applies to the exemption condition stipulated in Article 5.2 of the Provisions; iii) for the overseas stored data of customers and business partners, it does not involve sensitive personal information and involves not more than 100,000 persons accumulatively since January 1, 2026, which applies to the exemption condition stipulated in Article 5.4 of the Provisions; 2), the Group has taken necessary measures to ensure the compliance of such overseas data storage, including disclosing the facts of overseas personal information storage in Privacy Policies on the official websites of ISSI and Lumissil, providing information letter dedicated for the fact of overseas personal information storage with related employees, obtaining separate consent for website users when providing their personal information, and taking measures to ensure other legal basis according to the applicable laws and regulations. The Group did not experience any material data leakage during the Track Record Period and up to the Latest Practicable Date.

We have established a comprehensive data compliance system. We have deployed more than ten types of security systems and policies, including firewalls, internet behavior management, antivirus software, network access control, data loss prevention, threat intelligence platforms, log management, and vulnerability scanning. These tools form a layered defense system that extends from the network perimeter to the data center. Our information technology departments are responsible for developing and implementing our policies and procedures relating to cybersecurity and data security.

We have established systematic policies ranging from data classification and grading guideline, data security management policy clarifying requirements covering the full cycle of data processing activities, and response plan for data security incidents, as well as dedicated compliance policies for personal information protection, data outbound transfer compliance management and employee profiles management, etc. We have also established policies for information security and computers management, which requires regular cybersecurity scheme and inspection to strengthen our cybersecurity management and risk defense capability. We are committed to continuously optimize the implementation of these policies and timely update them with close monitoring with regulatory development.

Our information system for customer relationship management involving customer data processing has passed the Level 3 assessment under the PRC Multiple-level Protection System. The information systems used by ISSI and Lumissil entities underwent a comprehensive information technology audit in 2025 where no material safety problem has been found. We will continuously follow the legislative and regulatory development in data protection and cybersecurity, implement all necessary measures in a timely manner to ensure continuous compliance.

During the Track Record Period and up to the Latest Practicable Date, the Group has not been subject to any material fines or sanctions by any competent government authorities in relation to data privacy and cybersecurity within PRC. As advised by our PRC Legal Advisors, during the Track Record Period and up to the Latest Practicable Date, the Group complies with current PRC data privacy and cybersecurity laws and regulations in all material aspects.

COMPETITION

We operate in a highly competitive market, and we compete with other IC providers. The competitive landscape is shaped by multiple factors, including the growth of our customers and their respective industries, advancements in technology, emergence of new materials or technology, production capacity, regulatory changes and general economic conditions. New market participants may emerge, introducing innovative or cost-effective products that challenge existing players. If we are unable to keep pace with such advancements or fail to differentiate our products in terms of quality or cost, we risk losing market share to our competitors. See "Industry Overview," and "Risk Factors — Risks Relating to our Business and Industry — We face competition and expect to continue facing competition in the future. If we fail to compete effectively, our business, prospects, results of operations and financial condition will be materially and adversely affected."

INSURANCE

We maintain insurance policies to cover product liabilities, general liabilities and product recall. In addition, we have purchased a number of property-related insurance policies covering our facilities, machinery, equipment, inventories and other assets. We review our insurance policies from time to time to assess the adequacy and breadth of coverage. We believe that our existing insurance coverage is adequate for our business operations and is in line with industry standards in the countries in which we operate. Nevertheless, we may be exposed to claims and liabilities which exceed our insurance coverage. See "Risk Factors — Risks Relating to our Business and Industry — Our insurance coverage may be insufficient to cover all of our potential losses."

During the Track Record Period, we did not make and were not the subject of, any insurance claims which are material to our business or financial condition.

INTRA-GROUP TRANSACTIONS

In our ordinary course of business, we conduct certain intra-group transactions among our entities in different jurisdictions. The table below sets forth the amount of our intra-group transactions and arrangements for the years/period indicated.

	Year ended December 31,			Three months ended March 31,
Transaction Type	**2023**	**2024**	**2025**	**2026**
		(in RMB'000)		
Wafers & chips	2,034,627	1,949,112	2,487,327	674,267
R&D support services	98,318	52,311	64,372	2,430
Marketing support services	106,436	73,778	89,288	16,437
Transfer of Intellectual Property Rights	–	14,939	–	–
Intercompany Loan	1,153,975	1,187,240	1,402,741	1,402,439

During the Track Record Period, our manufacturing entities sold wafers and chips to other entities within the Group and received payments correspondingly and our R&D entities provided research and development support services to other entities within the Group. In addition, entities performing sales functions provided marketing support services to other entities and there were transfer of intellectual property rights within the Group as well. There are also financing transactions within the Group.

We have engaged an independent transfer pricing consultant to conduct a review of our key intra-group transactions during the Track Record Period, with a focus on material and recurring transactions. The consultant reviewed information provided by us, including financial figures and activities performed by relevant group entities, and performed benchmark studies. The consultant assessed the reasonableness of the relevant transfer pricing transactions and arrangements by applying appropriate transfer pricing methods primarily using the interquartile range approach. The objective was to evaluate whether the relevant pricing of intra-group transactions was in line with the arm's length principle and would not give rise to material tax exposure.

Our intra-group transactions are conducted on a market-oriented basis to support our strategic footprint, optimize resource allocation, and comply with relevant industry policies.

Integrated Silicon Solution (Cayman), Inc is designated for trading activities and does not engage in manufacturing. Its Taiwan branch, Integrated Silicon Solution (Cayman), Inc. Taiwan Branch, functions as our production coordination center in Taiwan, interfacing with upstream foundries and OSAT partners to manage fabrication and backend processes.

Integrated Silicon Solution Inc. (Hong Kong) Limited is likewise designated for trading activities to facilitate overseas business. In certain countries or regions, local policies restrict direct transactions with PRC-incorporated entities; to support business development in those markets, our Hong Kong entity serves as the contracting party. Our Hong Kong chip business operates under three principal models: (i) purchasing semi-finished products, arranging OSAT processing, and selling the finished goods; (ii) purchasing finished products for onward sale; and (iii) placing production orders directly with foundries and OSAT partners and selling the resulting products directly to customers.

We conduct intra-group transactions among the foregoing entities, and other group companies, to align procurement, manufacturing, and sales flows with jurisdictional requirements and commercial efficiency. All such transactions are undertaken in the ordinary course of business and on arm's length terms.

According to our independent transfer pricing consultant, during the Track Record Period, our transfer pricing risks resulting from our intra-group transactions were relatively low, and our transfer pricing practice with respect to our intra-group transactions worldwide did not have any material compliance issues.

The independent transfer pricing consultant reviewed the following transfer pricing transactions and arrangements and the results of the analysis are summarized as below.

(1) Analysis of sale of wafers and chips by manufacturing entities to related parties

During the Track Record Period, certain manufacturing entities, including Beijing Junzheng, Hefei Ingenic and Lumissil Microsystems (Hong Kong), sold wafers and chips to related parties. The pricing of these transactions was determined with reference to the product type, application area, prevailing market conditions and cost structure, with a reasonable profit markup.

The independent transfer pricing consultant has reviewed these transactions and found that the gross margins for such sales were largely within the interquartile range based on comparable benchmarks. Accordingly, the pricing of these transactions is considered consistent with the arm's length principle.

(2) Analysis of provision of R&D support services among group entities

During the Track Record Period, certain entities performing research and development functions, including ISSI U.S., Lumissil Microsystems (Xiamen), Integrated Silicon Solution (Shanghai) and Lumissil Microsysems (Wuhan), provided R&D support services to related parties under service outsourcing arrangements. The service fees for these transactions were based on the actual costs incurred plus a reasonable profit markup.

The independent transfer pricing consultant has reviewed the pricing of these transactions and found that the gross margins of such service arrangements were largely within the interquartile range based on comparable benchmarks. Accordingly, the pricing of these transactions is considered consistent with the arm's length principle.

(3) Analysis of provision of marketing support services among group entities

During the Track Record Period, certain entities performing sales functions, including ISSI U.S., Integrated Silicon Solution (Shanghai), Integrated Circuit Solution, ISSI Japan, ISSI HK, ISSI Singapore, ISSI Korea, Lumissil Microsystems (Xiamen), Lumissil Microsysems (Wuhan), ISSI-Cayman TW Branch, ISSI Israel, Integrated Silicon Solution (Beijing) and Ingenic Semiconductor (Shenzhen), provided related parties with marketing, sales, market research and operational support services.

The independent transfer pricing consultant has reviewed the pricing of these transactions and found that the gross margins of such service arrangements were within the interquartile range based on comparable benchmarks. Accordingly, the pricing of these transactions is considered consistent with the arm's length principle.

(4) Analysis of intellectual property transfer

During the Track Record Period, ISSI transferred certain intellectual property to Lumissil Microsystems (Xiamen) on a one-off basis. The transaction price was determined based on a valuation performed by a professional appraisal firm. The valuation took into account a ten-year profit and loss projection and the market performance of comparable listed companies, applying a combination of the market approach and the income approach to arrive at a reasonable value.

The independent transfer pricing consultant has reviewed the pricing of this transaction and found that the transfer price is considered within the arm's length principle.

(5) Analysis of intra-group financing arrangements

During the Track Record Period, certain entities within the Group, including ISSI, Integrated Silicon Solution (Shanghai), Lumissil Microsystems (Xiamen), Integrated Silicon Solution (Beijing), Shanghai Shansheng Integrated Circuit, Beijing Junzheng and Ingenic Semiconductor (Shenzhen), entered into intercompany loan arrangements for daily operational needs and strategic funding purposes.

The independent transfer pricing consultant has reviewed these financing arrangements and found that most loans were interest-bearing and priced in line with market rates. A limited number of loans were provided on an interest-free or low-interest basis to support financially weaker affiliates and such arrangements were not motivated by tax avoidance. Accordingly, the pricing of these transactions is generally considered consistent with the arm's length principle.

Based on the above analysis, the independent transfer pricing consultant is of the view that, during the Track Record Period, the transfer pricing transactions and arrangements were generally consistent with the arm's length principle and our transfer pricing practice worldwide did not have any material compliance issues.

Although we cannot assure that Chinese Mainland, Hong Kong and other jurisdictions tax authorities will not make any transfer pricing adjustments according to the relevant laws and regulations, the Directors (after consultation with our independent transfer pricing consultant) are of the view that the Group would have reasonable grounds of defense against possible challenges to the Group's transfer pricing arrangements for the Track Record Period.

In order to ensure our ongoing compliance with the applicable transfer pricing laws and regulations, we have adopted or are in the process of adopting the following measures:

- We will engage an external tax consultant on transfer pricing matters annually to conduct analysis on our transfer pricing method and profit level indicator selected, and plan our transfer pricing policy of the transactions through financial budgeting according to the result of the analysis;

- We will monitor the implementation of internal control policies on tax-related matters, including ensuring the intra-group transactions are properly recorded, filed and maintained for inspection to avoid any discrepancy before any filing to the relevant tax authorities;

- All intercompany agreements will be reviewed by the Finance Managers of the respective entities to provide comments on whether the price setting complies with transfer pricing requirements, in consultation with the Company's attorneys and local-country accountants, as appropriate. The Finance Managers will continuously monitor intra-group transactions and report to the Chief Financial Officer to ensure compliance with the arm's length principle;

- Finance Managers will review all reporting forms before submitting to the relevant tax authority;

- Our Finance Managers of the entities will prepare and file relevant supporting documents of value contribution of each entity for risk management purposes, including but not limited to responsibilities planning, correspondences, performance and outcome assessment of relevant work, etc. and submit these materials to our Chief Financial Officer for review; and

- We will hold dedicated meetings between the Chief Financial Officer and the finance officers of the entities to review and analyze intra-group transactions, transfer pricing outcomes, assess the effectiveness of related internal controls and compliance processes, discuss tax planning and compliance matters, and ensure that our pricing policies adhere to applicable regulatory requirements.

During the Track Record Period and up to the Latest Practicable Date, the Group had not been subject to any outstanding enquiries, audits, investigations or challenges by any tax authorities in the PRC or any other jurisdictions in relation to intra-group transactions or transfer pricing arrangements.

PROPERTIES

As of March 31, 2026, we owned 27 properties and leased 8 major properties in Chinese Mainland. As of the same date, we operated our business through two major owned properties and three major leased properties overseas, including Hong Kong SAR, the United States, Japan and Israel. We primarily use our owned and leased properties as our office premises.

As of March 31, 2026, we had no single property with a carrying amount of 15% or more of our total assets, and on this basis, we are not required by Rule 5.01A of the Listing Rules to include any valuation report in this prospectus. Pursuant to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, 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 of our interests in land or buildings.

Owned Properties

As of March 31, 2026, we owned 27 properties with an aggregate gross floor area of 59,761.3 sq.m. in Chinese Mainland. We mainly use these properties as our office premises. As of the same date, we had six land use rights in China with a gross land area of 260,837.7 sq.m. (of which 227,887.03 sq.m. is the jointly-owned land area).

Leased Properties

As of March 31, 2026, we leased eight major properties with an aggregate gross floor area of 4,316.6 sq.m. in Chinese Mainland, mainly as our office premises. For compliance matter with respect to our leased properties, see "Risk Factors — Failure to register lease agreements in the future may result in penalties."

EMPLOYEES

As of March 31, 2026, we had 1,251 full-time employees, with approximately 70.7% of our employees located in Chinese Mainland. The following table sets forth a breakdown of our full-time employees by function as of March 31, 2026.

Function	**March 31, 2026**	
	Number	*%*
Sales personnel	167	13.3
R&D personnel	822	65.7
Finance personnel	54	4.3
Operation personnel	88	7.0
IT personnel	31	2.5
Human resources personnel	20	1.6
Administrative personnel	27	2.2
Others	42	3.4
Total	**1,251**	**100.0**

The following table sets forth a breakdown of our full-time employees by geographic location as of March 31, 2026.

Geographic location	As of March 31, 2026	
	Number	*%*
Chinese Mainland	885	70.7
Overseas[(1)]	366	29.3
Total	**1,251**	**100.0**

Note:

(1) Mainly include United States, Japan and Israel.

We provide our employees with certain benefits including social insurance coverage and other employee benefits. We enter into individual employment contracts with our employees to cover matters such as wages, employee benefits, confidentiality and grounds for termination. Our employees' compensation is determined according to their job positions, technical skills, and job performance and competition.

We have designed a series of comprehensive training programs that align with our strategic direction and talent development objectives. None of our employees are represented by a union or collective bargaining agreements. We believe that we have good employment relationships with our employees. During the Track Record Period, we did not experience any strikes, work stoppages, labor disputes or other actions which had a material adverse effect on our business and operations.

LICENSES, PERMITS AND APPROVALS

During the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, permits, approvals and certificates from the relevant government authorities that are material for our business operations. We continually monitor our compliance with these requirements in order to ensure that we have all such approvals, licenses and permits as are necessary to operate our business.

We had not experienced any material difficulties in renewing material licenses, permits or approvals during the Track Record Period and up to the Latest Practicable Date and do not expect there to be any material difficulties in renewing them upon their expiry.

The following table sets forth our key licenses, approvals and permits. As of the Latest Practicable Date, the following licenses and permits are all valid.

Holder	Name of license, approval and permit
The Company	high-tech enterprise certificate
The Company	receipt for customs declarant of import and export goods

LEGAL PROCEEDINGS

We may from time to time become a party to various legal, arbitral or administrative proceedings arising in the ordinary course of our business. See "Risk Factors — We may from time to time become a party to litigation, arbitration, other legal and contractual

disputes, claims and administrative proceedings." As of the Latest Practicable Date, there was no litigation, arbitration or administrative proceedings pending or threatened against us or any of our Directors that could have a material and adverse effect on our financial condition or results of operations.

During the Track Record Period and up to the Latest Practicable Date, there had been no material breaches or violations of laws or regulations applicable to us which are expected to have a material adverse effect on our business, financial condition or results of operations. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any non-compliance incident which, individually or taken as a whole, in the opinion of our Directors, is likely to have a material and adverse effect on our business, financial condition or results of operations.

During the Track Record Period, certain of our PRC subsidiaries did not make adequate housing provident fund contributions for a limited number of employees. In respect of the Group's failure to make full housing provident fund contributions, the Group has since rectified such non-compliance in full. As of the Latest Practicable Date, the Group has made up all outstanding shortfalls in housing provident fund contributions for the relevant employees during the Track Record Period.

During the Track Record Period, we engaged a third-party human resources agency to make social insurance and housing provident fund contributions for certain employees. Under applicable PRC laws and regulations, such contributions are generally required to be made by employers through their own accounts. The use of third-party agencies for such payments may not be fully consistent with applicable regulatory requirements. See "Risk Factors — We engaged with a third-party human resources agency to pay social insurance premium and housing provident funds."

As advised by our PRC Legal Advisor, (i) under the Regulation on Administration of Housing Provident Fund, (a) if we fail to complete housing provident fund registration or to establish housing provident fund accounts for our employees before the prescribed deadlines, we may be subject to a fine ranging from RMB10,000 to RMB50,000 for each non-compliant subsidiary or branch; and (b) if we fail to pay housing provident fund contributions within the prescribed deadlines, compulsory enforcement by the court can be applied; and (ii) according to the PRC Social Insurance Law, (a) for outstanding social insurance fund contributions that we did not promptly pay in full, the relevant PRC authorities may demand that we pay the outstanding social insurance contributions within a stipulated deadline and we may be liable for a late payment fee equal to 0.05% of the outstanding contribution amount for each day of delay; and (b) if we fail to make such payments within the stipulated deadline, we may be liable to a fine of one to three times the outstanding contribution amount. We have obtained confirmation letters issued by relevant authorities for the PRC members of our Group confirming that there is no record of any penalties imposed by the relevant authorities for violation of the relevant laws and regulations during the Track Record Period, as applicable, except for newly established entities or those without employees. No provision was made in the financial statements as the amount is insignificant.

The shortfall in housing provident fund contributions for failure to make full contributions amounted to RMB3,262, RMB7,056 and RMB4,200 for the years ended December 31, 2023, 2024 and 2025, respectively, and nil for the three months ended March 31, 2026. Pursuant to the Regulations on the Administration of Housing Provident Fund, where an entity fails to complete the registration for the deposit of housing provident funds or fails to open housing provident fund accounts for its employees, the housing provident fund management center may order it to complete the relevant procedures within a prescribed time limit, and if it fails to do so within such time limit, a fine of not less than RMB10,000 and not more than

RMB50,000 may be imposed. As such non-compliance involved only housing provident fund contributions and only one entity, the maximum penalty that could be imposed on the Group in this regard is RMB50,000. As of the Latest Practicable Date, the Group has rectified such non-compliance in full.

The amount of social insurance contributions made through such third-party agency arrangement was approximately RMB2.3 million, RMB1.0 million, RMB1.0 million and RMB0.3 million for the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026, respectively. The amount of housing provident fund contributions made through such arrangement was approximately RMB1.6 million, RMB0.6 million, RMB0.6 million and RMB0.2 million for the same periods, respectively. Utilizing third-party agencies to make social insurance contributions or housing provident fund contributions may be deemed a failure to pay in full and on time. In respect of social insurance, pursuant to the Social Insurance Law of the PRC, where an employer fails to pay social insurance premiums in full and on time, the social insurance premium collection agency shall order it to make the payment or make up the shortfall within a prescribed time limit, and shall impose a late payment surcharge at a daily rate of 0.05% from the date on which the payment becomes overdue; if payment is still not made within the prescribed time limit, the relevant administrative department may impose a fine of not less than one time and not more than three times the amount overdue. Based on the maximum penalty of three times the amount overdue, the maximum penalties that could be imposed on the Group in respect of the social insurance contributions made through the third-party agency arrangement are approximately RMB7.0 million, RMB3.1 million, RMB3.0 million and RMB0.8 million for the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026, respectively. In respect of housing provident fund, pursuant to the Regulations on the Administration of Housing Provident Fund, a fine of not less than RMB10,000 and not more than RMB50,000 may be imposed for the relevant non-compliance. As such arrangement involved two entities within our Group, the maximum penalty that could be imposed on the Group in this regard is RMB100,000.

Given that the number of employees for whom contributions are made through the third-party agency arrangement in each relevant locality is relatively small, and the total number of employees involved is limited, the Group undertakes that, if required by the relevant regulatory authorities or its employees, it will rectify the arrangement in a timely manner.

Furthermore, on July 31, 2025, the PRC Supreme People's Court promulgated the Supreme People's Court's Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), (the "**New Judicial Interpretation**"), which took effect on September 1, 2025. According to the Article 19(1) of the New Judicial Interpretation, if an employer and an employee agree or the employee undertakes that social insurance contributions need not to be paid, the People's Court shall deem such agreement or undertaking invalid. Where an employer fails to pay social insurance contributions in accordance with the law, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to Article 38(3) of the PRC Labor Contract Law, the People's Court shall support such claims, in which case, the employer remains liable for paying economic compensation (calculated based on the number of years of employment multiplied by the monthly salary) to the employee, notwithstanding any prior agreement to waive social insurance contributions. As advised by our PRC Legal Advisor, the New Judicial Interpretation is not expected to have a material adverse effect on our financial position and business based on that (i) the New Judicial Interpretation is not expected to increase the afore-mentioned estimated maximum potential penalty for the Group's shortfall of social insurance contributions during the Track Record Period, as the shortfall resulting from the employees' elections or mutual agreements have already been accounted for such calculation, (ii) we are not aware of any material or large-scale complaints, objections or

labor disputes raised by our employees in relation to our social insurance or housing provident fund contributions, and (iii) in case that we are required by the competent authorities to make correction or payment within a prescribed time limit, or pay the shortfall of the social insurance, we undertake to actively take relevant rectification measures and make the payments as required. However, if the relevant PRC authorities hold a different view with us and determine that we are not in compliance with the New Judicial Interpretation, the financial and business performance of our Group may be adversely affected.

To ensure compliance with the social insurance and housing provident fund contribution requirements under relevant laws and regulations to the extent practicable in the future, we plan to (i) enhance our internal control policies pursuant to which our legal and human resource departments will regularly monitor the compliance status of our social insurance and housing provident fund contributions; (ii) strengthen the training of our personnel, including training on various compliance-related topics for our employees; and (iii) periodically check the latest development in PRC laws and regulations relating to social insurance and housing provident funds.

U.S. TARIFFS

We operate within a global supply chain and our products were sold globally as part of various end products. As such, we face risks associated with international trade regulations and geopolitical developments.

Recent U.S.-China trade disputes have led to high tariffs, export controls and other restrictive measures targeting high-technology goods, semiconductors and electronics. Our products are classified in heading 8542 of the U.S. Harmonized Tariff Schedule because that heading expressly states that it applies to "Electronic integrated circuits," which exactly describes the products we sell. During the Track Record Period, such products produced in China are generally subject to a U.S. tariff of 50% plus a so-called "fentanyl" tariff of 10% under the trade agreement reached between China and the United States on October 30, 2025. On July 24, 2026, the President imposed a 12.5% tariff on many Chinese products, but Annex I.A.2, § 52(b) and Annex II.A of the July 24, 2026 Notice of Action state that this new tariff does not apply to items in heading 8542, so the Company's products are not subject to this tariff. The latest effective tariff rate for our products sold to the United States from Chinese Mainland is therefore 60%. Our products could be incorporated into various types of end-products and be imported into the United States, with tariff, if any, to be borne by the importing party. Companies that import the products may wish to pass the additional tariff on to us. Even if the tariff is not passed on to us, the reduced competitiveness of our customers' end products could lead to reduction or cancelation of their purchase orders from us. The Company is not privy to the sales data of its customers, but the Company believes based upon its discussions with the customers concerning their target markets, their patterns in ordering products from the Company, and the geographical distribution of product support inquiries the Company receives, that the Company's revenue from selling to customers who incorporate the Company's components into their products and sell them to the United States represents only a very small percentage of the Company's total revenue during the Track Record Period.

We believe the tariff regime mentioned above has no material adverse impact on our operations or financial performance during the Track Record Period. The sales to the United States that are subject to the aforementioned U.S. tariffs are those made by our subsidiaries in Chinese Mainland and Hong Kong, as the products sold through such sales are predominantly manufactured by foundries located in Chinese Mainland and are therefore subject to such tariffs. Such sales accounted for less than 2% of our total revenue in each period comprising the Track Record Period. We also benefit from structurally diversified operations through our subsidiaries outside Chinese Mainland, such as those in the United States and Taiwan. Sales to the United States made through these subsidiaries are not

subject to the aforementioned U.S. tariffs, as the products sold through such sales are manufactured by wafer foundries located in Taiwan or other regions outside Chinese Mainland. We plan to mitigate potential impacts through diversified manufacturing and logistics footprints, selective price adjustments, and closer engagement with distributors to redesign bills of materials where needed to reduce tariff exposure.

Besides, our ICs are components that are incorporated by our downstream customers into a wide range of end products across the automotive, industrial and medical, and consumer sectors, such as automotive electronic systems, industrial control and medical equipment, and consumer electronic devices. Where such end products are exported to the United States, they may, depending on their product category and country of origin, be subject to U.S. tariffs. Even if U.S. tariffs were to apply to our downstream customers' end products incorporating our ICs when such end products are exported to the United States, we believe that any indirect impact of such tariffs on our operations and financial performance is not, and is not expected to be, material, primarily for the following reasons: (i) such tariffs are borne by our downstream customers rather than by us, and, during the Track Record Period, none of our downstream customers has required us to bear any tariffs on their end products incorporating our ICs; and (ii) our ICs represent only a small proportion of the total value of our downstream customers' end products, and accordingly, even if our downstream customers were to be affected by such tariffs, the cost impact of our ICs on such customers would not be significant. In view of the diversified downstream applications and end markets of our products and the diversity of our customer base, we believe that any such indirect impact on our operations and financial performance is not, and is not expected to be, material.

SANCTION AND EXPORT CONTROL

The Export Administration Regulations (the "**EAR**") regulate U.S. exports for civilian products like ours, and the Bureau of Industry and Security (the "**BIS**") of the Department of Commerce administers the EAR. See "Regulatory Overview — U.S. Laws and Regulations — Laws and Regulations Relating to U.S. Export Controls and Sanctions."

Under the EAR, a non-U.S.-produced item is subject to the EAR if it incorporates or bundles U.S.-origin controlled items valued at a certain ratio or utilizes certain U.S.-controlled software or technologies during the production process, or is located in the United States.

The BIS maintains lists of individuals and entities subject to enhanced export control restrictions. The BIS Entity List includes hundreds of Chinese entities subject to specific licensing requirements for the export, re-export, or transfer of certain products and technology subject to the EAR.

The EAR applies to all items (i.e., commodities, software, and technology) "subject to the EAR," which includes not just U.S.-made items or items physically in the United States, but also to certain foreign-made commodities. Non-U.S. made items are subject to the EAR if they meet the "direct product" rule or have more than "de minimis" controlled U.S. content. Besides, under the EAR, the relevant restrictions depend on whether a footnote designation applies and, if so, which footnote applies. Any transaction we conducted with the supplier on the Entity List during the Track Record Period involved only a footnote 5 designation or no footnote designation. Footnote 5 means that we must not deliver items for the design or manufacture of integrated circuit "production equipment".

During the Track Record Period, our ordinary course wafer foundry arrangements included the procurement of wafers manufactured by the foundry on the Entity List. Such procurement involves our receipt of wafers so manufactured, rather than the export, reexport or transfer of any item subject to the EAR, or any item for the design or manufacture of

integrated circuit "production equipment", to the foundry on the Entity List. We delivered only design files for integrated circuits and did not deliver any items for the design or manufacture of any production equipment in connection with any such dealing. We also must not deliver items subject to the EAR to any entity on the Entity List, and we did not deliver any items subject to the EAR to any entity on the Entity List during the Track Record Period.

Our legal adviser for international sanctions and U.S. outbound investment laws has confirmed that our procurement of wafers manufactured by the foundry on the Entity List does not, in itself, give rise to any sanctions risk under the relevant sanctions laws and regulations applicable to us. Our legal adviser for international sanctions and U.S. outbound investment laws has also confirmed that the Group is not subject to any material sanctions risks as a result of its transactions with suppliers on the Entity List, including in respect of the transfer of design files and the procurement of wafers described above. Our transfer of design files to the foundry on the Entity List does not implicate the EAR, for the following reasons: (i) our design files delivered to such foundry were not delivered from the United States; (ii) we did not transfer anything subject to the EAR to such foundry after it was added to the Entity List; and (iii) in any event, design files do not constitute integrated circuit "production equipment" for the purpose of footnote 5.

As a fabless company in the semiconductor industry in China, avoiding all transactions with Chinese foundries on the Entity List is not commercially practicable, but we have complied with the restrictions applicable to our transactions. We also conduct necessary compliance measures to fulfill the export control obligations, including:

- Confirming that any items we may sell or transfer to companies on the Entity List are not subject to the EAR;
- Conducting all necessary compliance measures in our daily business;
- Requesting our customers to sign export control compliance commitments when needed;
- Imposing appropriate trade compliance obligations in the contracts with suppliers and contract distributors; and
- Engaging the compliance team and technical team to review and assess the relevant export control classifications of our final products.

Sheppard, Mullin, Richter & Hampton LLP, our legal adviser for international sanctions and U.S. outbound investment laws, has reviewed the Company's transactions with companies on the Entity List and the manner in which the Company determines whether items are subject to the EAR, and has confirmed that the manner in which the Company has conducted this business during the Track Record Period is in compliance with U.S. law. U.S. law does not prohibit the Company from sourcing products from companies on the Entity List, and the Company takes care not to provide anything to such companies unless permitted by U.S. law.

Certain PRC video surveillance camera and surveillance technology producers are subject to sanctions, trade restrictions and government procurement bans (collectively, the "**Restrictions**"). Among the three categories of our ICs, only our computing IC were used in security camera application — cameras used in consumer electronics and ordinary commercial scenarios, solely applied in basic video applications such as home cameras, video doorbells, or action sports cameras — during the Track Record Period. Computing ICs used in security camera application were primarily sold through distributors.

The Restrictions have been implemented by the U.S., EU and UK governments in four ways: (i) by adding specific individuals and entities to sanctions lists (for example, the U.S. list of Specially Designated Nationals, the UK Sanctions List, and the Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions); (ii) in the case of the United States, placing certain entities on the Entity List under the EAR, such that items subject to the EAR cannot be delivered to them; (iii) by designating specific items, including specific ICs as subject to stricter export controls based upon their technical characteristics and capabilities (specifically, the advanced computing and high performance ICs meeting the criteria of 3A090, or ICs specially designed to serve as components in mass video surveillance equipment covered by 3A981, or other high performance ICs subject to significant export controls under 3A001); and (iv) in the case of the United States, prohibiting the U.S. government from procuring telecommunications or video surveillance from specific Chinese companies and their subsidiaries pursuant to section 889 of the NDAA.

Given that our products are primarily sold through our distribution network, we utilized a broad network of distributors during the Track Record Period. Consequently, we do not have direct visibility into, or control over, the full list of end customers of each distributor (i.e. manufacturers of security cameras), which limits our ability to fully trace end customers or to ascertain with absolute certainty whether any of our end customers are subject to the Restrictions. According to Frost & Sullivan, it is common industry practice for IC design companies to sell their products primarily through distributors and, as a result, to be unable to obtain complete information on their end customers.

Through the implementation of the measures mentioned below, we did not identify, during the Track Record Period and up to the Latest Practicable Date, any circumstances that would expose the Group to the Restrictions. During the Track Record Period and up to the Latest Practicable Date, we have not received any notice, inquiry, or warning from any relevant governmental authorities regarding the sale of our products to any of our end-customers. Our distributors for computing ICs confirmed that none of our computing ICs have been sold to end customers who are subject to the Restrictions during the Track Record Period and up to the Latest Practicable Date. Furthermore, as the export classifications of our computing ICs are not among those that the relevant governments have used to implement the Restrictions, even in the hypothetical event that any of our computing ICs were indirectly transferred to end customers that are subject to such Restrictions, our legal adviser as to international sanctions and U.S. outbound investment laws considers our potential sanctions risk to be low.

Notwithstanding that we do not have a complete list of our end customers, we have implemented the following measures to manage the risks associated with the Restrictions:

(i) strict contractual covenants and end-use controls — our agreements with distributors contain contractual terms prohibiting sales to customers subject to the export and sanctions Restrictions, and we are entitled to pursue remedies against distributors for any breach;

(ii) independent export classification and general-purpose product positioning — we have used U.S. export control experts on an ongoing basis to classify our ICs, and our ICs are general-purpose, mass market products used in consumer electronics and ordinary commercial scenarios, solely applied in basic video applications such as home cameras, video doorbells, or action sports cameras, which are not subject to the Restrictions. They do not have the functionality required for use in mass video surveillance, which is subject to the Restrictions; and

(iii) technical tracing and market monitoring mechanisms — we implement chip-level serialization by injecting unique identifiers (UIDs) and map shipments against our distributor databases, and we are able to perform periodic market sampling and

product teardowns of finished products. If any sanctions-related risk event were to arise in connection with a finished product incorporating our ICs, we would be able to obtain the relevant product, read the UIDs of the IC incorporated therein, identify the production batch corresponding to such UID, and compare such batch against our shipment records, so as to narrow down the possible distributors through which the relevant IC may have been shipped to a limited number of distributors or a batch of distributors.

In addition, to the extent that section 889 applies more broadly to prohibit U.S. government procurement of ordinary video surveillance equipment from specific Chinese companies, we have not been relying upon any sales that are affected by section 889 of the NDAA.

Taking into consideration the factors stated above, we consider the risk to our Group from the Restrictions and through our distributor sales to be low.

U.S. OUTBOUND INVESTMENT RULE

On October 28, 2024, the U.S. Department of the Treasury issued a final rule at 31 C.F.R. part 850 (the "**Final Rule**"), effective January 2, 2025, implementing Executive Order 14105 regarding U.S. outbound investments in certain national security technologies and products in "countries of concern," including China (and Hong Kong and Macau). The Final Rule prohibits or requires notification by U.S. persons in connection with certain investments in "covered foreign persons" engaged in specified "covered activities" in three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems. The Final Rule includes exceptions, including for transactions involving publicly traded securities where the U.S. person does not obtain rights beyond standard minority shareholder protections.

Based on the analysis of our legal advisor for international sanctions and U.S. outbound investment laws, Sheppard, Mullin, Richter & Hampton LLP, provided that such acquisitions are effected as purchases of publicly traded securities and the U.S. person does not obtain any governance or other rights beyond applicable standard minority shareholder protections listed in 31 C.F.R. § 850.501(a)(2), U.S. persons will be able to participate in both of i) the Global Offering and ii) acquiring our H Shares in secondary market trading following the Listing and the Global Offering without notification of such investment to the Department of the Treasury. This conclusion is based on the exception set out in 31 C.F.R. § 850.501(a)(1)(i), and the exclusion of such transactions in publicly traded securities from the definition of "covered transaction", which would otherwise capture certain equity acquisitions, debt financings with certain features, joint ventures, and limited partner interests in non-U.S. pooled investment funds.

In reaching this conclusion, our legal advisor has taken into account the frequently asked questions on the Outbound Investment Security Program published by the U.S. Department of the Treasury (the "**FAQs**"). According to FAQ X.4 published by the U.S. Department of the Treasury on December 23, 2025, the acquisition of an equity interest in a covered foreign person is treated as the acquisition of a "publicly traded security," and therefore falls within the exception under 31 C.F.R. § 850.501(a)(1)(i), where the relevant security is publicly traded at the time of the acquisition, regardless of when the relevant subscription or purchase agreement was entered into. On this basis, our legal advisor is of the view that, upon the completion of the Global Offering and the Listing, our H Shares subscribed for by U.S. persons in the Global Offering will be publicly traded on the Stock Exchange at the time such acquisitions take effect, and such H Shares will accordingly constitute "publicly traded securities" for the purpose of 31 C.F.R. § 850.501(a)(1)(i). As such, a U.S. person's acquisition of our H Shares in the Global Offering falls within the said exception and does not give rise to any notification obligation to the Department of the

Treasury. For the same reason, the acquisition of our H Shares by U.S. persons in secondary market trading following the Listing, being an acquisition of securities that are by then publicly traded, likewise falls within the same exception.

If a U.S. person's participation in the Global Offering or related investments were to include rights beyond standard minority shareholder protections (for example, board observer rights with access to material non-public technical information, veto rights over technology lines, or other enhanced governance or information rights), such participation could constitute a "covered transaction" that may be notifiable. U.S. persons should consult their own counsel regarding their specific circumstances.

While the Final Rule provides an exception for publicly traded securities, it may reduce participation by certain U.S. investors who are subject to internal compliance constraints or who seek enhanced rights that could trigger notification or prohibition. Accordingly, the Final Rule could limit our ability to raise capital or contingent equity capital from some U.S. investors in the Global Offering and thereafter. See "Risk Factors – We are exposed to risks associated with U.S. Executive Order 14105 and its implementing regulations that prohibit and require notification by U.S. persons for certain investments" which discusses potential adverse effects, including evolving interpretations, possible expansion of covered sectors, and associated uncertainties.

Our legal advisor for international sanctions and U.S. outbound investment laws, Sheppard, Mullin, Richter & Hampton LLP, has advised that, based on their review of our business activities and public disclosures, we would be deemed a "covered foreign person" because we are an entity organized in, and with a principal place of business in, a country of concern and we design integrated circuits, which falls within the scope of "covered activities" for purposes of determining whether an entity is a "covered foreign person," even though, as discussed below, our activities do not include any of the activities that are the subject of an investment prohibition under 31 C.F.R. § 850.224.

We are not directly or indirectly engaged in any of the activities that are the subject of an investment prohibition under the Final Rule. Based on the review by Sheppard, Mullin, Richter & Hampton LLP, the reasons for this conclusion include:

- **No advanced-node IC design/fabrication/packaging that meets prohibited thresholds:** We do not design, fabricate, or package integrated circuits that meet the prohibited thresholds in 31 C.F.R. § 850.224(c), (d), or (e), including, for example, (i) logic ICs with nonplanar transistor architectures at or below e.g., 16/14nm with specified performance characteristics, (ii) memory ICs meeting defined bit density or I/O thresholds, or (iii) advanced packaging capabilities enabling prohibited performance.

- **No provision of prohibited enabling services:** We do not provide foundry services, EDA tool development, mask-writing, advanced lithography services, or other services enumerated in 31 C.F.R. § 850.224 that would constitute prohibited enabling activities for advanced-node ICs.

- **Commercial scope limited to general-purpose and legacy-node products:** Our products are designed and fabricated at mature process nodes and for commercial applications that fall outside the "prohibited covered activities." We also do not engage in quantum information technologies or in AI systems activities that would meet the "prohibited" criteria (e.g., training frontier models above specified compute thresholds or developing AI systems for explicitly military/intelligence end uses).

- **Governance, data access, and information controls:** We do not grant investors technical control or access rights beyond standard minority shareholder protections, and our internal controls restrict access to sensitive technical information, reducing the risk that an investment could be deemed to confer disqualifying rights.

- **Not subject to any U.S. restricted listing or designation:** We are not the subject of any listing or designation referred to in § 850.224(m).

- **No relationship to another person covered by § 850.224:** We also do not have a relationship described in § 850.209(a)(2) with another person or persons engaged in the activities or with a listing or designation described in § 850.224.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes included in the Accountants' Report in Appendix I to this prospectus. Our consolidated financial statements have been prepared in accordance with IFRS.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis made by us 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. You should not place undue reliance on any such statements. Our actual future results and timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors," "Forward-Looking Statements" and elsewhere in this prospectus.

For the purpose of this section, unless the context otherwise requires, reference to the years of 2023, 2024 and 2025 refer to the fiscal years ended December 31, 2023, 2024 and 2025, respectively.

OVERVIEW

We are an IC provider with a product portfolio spanning across memory, computing, and analog ICs. Leveraging industry trends and proprietary technologies, we deliver memory ICs optimized for AI workloads, computing ICs with on-chip acceleration and inference features, and analog ICs that enable intelligent sensing and power management. Our products are widely adopted in automotive electronics, industrial and medical, AIoT, and intelligent security devices.

We operate a fabless model whereby we focus on R&D and design of ICs, while partnering with leading foundries and OSAT companies to ensure scalability. Through organic growth and strategic acquisitions, we have become a company with a comprehensive product portfolio. According to Frost & Sullivan, we hold leading positions in key markets worldwide, continuously enabling the advancement and innovation of automotive electronics, edge AI, and other technology frontiers.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial condition are affected by a number of general factors influencing the overall performance of the industry where we operate. These factors include macroeconomic trends, industry development and competitive landscape in the market. Any adverse development can have a negative impact on our results of operations.

In addition to these general factors, our results of operations are affected by the following specific factors:

Industry Cycle

As an IC design house, our business and financial performance are inherently influenced by the cyclical nature of the IC industry. This cycle typically moves through recurring phases of expansion, peak, downturn, and recovery, driven by various factors such as macroeconomic conditions, capital expenditure trends, technological advancements, inventory adjustments, and shifts in end-market demand and supply dynamics.

According to Frost & Sullivan, the semiconductor industry entered a downturn in 2022, which lasted through the first quarter of 2024. This period was characterized by inventory buildups, persistent pricing pressure, and weakened consumer sentiment. Competition intensified significantly, with many industry players aggressively lowering prices to maintain or expand their market share. This led to a substantial decline in average selling prices across multiple categories of IC products. Beginning in the second quarter of 2024, the industry started to show clearer signs of recovery, as customers resumed inventory replenishment and end-market demand began to pick up, particularly in consumer electronics. However, the recovery has been gradual and uneven across segments, and competition remains fierce, with price concessions still prevalent as companies vie for position during the upturn.

At a more granular level, different segments within the semiconductor industry can be at different phases of the cycle at any given time. This divergence is driven by sector-specific dynamics, particularly developments in end markets, which have a pronounced effect on our financial performance.

Automotive, the primary end market for our memory ICs and analog ICs, experienced a slowdown and subsequent re-stocking in 2023, and began to rebound in 2024. However, a mismatch between our product portfolio and the diverging trends within the automotive sector limited our ability to capitalize on the rebound. Our memory ICs used in automotive applications during the Track Record Period were primarily deployed in internal combustion engine vehicles. Specifically, our automotive memory IC product portfolio at that time centered on DDR3, which was primarily used in internal combustion engine vehicles. The market for internal combustion engine vehicles contracted in 2024, which directly impacted the demand for our memory ICs designed for these vehicles, and stronger demand for automotive memory ICs in 2024 was primarily driven by demand for LPDDR4/LPDDR4X products used in electric vehicles, especially high-density LPDDR4. We experienced a delay in rolling out our high-density LPDDR4 memory ICs as we were not able to secure a suitable foundry. In 2025, our 1x-nm high-density LPDDR4 products have been sampled and commenced sales ramp-up in the second half of 2025, with certain devices in early scale-up and expected to generate meaningful sales primarily for automotive use cases. Consumer electronics, the primary end market for our computing ICs, began to recover gradually in 2025 following weaker demand and pricing in 2024.

Our diverse product portfolio includes memory ICs, computing ICs and analog ICs, catering to a wide range of applications. This diversity enables us to mitigate the impact of fluctuations in individual markets and capture growth opportunities across different sectors. Looking ahead, we will continue expanding our product portfolio and refining our technologies to enhance resilience to market fluctuations and capitalize on growth opportunities in both emerging and established end markets.

Development and Market Acceptance of End Products

Our products are designed to support a wide range of applications across various end markets, primarily automotive electronics, industrial and medical, AIoT and security. The development and market acceptance of end products in these markets play a critical role in shaping our business and financial performance. These markets are highly competitive and are driven by ever-evolving consumer needs and technological advancements.

The rapid innovation and evolution of end products continually introduce new technical requirements for semiconductor products. For instance, the growing adoption of edge AI and IoT applications requires IC products with higher performance, lower power consumption, and greater integration. To maintain our competitive edge, we proactively develop and launch innovative products tailored to meet these emerging demands.

Our financial performance is closely tied to the commercial success of the end products that incorporate our products. This success depends on several factors, including:

- **End-user Preferences**: Shifting consumer demands for advanced features, energy efficiency, and performance drive the adoption of new technologies.

- **Pricing and Brand Reputation**: Competitive pricing and strong partnerships with prominent end-product manufacturers affect the adoption of our products.

- **Economic Conditions**: Broader macroeconomic factors influence consumer spending and demand across key markets.

While the development of new products and applications presents significant growth opportunities for us, a decline in demand for certain end products could lead to reduced orders for our ICs. For example, the increasing trend of vehicle electrification and proliferation of ADAS has driven demand for our automotive-grade memory ICs, while the growing adoption of IoT devices has spurred demand for our computing ICs. Conversely, reduced consumer spending or slower adoption of certain technologies could negatively impact our sales in specific segments.

To capitalize on these opportunities, we remain committed to advancing our product portfolio and strengthening collaborations with end-product manufacturers to align with evolving market needs and ensure our products remain integral to the success of emerging devices.

Product Mix

We offer a diversified product portfolio, including memory IC, computing IC, and analog IC, catering to a wide range of application scenarios. Within each product category, we provide multiple series with varying specifications to address specific performance and functional requirements across different end markets.

The selling prices and gross margins of our product categories and series vary due to factors such as product complexity, R&D investment, production costs, and market demand. For instance, high-performance products, such as automotive-grade memory ICs, typically command higher prices and margins due to their technical complexity and specialized applications.

Our product mix is dynamic and evolves in response to market conditions, technological advancements, and the changing demands of end markets. For example, the increasing adoption of IoT devices and edge AI applications has driven growth in demand for our memory and computing ICs. Conversely, fluctuations in consumer electronics demand or macroeconomic conditions may shift the focus toward other product categories.

Significant changes in our product mix can directly impact our profitability, as different products and series contribute varying gross margins. For instance, a shift toward higher-margin products could enhance our overall profitability, while increased reliance on lower-margin products may have the opposite effect. These variations in product mix and corresponding margins influence our financial performance and operational results. Moreover, our product mix also affects our cost structure. For example, the cost of goods sold

for a given year may reflect wafer costs from previous procurement cycles. In 2021, we purchased a batch of materials at relatively higher prices, which resulted in a higher unit cost for products subsequently produced until the high-cost materials were fully consumed. In addition, product mix also affects our operating expenses, as we adopt different sell and marketing approaches for different product lines.

To mitigate these impacts, we endeavor to refine our product portfolio, invest in R&D for high-margin and high-growth products, and align our offerings with market trends and customer needs to maintain a balanced and resilient product mix.

Supply Chain Management

Our supply chain management capabilities have a critical and direct impact on our operations and financial performance. As a fabless IC design company, we depend entirely on third-party foundries for wafer fabrication and OSAT partners for testing and packaging. Establishing and maintaining strong, long-term partnerships with our key production partners is essential to ensuring stable capacity allocation and fostering close collaboration on production processes.

During periods of high industry demand, capacity allocation, reservation, and production scheduling are particularly vital. Strong relationships with foundries and OSAT partners enable us to secure prioritized capacity and mitigate the risks of supply chain disruptions. Accurate forecasting and effective communication of wafer demand allow us to avoid costly delays, minimize supply bottlenecks, and maintain timely deliveries. Effective coordination with our production partners also enables us to optimize production processes and backend operations, leading to reduced cycle times, improved time-to-market, and better alignment with market opportunities. These efficiencies are crucial for staying competitive in a fast-moving industry.

Additionally, by optimizing procurement lead times for critical materials and services, such as wafers and packaging/testing services, we can minimize inventory holding costs while maintaining a smooth production flow. This approach ensures that we can respond effectively to market demand while controlling costs and maintaining operational efficiency. Through a well-managed supply chain, we strive to balance production flexibility with cost efficiency, ensuring our ability to meet customer demands and capture growth opportunities in a competitive semiconductor market.

Operational Efficiency

Our ability to manage and optimize operational efficiency plays a crucial role in determining our profitability and overall financial performance. Key components of our operating expenses include R&D expenses, administrative expenses, and selling and distribution expenses. Effective cost management and resource allocation remain central to our strategy for maintaining operational efficiency while supporting ongoing business growth. We remain committed to continuously improving our operational efficiency across all areas, ensuring we can adapt to market demands, sustain profitability, and capitalize on growth opportunities in the semiconductor industry.

R&D Expenses

Research and development are at the core of our business strategy, enabling us to sustain growth and maintain a competitive edge by addressing the evolving needs of downstream markets. Investment in R&D has been critical in driving technological innovation and supporting our leadership in diverse IC design.

Our R&D expenses for 2023, 2024, and 2025 and the three months ended March 31, 2026, were RMB708.3 million, RMB681.3 million, RMB712.0 million and RMB171.9 million, respectively, accounting for 15.6%, 16.2%, 15.0% and 11.0% of our total revenue during the corresponding years/period. These investments have led to significant technological advancements. See "Business — Research and Development — R&D Team and Expenses."

Given the rapid pace of technological advancements in the semiconductor industry, continuous product and technology upgrades, frequent new product introductions, and evolving technical standards, we anticipate maintaining substantial investments in R&D to preserve and enhance our competitive position. However, there is no assurance that these R&D efforts will yield the desired results or lead to successful commercialization. Any failure in this regard could adversely affect our business and financial results. See "Risk Factors — Risks Relating to Our Business and Industry — Our R&D efforts are not guaranteed to yield the results we anticipate."

Selling and Distribution Expenses

The effectiveness of our sales and marketing activities is another key determinant of our financial success. In 2023, 2024, and 2025 and the three months ended March 31, 2026, our selling and distribution expenses were RMB323.1 million, RMB303.2 million, RMB333.0 million and RMB95.5 million, representing 7.1%, 7.2%, 7.0% and 6.1% of our total revenue during the corresponding years/period, respectively.

Administrative Expenses

Our administrative expenses for 2023, 2024, and 2025 and the three months ended March 31, 2026, were RMB180.2 million, RMB217.1 million, RMB272.0 million and RMB57.3 million, accounting for 4.0%, 5.2%, 5.7% and 3.7% of our total revenue in the corresponding years/period, respectively. Our administrative expenses comprise both regular administrative costs and all employee share-based compensation expenses.

BASIS OF PRESENTATION

Our historical financial information has been prepared in accordance with the IFRSs. All IFRSs that are effective for the accounting period beginning on 1 January 2026, 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 on the historical cost basis except for certain financial instruments that are measured at fair values.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

Note 4 to "Appendix I — Accountants' Report" to this prospectus sets forth certain material accounting policy information, which are important for understanding our financial conditions and results of operations.

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments relating 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 results of operations. Our management continually evaluates such estimates, assumptions and judgments based on past experiences and other factors, including industry practices and expectations of future events that are believed to be reasonable under the circumstances. There has not been any material deviation between our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future. See note 5 to "Appendix I — Accountants' Report."

For details of the impairment testing for goodwill, trademark and development expenditure, goodwill and trademarks with indefinite useful lives acquired through business combination of Beijing ISSI and its subsidiaries (the "Beijing ISSI Group") is allocated to the cash-generating unit (the "CGU"). Property, plant and equipment, right-of-use assets, intangible assets (including development expenditures) and allocation of corporate assets that generate cash flows together with the related goodwill and trademarks are also included in the CGU.

The basis of the recoverable amounts of the above CGU and their major underlying assumptions are summarised below:

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period. The CGU's cash flows beyond the 5-year period are extrapolated using a steady 2% growth rate. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development and the uncertain economic environment, which are subject to higher degree to estimation uncertainties.

The key parameters for the value-in-use calculations, which are based on either the past experience or management's expectation for the market development, are as follows:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
Revenue annual growth rate within 5 years	8.23%-22.08%	8.89%-20.97%	5.10%-40.74%	5.10%-40.72%
Gross margin within 5 years	38.14%-38.40%	38.50%-39.41%	36.48%-39.45%	36.48%-39.45%
Pre-tax discount rate	11.98%	13.13%	13.73%	13.84%

During the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026, management of the Group determined that there are no impairments of any of its CGU containing goodwill or trademarks with indefinite useful lives.

Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the CGUs to exceed the aggregate recoverable amount of the CGUs.

Based on our assessment on the recoverable amounts, the headroom of Beijing ISSI Group was as follows:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Beijing ISSI Group	641,394	569,778	481,554	346,741

For the sensitivity analysis of Beijing ISSI Group conducted during the impairment review, had there been reasonably possible changes with reduction of the revenue annual growth rate of each year during the forecast period by 1%, or a reduction of the gross margin of each year during the forecast period by 1%, or an increase in pre-tax discount rate by 1%, it would cause the reduction of the recoverable amount of Beijing ISSI Group as follows, if one of the key assumptions was to change while other variable held constant: As of December 31, 2023, the recoverable amount would decrease by RMB277,063,000, RMB220,504,000 and RMB100,318,000 respectively. As of December 31, 2024, the recoverable amount would decrease by RMB294,724,000, RMB201,098,000 and RMB93,267,000 respectively. As of December 31, 2025, the recoverable amount would decrease by RMB302,238,000, RMB196,806,000 and RMB91,374,000 respectively. As of March 31, 2026, the recoverable amount would decrease by RMB304,454,000, RMB179,904,000 and RMB89,952,000, respectively.

Development expenditure will be tested for impairment annually, irrespective of whether there is any indication that it may be impaired. As at 31 December 2025, the management of the Company concluded that certain projects were not expected to generate future economic benefits, giving rise to impairment indicators due to (i) persistent yield issues during product validation and production testing, which adversely affected the technical feasibility and commercial viability of the relevant projects; and (ii) unfavourable market prospects, since the expected commercialisation could no longer be achieved and no viable alternative commercial opportunities were identified. Accordingly, the Group recognised an impairment loss of approximately RMB11,997,000 in respect of development expenditure that was individually assessed as fully impaired during the year ended 31 December 2025.

RESULTS OF OPERATIONS

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	(in RMB thousands, except for percentages)						*(unaudited)*			
Revenue	**4,530,926**	**100.0%**	**4,212,626**	**100.0%**	**4,741,008**	**100.0%**	**1,060,232**	**100.0%**	**1,559,767**	**100.0%**
Cost of sales	(2,922,894)	(64.5)%	(2,739,501)	(65.0)%	(3,186,442)	(67.2)%	(689,166)	(65.0)%	(895,696)	(57.4)%
Gross profit	**1,608,032**	**35.5%**	**1,473,125**	**35.0%**	**1,554,566**	**32.8%**	**371,066**	**35.0%**	**664,071**	**42.6%**
Other income, gains and losses, net	149,868	3.3%	139,931	3.3%	176,666	3.7%	29,867	2.8%	24,358	1.6%
Selling and distribution expenses	(323,145)	(7.1)%	(303,206)	(7.2)%	(332,961)	(7.0)%	(81,933)	(7.7)%	(95,530)	(6.1)%
Administrative expenses	(180,155)	(4.0)%	(217,108)	(5.2)%	(271,956)	(5.7)%	(58,364)	(5.5)%	(57,264)	(3.7)%
Research and development expenses	(708,345)	(15.6)%	(681,339)	(16.2)%	(712,027)	(15.0)%	(176,327)	(16.6)%	(171,903)	(11.0)%
Finance cost	(142)	(0.0)%	(1,083)	(0.0)%	(866)	(0.0)%	(213)	(0.0)%	(198)	(0.0)%
Share of results of associates	(909)	(0.0)%	(355)	(0.0)%	258	0.0%	(45)	(0.0)%	(22)	(0.0)%
Profit before tax	**545,204**	**12.0%**	**409,965**	**9.7%**	**413,680**	**8.7%**	**84,051**	**7.9%**	**363,512**	**23.3%**
Income tax expenses	(29,480)	(0.7)%	(45,767)	(1.1)%	(38,349)	(0.8)%	(10,376)	(1.0)%	(43,164)	(2.8)%
Profit for the year/period	**515,724**	**11.4%**	**364,198**	**8.6%**	**375,331**	**7.9%**	**73,675**	**6.9%**	**320,348**	**20.5%**

Non-IFRS Measure

To supplement our consolidated financial statements that are presented in accordance with the IFRSs, we also use adjusted profit for the year/period (a non-IFRS measure) and adjusted net margin (a non-IFRS measure), as additional financial measures, which are not required by, or presented in accordance with IFRSs. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period by eliminating potential impact of certain items. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated financial statements in the same manner as they help our management. However, our presentation of adjusted profit for the year/period (a non-IFRS measure) and adjusted net margin (a non-IFRS measure) may not be comparable to similar item measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our consolidated financial statements or financial condition as reported under IFRS. We define adjusted profit for the year/period (a non-IFRS measure) as profit for the year adjusted for listing expenses and share-based compensations (a non-cash item). We define adjusted net margin (a non-IFRS measure) as adjusted profit for the year/period (a non-IFRS measure) as a percentage of our revenue.

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	(in RMB thousands, except for percentages)			*(unaudited)*	
Profit for the year/period	**515,724**	**364,198**	**375,331**	**73,675**	**320,348**
Add:					
Listing expense	–	–	1,193	–	90
Share-based compensation	–	45,128	54,553	11,892	7,264
Adjusted profit for the year/period (a non-IFRS measure)	**515,724**	**409,326**	**431,077**	**85,567**	**327,702**
Adjusted net margin (a non-IFRS measure)	11.4%	9.7%	9.1%	8.1%	21.0%

The decrease in our adjusted net margin (a non-IFRS measure) from 11.4% in 2023 to 9.7% in 2024 and 9.1% in 2025 was driven by (i) cycle-driven pricing pressure and mix, and (ii) reduced operating leverage as operating expenses became a higher percentage of a smaller revenue base. First, according to Frost & Sullivan, the semiconductor industry entered a downturn that persisted through the first quarter of 2024, with elevated inventories and intensified competition compressing average selling prices across categories. Although our gross margin remained relatively stable at 35.5% and 35.0% in 2023 and 2024, respectively, and then declined to 32.8% in 2025, revenue fluctuated from RMB4,530.9 million to RMB4,212.6 million, then increased to RMB4,741.0 million over the same years and mix shifted toward lower-priced offerings during the down-cycle. Second, on this smaller revenue base, a meaningful portion of our operating costs that are fixed or quasi-fixed in the short term — principally R&D, customer and channel support, and corporate functions — consumed a higher share of revenue as we continued to invest in our product roadmap and commercial capabilities. These higher operating expense ratios, driven by reduced scale and sustained strategic investment, outweighed the resilience in gross margin percentage and led to the observed decline in adjusted net margin (a non-IFRS measure).

Our adjusted net margin (a non-IFRS measure) increased from 8.1% for the three months ended March 31, 2025 to 21.0% for the same period in 2026, primarily due to the increase in net profit.

Plan to improve our profitability

We plan to enhance our financial performance through coordinated initiatives across revenue growth, cost optimization and expense discipline. We plan to accelerate iteration within our existing product lines and deepen penetration in established downstream applications, focusing on converting design-ins to mass production and increasing share with core customers. We plan to optimize our product and customer mix to increase the proportion of SKUs with stronger contribution margins and expand our share within existing key accounts. In addition, we expect to benefit from the upward pricing trend in the DRAM market (including recent price increases in DDR4 extending to other DRAM products) and from improving end-market demand, with consumer electronics showing recovery momentum and automotive applications gradually strengthening. For memory and analog IC, we have consistently implemented pricing strategies aimed at maintaining competitiveness in the market. These include periodic list-price adjustments on an annual or quarterly basis, and, under special circumstances, on a monthly basis. For computing IC which is primarily applied in the consumer market, we may also make ad hoc adjustments when supply–demand conditions change materially.

PRINCIPAL COMPONENTS OF RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we mainly generated revenue from sales of memory IC, computing IC and analog IC. We offer technical services to customers of our products, assisting them in developing relevant software systems and optimizing product functionality. In addition, we lease out portions of our self-owned properties that are temporarily not required for our business operations, and recognize rental income from these leasing activities.

	Years ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	(in RMB thousands, except for percentages)						*(unaudited)*			
Memory IC										
DRAM	1,590,161	35.1%	1,328,242	31.5%	1,414,456	29.8%	338,247	31.9%	522,348	33.5%
Flash	868,836	19.2%	883,461	21.0%	1,095,127	23.1%	231,991	21.9%	372,613	23.9%
SRAM	452,561	10.0%	377,789	9.0%	401,671	8.5%	92,317	8.7%	122,909	7.9%
Subtotal	**2,911,558**	**64.3%**	**2,589,492**	**61.5%**	**2,911,254**	**61.4%**	**662,555**	**62.5%**	**1,017,870**	**65.3%**
Computing IC										
Intelligent Vision SoCs	945,450	20.9%	906,385	21.5%	997,410	21.1%	216,836	20.5%	308,200	19.7%
Embedded MPUs	162,921	3.6%	183,719	4.4%	296,001	6.2%	53,270	5.0%	94,507	6.1%
Subtotal	**1,108,371**	**24.5%**	**1,090,104**	**25.9%**	**1,293,411**	**27.3%**	**270,106**	**25.5%**	**402,707**	**25.8%**
Analog IC										
LED Driver IC	393,214	8.7%	450,874	10.7%	484,889	10.3%	113,268	10.6%	128,214	8.2%
Combo IC	15,704	0.3%	20,648	0.5%	20,750	0.4%	6,001	0.6%	4,200	0.3%
Subtotal	**408,918**	**9.0%**	**471,522**	**11.2%**	**505,639**	**10.7%**	**119,269**	**11.2%**	**132,414**	**8.5%**
Others[(1)]	**102,079**	**2.3%**	**61,508**	**1.5%**	**30,704**	**0.6%**	**8,302**	**0.8%**	**6,776**	**0.4%**
Total	**4,530,926**	**100.0%**	**4,212,626**	**100.0%**	**4,741,008**	**100.0%**	**1,060,232**	**100%**	**1,559,767**	**100%**

Note:

(1) Mainly including sales of other goods including development boards, provision of technical services, and rental income.

The table below sets forth the sales volume and average selling prices of our ICs during the years/periods indicated.

	Years ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	Sales volume	Average Selling Price[1]	Sales volume	Average Selling Price[1]	Sales volume	Average Selling Price[1]	Sales volume	Average Selling Price[1]	Sales volume	Average Selling Price[1]
	(Unit'000)	*(RMB)*	*(Unit'000)*	*(RMB)*	*(Unit'000)*	*(RMB)*	*(Unit'000)*	*(RMB)*	*(Unit'000)*	*(RMB)*
							(unaudited)			
Memory IC	415,932	7.0	479,042	5.4	602,424	4.8	137,678	4.8	191,036	5.3
Computing IC	75,503	14.7	93,526	11.7	120,868	10.7	23,739	11.4	26,632	15.1
Analog IC	179,356	2.3	217,335	2.2	250,252	2.0	56,748	2.1	64,340	2.1

Note:

(1) Average selling price is calculated through dividing revenue by the relevant sales volume during the same year, which represented the average price at which our products were sold to our customers.

Our total revenue decreased from RMB4,530.9 million in 2023 to RMB4,212.6 million in 2024, primarily due to decreases in revenue from sales of memory ICs. Our total revenue then increased to RMB4,741.0 million in 2025, primarily due to increases in revenue from sales of memory ICs and computing ICs. Our total revenue further increased to RMB1,559.8 million for the three months ended March 31, 2026, primarily due to revenue from sales of memory ICs and computing ICs. See also "Summary — Summary of Historical Financial Information — Results of Operations."

By geographical location

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	(in RMB thousands, except for percentages)						*(unaudited)*			
Chinese Mainland	**820,452**	**18.1%**	**726,105**	**17.2%**	**821,787**	**17.3%**	**167,465**	**15.8%**	**258,045**	**16.5%**
Overseas										
Hong Kong	**1,191,589**	**26.3%**	**1,365,056**	**32.4%**	**1,572,166**	**33.2%**	**336,977**	**31.8%**	**571,466**	**36.6%**
Europe										
Germany	490,011	10.8%	343,634	8.2%	269,598	5.7%	78,943	7.4%	117,038	7.5%
Other European countries	465,417	10.3%	402,258	9.5%	606,774	12.8%	122,425	11.6%	153,972	9.9%
Subtotal, Europe	**955,428**	**21.1%**	**745,892**	**17.7%**	**876,372**	**18.5%**	**201,368**	**19.0%**	**271,010**	**17.4%**
United States	**496,413**	**11.0%**	**421,716**	**10.0%**	**390,037**	**8.2%**	**93,802**	**8.8%**	**131,144**	**8.4%**
Taiwan	**287,607**	**6.3%**	**295,403**	**7.0%**	**341,399**	**7.2%**	**87,080**	**8.2%**	**116,322**	**7.5%**
Japan	**203,116**	**4.5%**	**168,669**	**4.0%**	**227,854**	**4.8%**	**51,923**	**4.9%**	**51,314**	**3.3%**
Other countries/ regions[1]	**576,321**	**12.7%**	**489,785**	**11.7%**	**511,393**	**10.8%**	**121,617**	**11.5%**	**160,466**	**10.3%**
Subtotal, overseas	**3,710,474**	**81.9%**	**3,486,521**	**82.8%**	**3,919,221**	**82.7%**	**892,767**	**84.2%**	**1,301,722**	**83.5%**
Total	**4,530,926**	**100.0%**	**4,212,626**	**100.0%**	**4,741,008**	**100.0%**	**1,060,232**	**100.0%**	**1,559,767**	**100.0%**

Note:

(1) Mainly including Singapore, Malaysia, Korea, India and other countries.

During the Track Record Period, a majority of our revenue was from overseas. Geographical Information about our revenue from customers is presented based on destination to which the products are delivered to the customers.

By Application

The following table sets forth a further breakdown of revenue by downstream application.

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	(in RMB thousands, except for percentages)						*(unaudited)*			
Automotive[(1)]										
Memory IC	1,435,892	31.7%	1,269,123	30.1%	1,341,264	28.3%	303,847	28.7%	453,450	29.1%
Analog IC	175,321	3.9%	222,467	5.3%	247,191	5.2%	62,992	5.9%	61,620	4.0%
Subtotal	**1,611,213**	**35.6%**	**1,491,590**	**35.4%**	**1,588,455**	**33.5%**	**366,839**	**34.6%**	**515,070**	**33.0%**
Industrial and medical[(1)]										
Memory IC	1,007,221	22.2%	856,640	20.3%	1,022,397	21.6%	231,072	21.8%	357,175	22.9%
Analog IC	95,266	2.1%	88,987	2.1%	96,362	2.0%	22,678	2.1%	25,223	1.6%
Subtotal	**1,102,487**	**24.3%**	**945,627**	**22.4%**	**1,118,759**	**23.6%**	**253,750**	**23.9%**	**382,398**	**24.5%**
Consumer[(1)]										
Memory IC	233,913	5.2%	205,405	4.9%	238,530	5.0%	52,632	5.0%	91,134	5.8%
Computing IC	1,108,371	24.5%	1,090,104	25.9%	1,293,411	27.3%	270,106	25.5%	402,707	25.8%
Analog IC	126,322	2.8%	142,411	3.4%	132,511	2.8%	29,730	2.8%	30,678	2.0%
Subtotal	**1,468,606**	**32.4%**	**1,437,920**	**34.1%**	**1,664,452**	**35.1%**	**352,468**	**33.3%**	**524,519**	**33.6%**
Other Applications[(1)(2)]										
Memory IC	234,532	5.2%	258,324	6.1%	309,063	6.5%	75,004	7.1%	116,111	7.4%
Analog IC	12,009	0.3%	17,657	0.4%	29,575	0.6%	3,869	0.4%	14,893	1.0%
Subtotal	**246,541**	**5.4%**	**275,981**	**6.6%**	**338,638**	**7.1%**	**78,873**	**7.4%**	**131,004**	**8.4%**
Others[(3)]	**102,079**	**2.3%**	**61,508**	**1.5%**	**30,704**	**0.7%**	**8,302**	**0.8%**	**6,776**	**0.5%**
TOTAL	**4,530,926**	**100.0%**	**4,212,626**	**100.0%**	**4,741,008**	**100.0%**	**1,060,232**	**100.0%**	**1,559,767**	**100.0%**

Notes:

(1) We present revenue by downstream application primarily based on the application-grade of our products. While each application-grade is primarily designed for its corresponding end use, our customers may deploy the same grade across different scenarios (for example, certain consumer-grade products may be used in automotive domains with lower quality or reliability requirements, and automotive-grade products are sometimes adopted in non-automotive platforms for lifecycle or qualification reasons).

(2) Mainly including communication application, which refers to end-market uses of our ICs in communication and networking equipment and infrastructure.

(3) Mainly including sales of other goods including development boards, provision of technical services, and rental income.

Automotive

In the automotive sector, our memory ICs are primarily applied in ADAS, infotainment systems, intelligent cockpits and telematics, among others, while our analog ICs are mainly used in LED lighting, power management and communication interfaces.

The revenue generated from this sector decreased from 2023 to 2024, primarily due to a decline in demand for our memory ICs resulting from destocking by downstream participants. The decline was partially offset by an increase in revenue from sales of analog ICs, which was mainly driven by our expanding automotive-grade LED driver ICs portfolio and increased demand for automotive-grade LED driver ICs. From 2024 to 2025, our revenue

from this sector increased, primarily attributable to stronger market demand as customers resumed replenishment after prior destocking, alongside the accelerating trends of electrification, intelligence, and connectivity in the automotive sector.

Our revenue from the automotive sector increased significantly from the three months ended March 31, 2025 to the same period in 2026, primarily due to increased revenue from our memory ICs. This increase was mainly underpinned by (i) a supply shortage of automotive-grade products, stemming from a global shift in memory IC manufacturing towards high-end products driven by the accelerating demand for AI-driven applications, which reduced the overall market supply and supported the average selling prices of our memory ICs, and (ii) the resulting rapid growth in demand for our automotive-grade memory ICs, as more customers turned to us for their procurement needs. The growth in downstream demand was primarily driven by the accelerating trends of electrification, intelligence and connectivity in the automotive sector, which have increased the number and storage density of memory ICs required per vehicle, in particular for applications such as ADAS, infotainment systems, intelligent cockpits and telematics. Revenue from our automotive analog ICs remained broadly stable over the same period.

Industrial and Medical

In the industrial and medical sector, our memory ICs are primarily applied in a wide range of industrial and medical facilities and equipment, such as machine-to-machine (M2M) communications, the Industrial Internet of Things (IIoT), factory automation, medical instrumentation and energy management, while our analog ICs are mainly used in power management and industrial signal conversion systems.

From 2023 to 2024, our revenue from the industrial and medical sector decreased, largely reflecting weakened demand for our memory ICs resulting from destocking by downstream participants. Our revenue from this sector recovered and increased from 2024 to 2025, primarily due to the gradual recovery of demand for our memory ICs, as customers resumed replenishment after prior destocking and the expanding integration of industrial automation solutions.

Our revenue from this sector increased from the three months ended March 31, 2025 to the same period in 2026, primarily due to (i) stronger demand for our industrial-grade memory ICs, primarily driven by the continued advancement of industrial automation and the increasing digitalization and connectivity of industrial and medical equipment, such as IIoT and medical instrumentation, which have increased the memory content required in such equipment, and (ii) a supply shortage of industrial-grade products, as a global shift in memory IC manufacturing capacity towards high-end products serving AI-driven applications reduced the market supply of the mature-node memory ICs used in industrial and medical applications, which supported the average selling prices of our memory ICs.

Consumer

In the consumer sector, our memory ICs are mainly applied in AI servers, optical modules and hard disk drives (HDDs)/solid-state drives (SSDs), among others; our analog ICs are primarily used in gaming equipment, AIoT and household appliances; and our computing ICs are mainly integrated into doorbells, QR code devices, door locks and other AIoT products.

From 2023 to 2024, our revenue from the consumer sector decreased, primarily due to a downturn in market demand which was attributable to ongoing destocking by downstream participants. Our revenue in this sector increased from 2024 to 2025, primarily attributable to the overall upward trend in the consumer electronics market, particularly in the IoT and intelligent security device market.

Our revenue from the consumer sector surged significantly from the three months ended March 31, 2025 to the corresponding period in 2026, primarily due to increased demand for our computing ICs in sectors such as security, AIoT and edge AI devices, together with distributors' inclination to stock up in advance. The growth in demand for our computing ICs was primarily driven by the increasing intelligence of consumer and home intelligence devices and the growing adoption of edge AI capabilities in such devices, which have expanded the range of applications requiring our computing ICs and increased the computing content per device, as well as our continued product iterations and expansion into new downstream application markets, which improved our win rates with customers. The average selling prices of our computing ICs also increased for the three months ended March 31, 2026, primarily due to a shortage and resulting price increase of key raw materials such as KGD, which tightened the supply of computing ICs.

Cost of Sales

Our cost of sales primarily consists of (i) cost of wafers and (ii) packaging and testing costs. We also recorded write-down (reversal on write-down) of inventories as our cost of sales.

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	(in RMB thousands, except for percentages)						*(unaudited)*			
Wafers	1,897,624	64.9%	1,710,869	62.5%	1,976,024	62.0%	426,818	61.9%	543,778	60.7%
Packaging	470,578	16.1%	455,658	16.6%	574,437	18.0%	117,261	17.0%	167,591	18.7%
Testing	332,928	11.4%	329,127	12.0%	416,972	13.1%	84,531	12.3%	120,857	13.5%
Others[(1)]	320,607	11.0%	275,777	10.1%	266,992	8.4%	61,756	9.0%	63,449	7.1%
(Reversal on) provision for write-down of inventories	(98,843)	(3.4)%	(31,930)	(1.2)%	(47,983)	(1.5)%	(1,200)	(0.2)%	21	0.0%
Total	**2,922,894**	**100.0%**	**2,739,501**	**100.0%**	**3,186,442**	**100.0%**	**689,166**	**100.0%**	**895,696**	**100.0%**

Note:

(1) Mainly including overheads.

Under the IFRS, inventories are measured at the lower of cost and net realizable value. If, in a subsequent period, the conditions that gave rise to the write-down no longer exist or there is clear evidence of an increase in net realizable value, the amount of the write-down is reversed to the extent of the original write-down, with the reversal recognized in cost of sales. In 2023, 2024 and 2025 and the three months ended March 31, 2026, we recorded net reversals on write-downs of RMB98.8 million, RMB31.9 million, RMB48.0 million, and write-downs of RMB0.0 million, respectively. These reversals reflected subsequent sales of specific inventory items that had been written down in 2022 at selling prices higher than the net realizable values used in determining the original write-downs.

To ensure stable wafer supply when industry capacity is restricted, we maintain long-term capacity-binding arrangements with certain of key foundry partners, typically spanning a term of approximately one to three years. These arrangements may include baseline capacity reservations and minimum purchase commitments with flexibility windows. Structured on a shared-commitment basis, the Group's minimum purchase requirements and its corresponding maximum exposure for unfulfilled purchase commitments vary across the respective agreements. Where the applicable committed proportion is not met,

replenishment is required in the first instance, and any residual shortfall is subject to a compensation. In respect of the amount of minimum purchase commitments, the committed volumes under these arrangements are set for each committed period (on a quarterly or annual basis) by reference to the Group's demand forecasts, and are periodically reviewed and adjusted within agreed windows in line with the Group's sales and operations planning ("**S&OP**").

As to the details of S&OP alignment, the Group operates a rolling S&OP process that is updated on a monthly basis and formally reconciled on a quarterly basis. Under this process, the Group derives its committed volumes to foundry partners from its sales plans, which are based on historical sell-through, customer forecasts and management's assessment of market demand, so as to align the capacity it commits to secure with its anticipated end-market requirements.

In respect of staged wafer starts and OSAT scheduling, the Group releases wafer starts to its foundry partners in stages against demand-coverage thresholds, rather than committing all volumes at once, and schedules capacity with its OSAT partners for packaging and testing on a rolling production schedule basis. This staged approach allows the Group to adjust the pace of wafer starts and downstream OSAT scheduling as demand evolves, thereby managing its inventory exposure under the capacity binding arrangements.

These arrangements prioritize supply continuity — especially for memory ICs, where end-market compatibility and long product lifecycles make stable supply particularly important — and help mitigate risks from capacity shortages and geopolitical supply chain disruptions. These mechanisms are designed to balance supply assurance with flexibility, but they can still create temporary mismatches during demand volatility. During periods of softer-than-expected demand, such arrangements can temporarily elevate inventory levels (including idle capacity commitments), but we manage this through tighter S&OP alignment, staged wafer starts, and OSAT scheduling.

In addition to the expected industry recovery, our higher-performance computing ICs are expected to boost our performance in AIoT and intelligent vision. We plan to focus on growing share with our existing consumer electronics customers by aligning product roadmaps and speeding up qualification so more design-ins move into mass production. At the same time, we plan to expand to new leading consumer brands to cover more product platforms, supported by targeted business development and dedicated FAE support. We also intend to increase our presence in industrial applications where our existing products are already qualified or under evaluation, leveraging our platform portfolio to cross-sell memory, computing, and analog ICs. Through these actions, we aim to raise our share within current key accounts, win new platforms at top customers, and improve overall market penetration.

Beyond macro tailwinds, we plan to pursue targeted, company-driven initiatives to accelerate growth, including: (i) advancing node migration for key products (e.g., moving selected DRAM and controller SKUs from 25nm to 20nm/18nm/16nm and ramping to mass production), (ii) introducing new specifications and densities to address next-gen platforms and faster interfaces, (iii) enhancing system-level performance via integrated AI features in our computing ICs to improve attach rates with memory and analog components, and (iv) tightening collaboration with core customers to accelerate qualification cycles and expand market coverage. We also expect to benefit from the upward pricing trend in the DRAM market (including recent price increases in DDR4 extending to other DRAM products) and from improving end-market demand, with consumer electronics showing recovery momentum and automotive applications gradually strengthening.

In addition, on the cost side, we benefitted from the downward trend in wafer procurement prices since the second half of 2022 and, together with commercial alignment with key foundry partners, we plan to further optimize wafer input costs. In parallel, we plan to tighten operational levers to structurally improve unit economics: (i) through design and yield enhancements to raise good-die-per-wafer and reduce retest; (ii) through OSAT partner collaboration to optimize yields, shorten test time, and streamline production footprints through a weekly MPS and stage-gate WIP releases; and (iii) through multi-foundry and flexible capacity-binding arrangements with monthly reallocation windows to better match wafer starts with confirmed demand.

We are also strengthening inventory and NRV management to reduce the risk and volatility of write-downs. See "Financial Information — Selected Balance Sheet Items — Inventories — Inventory Management Policy."

Furthermore, on the expense side, we plan to maintain cost discipline to enhance operating leverage. In R&D, we plan to focus on core technologies and product roadmaps, improve platformization and IP reuse, and reinforce project prioritization. In selling and distribution, we plan to enhance channel and customer support efficiency with emphasis on key accounts. In administrative functions, we plan to advance process optimization and refined management to strictly control non-essential spending.

Gross Profit and Gross Margin

By category

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Margin[(1)]	Gross Profit	Gross Margin[(1)]	Gross Profit	Gross Margin[(1)]	Gross Profit	Gross Margin[(1)]	Gross Profit	Gross Margin[(1)]
	(in RMB thousands, except for percentages)						*(unaudited)*			
Memory IC	1,000,369	34.4%	833,930	32.2%	872,650	30.0%	216,986	32.7%	381,807	37.5%
Computing IC	299,620	27.0%	358,076	32.8%	398,052	30.8%	87,847	32.5%	209,020	51.9%
Analog IC	208,925	51.1%	222,390	47.2%	255,469	50.5%	58,527	49.1%	67,118	50.7%
Others	99,118	97.1%	58,729	95.5%	28,395	92.5%	7,706	92.8%	6,126	90.4%
Total/Overall	**1,608,032**	**35.5%**	**1,473,125**	**35.0%**	**1,554,566**	**32.8%**	**371,066**	**35.0%**	**664,071**	**42.6%**

Note:

(1) The gross margin is calculated as gross profit for the year/period divided by revenue for the corresponding year/period and multiplied by 100%.

Despite a decrease in average selling prices during the Track Record Period, our gross margin remained broadly stable from 2023 to 2025. This resilience was primarily attributable to declines in key costs — most notably wafers — together with procurement optimization, operating efficiencies and disciplined product mix management. The improvement in gross profit and gross margin for the three months ended March 31, 2026 was mainly due to the increase in average selling prices driven by surging market demand.

Other Income, Gains and Losses, Net

Our other income, gains and losses primarily consists of bank interest income, net exchange gains/(losses), and gain on disposal of intangible assets, representing non-patent technologies and trademarks. In 2023, 2024, and 2025 and the three months ended March 31, 2026, our other income, gains and losses, net amounted to RMB149.9 million, RMB139.9 million, RMB176.7 million and RMB24.4 million, representing 3.3%, 3.3%, 3.7% and 1.6% of our total revenue in the same year/period, respectively.

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	(in RMB thousands, except for percentages)						*(unaudited)*			
Exchange gains/(losses), net	26,245	17.5%	(20,915)	(14.9)%	17,584	10.0%	1,731	5.8%	(7,594)	(31.2)%
Interest income on finance lease	6,768	4.5%	2,751	2.0%	200	0.1%	193	0.6%	–	–
Government grants	28,060	18.7%	30,060	21.5%	17,098	9.7%	1,015	3.4%	471	1.9%
Bank interest income	61,136	40.8%	95,938	68.6%	90,785	51.4%	18,294	61.3%	22,510	92.4%
Additional value added tax deductions	2,017	1.3%	2,043	1.5%	3,900	2.2%	460	1.5%	1,365	5.6%
Investment return from financial assets at FVTPL										
Gain on derecognition of financial assets at FVTPL	22,094	14.7%	25,592	18.3%	32,947	18.6%	7,494	25.1%	4,308	17.7%
Gain on changes in fair value of financial assets at FVTPL	2,530	1.7%	2,722	1.9%	2,522	1.4%	139	0.5%	2,506	10.3%
Loss on disposal of property, plant and equipment	(254)	(0.2)%	(29)	0.0%	(212)	(0.1)%	(114)	(0.4)%	(2)	0.0%
Gain on disposal of intangible assets	–	–	–	–	24,128	13.7%	–	–	–	–
Impairment loss on intangible assets	–	–	–	–	(11,997)	(6.8)%	–	–	–	–
Others[(1)]	1,272	1.0%	1,769	1.1%	(289)	(0.2)%	655	2.2%	794	3.3%
Total	**149,868**	**100.0%**	**139,931**	**100.0%**	**176,666**	**100.0%**	**29,867**	**100.0%**	**24,358**	**100.0%**
as % of total revenue		3.3		3.3		3.7		2.8		1.6

Note:

(1) Mainly including sales of scrap, donations, losses from non-monetary asset exchanges, and insurance compensation.

Selling and Distribution Expenses

Our selling and distribution expenses primarily include (i) employee benefits, (ii) sales commission, (iii) consulting service fee, (iv) royalty representing fees paid for IP licenses based on our sales volume, (v) depreciation and amortization, (vi) travel expenses, (vii) logistics and delivery and (viii) marketing and promotion expenses.

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	(in RMB thousands, except for percentages)						*(unaudited)*			
Employee benefits	166,318	51.5%	160,435	52.9%	177,470	53.3%	44,330	54.1%	51,488	53.9%
Sales commission	64,844	20.1%	54,759	18.1%	60,016	18.0%	16,123	19.7%	20,309	21.3%
Consulting service fee	19,340	6.0%	17,458	5.8%	16,333	4.9%	3,933	4.8%	2,732	2.9%
Royalty	12,587	3.9%	11,381	3.8%	12,820	3.9%	2,586	3.2%	3,847	4.0%
Depreciation and amortization	10,152	3.1%	10,748	3.5%	9,516	2.9%	2,130	2.6%	2,410	2.5%
Travel expenses	7,780	2.4%	8,660	2.9%	9,649	2.9%	2,016	2.5%	2,408	2.5%
Logistics and delivery	7,800	2.4%	8,544	2.8%	9,100	2.7%	2,074	2.5%	2,397	2.5%
Marketing and promotion expenses	8,459	2.6%	7,251	2.4%	8,438	2.5%	2,261	2.8%	2,271	2.4%
Others[(1)]	25,865	8.0%	23,970	7.8%	29,619	8.9%	6,480	7.8%	7,668	8.0%
Total	**323,145**	**100.0%**	**303,206**	**100.0%**	**332,961**	**100.0%**	**81,933**	**100.0%**	**95,530**	**100.0%**
as % of total revenue		*7.1*		*7.2*		*7.0*		*7.7*		*6.1*

Note:

(1) Primarily including rental and property expenses, and property tax.

Administrative Expenses

Our administrative expenses primarily include (i) employee benefits, (ii) share-based compensation for all eligible employees, (iii) consulting service fee, (iv) maintenance fee, (v) depreciation and amortization, and (vi) rental and property management fee.

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	(in RMB thousands, except for percentages)						*(unaudited)*			
Employee benefits	109,816	61.0%	104,210	48.0%	124,995	45.9%	30,128	51.6%	33,190	58.0%
Share-based compensation[(1)]	–	–	45,128	20.8%	54,553	20.1%	11,892	20.4%	7,264	12.7%
Consulting service fee	23,460	13.0%	18,507	8.5%	38,100	14.0%	4,434	7.6%	4,239	7.4%
Maintenance fee	6,301	3.5%	11,694	5.4%	10,463	3.8%	2,784	4.8%	3,068	5.4%
Depreciation and amortization	9,461	5.3%	10,505	4.8%	9,942	3.7%	2,675	4.6%	2,301	4.0%
Rent and property management fee	12,323	6.8%	8,980	4.1%	11,390	4.2%	2,383	4.1%	4,026	7.0%
Others[(2)]	18,794	10.4%	18,084	8.4%	22,513	8.3%	4,068	6.9%	3,176	5.5%
Total	**180,155**	**100.0%**	**217,108**	**100.0%**	**271,956**	**100.0%**	**58,364**	**100.0%**	**57,264**	**100.0%**
as % of total revenue		4.0		5.2		5.7		5.5		3.7

Notes:

(1) We adopted a share option scheme (the "**2024 Restricted Share Incentive Plan**") pursuant to a resolution passed on May 13, 2024 for the primary purpose of providing incentives to directors and eligible employees. For details of the 2024 Restricted Share Incentive Plan, see "Appendix IV — Statutory and General Information — 2024 Restricted Share Incentive Plan," and note 33 to "Appendix I — Accountants' Report."

(2) Mainly including office expenses, insurance, and other finance charges.

Research and Development Expenses

Our research and development expenses primarily comprise (i) employee benefits, (ii) outsourcing service fee, (iii) material and trial production costs, (iv) licensing fee, and (v) depreciation and amortization expenses of facilities and equipment in connection with our research and development.

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	(in RMB thousands, except for percentages)						*(unaudited)*			
Employee benefits	379,180	53.5%	375,937	55.2%	422,825	59.3%	103,009	58.4%	117,033	68.1%
Outsourcing service fee	145,405	20.5%	124,346	18.3%	112,286	15.8%	28,673	16.3%	13,069	7.6%
Material and trial production costs	54,525	7.7%	61,354	9.0%	53,479	7.5%	17,744	10.1%	12,956	7.5%
Licensing fee	41,344	5.8%	33,234	4.9%	41,060	5.8%	8,171	4.6%	9,526	5.5%
Depreciation and amortization	65,141	9.2%	60,110	8.8%	57,075	8.0%	13,183	7.5%	13,336	7.8%
Others[(1)]	22,750	3.3%	26,358	3.8%	25,302	3.6%	5,547	3.1%	5,983	3.5%
Total	**708,345**	**100.0%**	**681,339**	**100.0%**	**712,027**	**100.0%**	**176,327**	**100.0%**	**171,903**	**100.0%**
as % of total revenue		15.6		16.2		15.0		16.6		11.0

Note:

(1) Mainly including office expenses, and rental and property management expenses.

Finance Cost

Our finance cost consists of interest on lease liabilities.

	Year ended December 31,						Three months ended March 31,			
	2023		2024		2025		2025		2026	
	(in RMB thousands, except for percentages)						*(unaudited)*			
Interest on lease liabilities	142	100.0%	1,083	100.0%	866	100.0%	213	100.0%	198	100.0%
as % of total revenue		0.0		0.0		0.0		0.0		0.0

Income Tax Expenses

We recorded income tax expenses of RMB29.5 million, RMB45.8 million, RMB38.3 million and RMB43.2 million in 2023, 2024 and 2025 and the three months ended March 31, 2026, respectively. During the Track Record Period and up to the Latest Practicable Date, we had fulfilled all our tax obligations and did not have any unresolved tax disputes. For the statutory tax rate and preferential income tax rates applicable to our Company and our subsidiaries, see Note 10 to "Appendix I — Accountants' Report" to this prospectus.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Three Months Ended March 31, 2026 Compared to Three Months Ended March 31, 2025

Revenue

	Three Months Ended March 31,		
	2025	2026	% Change
	(in RMB thousands, except for percentages) (unaudited)		
Memory IC	662,555	1,017,870	53.6
Computing IC	270,106	402,707	49.1
Analog IC	119,269	132,414	11.0
Others[(1)]	8,302	6,776	(18.4)
Total	**1,060,232**	**1,559,767**	**47.1**

Note:

(1) Mainly including sales of other goods including development boards, provision of technical services, and rental income.

Sales Volume and Average Selling Prices

	Three Months Ended March 31,			
	2025		2026	
	Sales volume	Average selling price	Sales volume	Average selling price
	('000)	*(RMB)*	*('000)*	*(RMB)*
	(unaudited)			
Memory IC	137,678	4.8	191,036	5.3
Computing IC	23,739	11.4	26,632	15.1
Analog IC	56,748	2.1	64,340	2.1

Our revenue increased by 47.1% from RMB1,060.2 million for the three months ended March 31, 2025 to RMB1,559.8 million for the three months ended March 31, 2026, primarily due to the increase in revenue from three major products, partially offset by an 18.4% decrease in revenues from others.

Memory IC

Our revenue from sales of memory ICs increased by 53.6% from RMB662.6 million for the three months ended March 31, 2025 to RMB1,017.9 million for the three months ended March 31, 2026, primarily due to an increase in sales volume from 137.7 million units for the three months ended March 31, 2025 to 191.0 million units for the three months ended March 31, 2026, as the demand for industrial and automotive products, AI servers and optical modules surged in 2026. The average selling price increased from RMB4.8 per unit for the three months ended March 31, 2025 to RMB5.3 per unit for the three months ended March 31, 2026. The increase in average selling price was primarily due to a supply shortage of industrial and automotive-grade products, stemming from a global shift in memory IC manufacturing towards high-end products on the back of accelerating demand for AI-driven applications.

Computing IC

Our revenue from sales of computing ICs increased by 49.1% from RMB270.1 million for the three months ended March 31, 2025 to RMB402.7 million for the three months ended March 31, 2026, primarily due to an increase in sales volume from 23.7 million units for the three months ended March 31, 2025 to 26.6 million units for the three months ended March 31, 2026. This growth was mainly driven by an increase in downstream market demand in sectors such as security, AIoT and edge AI devices, as well as distributors' inclination to stock up in advance. The average selling price of our computing ICs increased from RMB11.4 per unit for the three months ended March 31, 2025 to RMB15.1 per unit for the three months ended March 31, 2026, primarily due to a shortage and resulting price increase of key raw materials such as known good die (KGD), which tightened the supply of computing ICs and drove up their selling prices. Such shortage and price increase were primarily attributable to the surging demand for AI-driven applications, which prompted upstream suppliers to reallocate production capacity towards raw materials used in AI-related chips at the expense of the supply available for other applications, including our computing ICs, against a backdrop of limited upstream production capacity across the industry.

Analog IC

Our revenue from sales of analog ICs increased by 11.0% from RMB119.3 million for the three months ended March 31, 2025 to RMB132.4 million for the three months ended March 31, 2026, primarily due to an increase in sales volume from 56.7 million units for the three months ended March 31, 2025 to 64.3 million units for the three months ended March 31, 2026. The increase in sales volume was mainly attributable to stronger demand from the automotive electronics sector. The average selling price remained stable at RMB2.1 per unit for the three months ended March 31, 2025 and the same period in 2026.

Others

Our revenue from others decreased by 18.4% from RMB8.3 million for the three months ended March 31, 2025 to RMB6.8 million for the three months ended March 31, 2026, primarily due to a decrease in rental income and a decline in associated revenue resulting from the disposal of certain non-patented technology businesses and trademarks.

Cost of Sales

	Three Months Ended March 31,		
	2025	**2026**	**% Change**
	(in RMB thousands, except for percentages) (unaudited)		
Wafers	426,818	543,778	27.4
Packaging	117,261	167,591	42.9
Testing	84,531	120,857	43.0
Others[(1)]	61,756	63,449	2.7
(Reversal on) provision for write-down of inventories	(1,200)	21	(101.8)
Total	689,166	895,696	30.0
as % of total revenue	65.0	57.4	

Note:

(1) Mainly including overheads.

Our cost of sales increased by 30.0% from RMB689.2 million for the three months ended March 31, 2025 to RMB895.7 million for the three months ended March 31, 2026 primarily due to the increase in sales volume of our ICs.

Gross Profit and Gross Margin

	Three months ended March 31,			
	2025		2026	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin
	(in RMB thousands, except for percentages) (unaudited)			
Memory IC	216,986	32.7%	381,807	37.5%
Computing IC	87,847	32.5%	209,020	51.9%
Analog IC	58,527	49.1%	67,118	50.7%
Others[(1)]	7,706	92.8%	6,126	90.4%
Total/Overall	**371,066**	**35.0%**	**664,071**	**42.6%**

Note:

(1) Mainly including sales of other goods including development boards, provision of technical services, and rental income.

Our gross profit increased by 79.0% from RMB371.1 million for the three months ended March 31, 2025 to RMB664.1 million for the three months ended March 31, 2026, primarily due to an increase in our revenue. The overall gross margin increased from 35.0% for the three months ended March 31, 2025 to 42.6% for the three months ended March 31, 2026, mainly due to the increase in average selling prices driven by surging market demand.

Memory IC

Our gross profit from memory ICs increased by 76.0% from RMB217.0 million for the three months ended March 31, 2025 to RMB381.8 million for the three months ended March 31, 2026, primarily due to an increase in revenue and higher gross margin. The gross margin increased from 32.7% for the three months ended March 31, 2025 to 37.5% for the three months ended March 31, 2026, mainly due to an increase in the average selling price of our memory ICs. The increase in average selling price was driven by stronger demand for our products, as (i) supply shortages in the DRAM market for industrial and automotive-grade products prompted more customers to seek supply from us, increasing the demand we captured even as overall end-market demand did not grow rapidly; and (ii) demand for our Flash products grew in emerging applications such as optical modules and AI servers.

Computing IC

Our gross profit from computing ICs increased by 137.9% from RMB87.8 million for the three months ended March 31, 2025 to RMB209.0 million for the three months ended March 31, 2026, primarily due to an increase in revenue and higher gross margin. The gross margin increased from 32.5% for the three months ended March 31, 2025 to 51.9% for the three months ended March 31, 2026, mainly due to an increase in the average selling price of our computing ICs, driven by a shortage and resulting price increase of the key raw materials. This was primarily because the increase in the average selling prices of our computing ICs outpaced the increase in our unit cost of sales over the same period. While the shortage of key raw materials such as KGD raised our procurement costs, a substantial portion of the computing ICs we sold during the period were manufactured using raw materials that we had procured and held in inventory prior to the price increase, and we were therefore able to pass on the higher market prices to our customers ahead of any corresponding increase in our own

cost of sales. As a result, the shortage and resulting price increase of key raw materials had a greater positive effect on our selling prices than on our cost of sales during the period, leading to an expansion in the gross margin of our computing ICs.

Analog IC

Our gross profit from analog ICs increased by 14.7% from RMB58.5 million for the three months ended March 31, 2025 to RMB67.1 million for the three months ended March 31, 2026, primarily due to an increase in revenue. The gross margin remained stable at 49.1% for the three months ended March 31, 2025 and 50.7% for the three months ended March 31, 2026.

Others

Our gross profit from others decreased by 20.5% from RMB7.7 million for the three months ended March 31, 2025 to RMB6.1 million for the three months ended March 31, 2026, mainly due to a decrease in revenue from sales of others. The gross margin decreased from 92.8% for the three months ended March 31, 2025 to 90.4% for the three months ended March 31, 2026.

Other Income, Gains and Losses, Net

For the three months ended March 31, 2026, our net other income, gains and losses decreased to RMB24.4 million from RMB29.9 million for the three months ended March 31, 2025, primarily due to: (i) the recognition of net exchange losses of RMB7.6 million for the three months ended March 31, 2026 as compared to net exchange gains of RMB1.7 million for the three months ended March 31, 2025, mainly as a result of favorable foreign exchange rate movements; (ii) a decrease in gain on derecognition of financial assets at FVTPL to RMB4.3 million for the three months ended March 31, 2026 from RMB7.5 million for the three months ended March 31, 2025, primarily due to higher proceeds from the disposal of certain non-patented technologies and trademarks in 2025, and did not recur in 2026; and offset by (iii) an increase in bank interest income to RMB22.5 million for the three months ended March 31, 2026 from RMB18.3 million for the three months ended March 31, 2025, mainly attributable to higher bank deposits driven by the surge in our revenue.

Selling and Distribution Expenses

	Three Months Ended March 31,		
	2025	2026	% Change
	(in RMB thousands, except for percentages) (unaudited)		
Selling and distribution expenses	(81,933)	(95,530)	16.6
as % of total revenue	(7.7)	(6.1)	

Our selling and distribution expenses increased by 16.6% from RMB81.9 million for the three months ended March 31, 2025 to RMB95.5 million for the three months ended March 31, 2026, primarily due to (i) an increase in employee benefits from RMB44.3 million for the three months ended March 31, 2025 to RMB51.5 million for the three months ended March 31, 2026, mainly driven by further workforce expansion and salary adjustments and (ii) an increase in sales commission from RMB16.1 million for the three months ended March 31, 2025 to RMB20.3 million for the same period in 2026, primarily due to better sales performance during the period.

Administrative Expenses

	Three Months Ended March 31,		
	2025	2026	% Change
	(in RMB thousands, except for percentages)		
Administrative expenses	(58,364)	(57,264)	(1.9)
as % of total revenue	(5.5)	(3.7)	

Our administrative expenses remained relatively stable at RMB58.4 million for the three months ended March 31, 2025 and RMB57.3 million for the three months ended March 31, 2026. As a percentage of our revenue, our administrative expenses decreased from 5.5% for the three months ended March 31, 2025 to 3.7% for the three months ended March 31, 2026, primarily as a result of an increase in our revenue.

Research and Development Expenses

	Three Months Ended March 31,		
	2025	2026	% Change
	(in RMB thousands, except for percentages)		
Research and development expenses	(176,327)	(171,903)	(2.5)
as % of total revenue	(16.6)	(11.0)	

Our research and development expenses remained relatively stable at RMB176.3 million and RMB171.9 million for the three months ended March 31, 2025 and 2026, respectively. As a percentage of our revenue, our research and development expenses decreased from 16.6% for the three months ended March 31, 2025 to 11.0% for the three months ended March 31, 2026, mainly due to an increase in our revenue.

Finance Costs

Our finance costs decreased by 7.0% from RMB0.2 million for the three months ended March 31, 2025 to RMB0.2 million for the three months ended March 31, 2026, primarily due to a reduction in interest on lease liabilities as a result of lower outstanding lease liabilities during the period.

Share of Results of Associates

Share of results of associates remained stable at RMB0.0 million for the three months ended March 31, 2025 and for the three months ended March 31, 2026.

Income Tax Expenses

Income tax expenses increased by 316.0% from RMB10.4 million for the three months ended March 31, 2025 to RMB43.2 million for the three months ended March 31, 2026, due to an increase in current tax expenses.

Profit for the Period

As a result of the foregoing, our profit for the period increased by 334.6% from RMB73.7 million for the three months ended March 31, 2025 to RMB320.3 million for the three months ended March 31, 2026, while our net margin increased from 6.9% to 20.5% for the respective periods.

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

	Year Ended December 31,		
	2024	**2025**	**% Change**
	(in RMB thousands, except for percentages)		
Memory IC	2,589,492	2,911,254	12.4
Computing IC	1,090,104	1,293,411	18.7
Analog IC	471,522	505,639	7.2
Others[(1)]	61,508	30,704	(50.1)
Total	**4,212,626**	**4,741,008**	**12.5**

Note:

(1) Mainly including sales of other goods including development boards, provision of technical services, and rental income.

Sales Volume and Average Selling Prices

	Year Ended December 31,			
	2024		**2025**	
	Sales volume	**Average selling price**	**Sales volume**	**Average selling price**
	('000)	*(RMB)*	*('000)*	*(RMB)*
Memory IC	479,042	5.4	602,424	4.8
Computing IC	93,526	11.7	120,868	10.7
Analog IC	217,335	2.2	250,252	2.0

Our revenue increased by 12.5% from RMB4,212.6 million in 2024 to RMB4,741.0 million in 2025, primarily due to the increase in revenue from three major products, partially offset by a 50.1% decrease in revenues from others.

Memory IC

Our revenue from sales of memory ICs increased by 12.4% from RMB2,589.5 million in 2024 to RMB2,911.3 million in 2025, primarily due to an increase in sales volume from 479.0 million units in 2024 to 602.4 million units in 2025, driven by downstream demand recovery, particularly in AI-driven application scenarios and automotive intelligence. In 2025, our 1x-nm high-density LPDDR4 products have been sampled and commenced sales ramp-up in the second half of 2025, with certain devices in early scale-up and expected to generate meaningful sales primarily for automotive use cases. The average selling price decreased from RMB5.4 per unit in 2024 to RMB4.8 per unit in 2025 which partially offset the revenue contribution from higher sales volume. The decline in average selling price was mainly due

to (i) a change in product mix towards more entry-level and NOR Flash products that carry lower prices; (ii) the weakening of settlement or quoting currencies against RMB, leading to a lower RMB-denominated average selling price even where the contract prices remained largely stable; and (iii) intensified pricing competition, prompting us to reduce our prices to defend our market share.

Our entry-level memory ICs primarily comprise early-generation and legacy products, including SDR, DDR, DDR2 and DDR3, targeting the industrial and medical (IM) and automotive applications, which we focus on due to their long product lifecycles, stable demand, and predictable qualification requirements. In parallel, we have been developing products on more advanced process nodes and higher-spec variants. We expect the revenue contribution of entry-level devices to decline over time, with a greater contribution from higher-performance offerings.

Computing IC

Our revenue from sales of computing ICs increased by 18.7% from RMB1,090.1 million in 2024 to RMB1,293.4 million in 2025, primarily due to an increase in sales volume from 93.5 million units in 2024 to 120.9 million units in 2025. This growth was mainly driven by a change in product mix, as demand for entry-level products (T23) increased on the back of incremental demand from additional application. In particular, our ongoing product iterations expanded addressable opportunities and improved win rates with existing customers. Our embedded MPUs were increasingly adopted in additional applications such as printers, and our new computing IC products offered a more attractive price-performance ratio, supporting higher unit uptake. The average selling price of our computing ICs decreased from RMB11.7 per unit in 2024 to RMB10.7 per unit in 2025, primarily due to a change in product mix.

Our computing IC product mix is adjusted based on customer requirements rather than a fixed focus on entry-level products. We designed our entry-level computing IC variants to align with prevailing customer budget and performance requirements, targeting high-volume, cost-sensitive applications such as printers, appliances, and mainstream industrial control modules. This positioning enabled faster design-ins and higher throughput in these segments, while we selectively reserved higher-spec products for platforms with stricter performance, safety, or longevity requirements.

Analog IC

Our revenue from sales of analog ICs increased by 7.2% from RMB471.5 million in 2024 to RMB505.6 million in 2025, primarily due to an increase in sales volume from 217.3 million units in 2024 to 250.3 million units in 2025. The increase in sales volume was mainly attributable to stronger demand from the end markets, including automotive and consumer electronics. According to Frost & Sullivan, demand in these segments has been buoyed by increasing penetration of electric vehicles, increasing chip content per vehicle, and continued recovery in consumer device refresh cycles, supporting broader adoption of analog chips for power acceleration in management, signal conditioning, and interface. The average selling price decreased from RMB2.2 per unit in 2024 to RMB2.0 per unit in 2025 due to changes in product mix.

Others

Our revenue from others decreased by 50.1% from RMB61.5 million in 2024 to RMB30.7 million in 2025, primarily due to the disposal of certain non-patented technology businesses, which resulted in a decline in associated revenue.

Cost of Sales

	Year Ended December 31,		
	2024	2025	% Change
	(in RMB thousands, except for percentages)		
Wafers	1,710,869	1,976,024	15.5
Packaging	455,658	574,437	26.1
Testing	329,127	416,972	26.7
Others[(1)]	275,777	266,992	(3.2)
Write-down of inventories	(31,930)	(47,983)	50.3
Total	**2,739,501**	**3,186,442**	**16.3**
as % of total revenue	65.0	67.2	

Note:

(1) Mainly including overheads.

Our cost of sales increased by 16.3% from RMB2,739.5 million in 2024 to RMB3,186.4 million in 2025 primarily due to the increase in sales volume of our ICs.

Gross Profit and Gross Margin

	Year Ended December 31,			
	2024		2025	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin
	(in RMB thousands, except for percentages)			
Memory IC	833,930	32.2	872,650	30.0
Computing IC	358,076	32.8	398,052	30.8
Analog IC	222,390	47.2	255,469	50.5
Others[(1)]	58,729	95.5	28,395	92.5
Total/Overall	**1,473,125**	**35.0**	**1,554,566**	**32.8**

Note:

(1) Mainly including sales of other goods including development boards, provision of technical services, and rental income.

Our gross profit increased by 5.5% from RMB1,473.1 million in 2024 to RMB1,554.6 million in 2025, primarily due to an increase in our revenue. The overall gross margin decreased from 35.0% in 2024 to 32.8% in 2025, mainly due to intensified pricing competition and rising costs.

Memory IC

Our gross profit from memory ICs increased by 4.6% from RMB833.9 million in 2024 to RMB872.7 million in 2025, primarily due to increased sales volume driven by the industry recovery. The gross margin decreased from 32.2% in 2024 to 30.0% in 2025 mainly due to the unfavourable fluctuation of currency exchange rate between RMB and NT dollars. Since our inventories in relation to memory IC manufacturing are primarily recorded in NT dollars

and the carrying amount of inventories was translated monthly into US dollars and then RMB, the appreciation of NT dollars increased the cost of inventories. When that inventories were subsequently utilized, the higher costs flowed into cost of sales, reducing gross margin.

Computing IC

Our gross profit from computing ICs increased by 11.2% from RMB358.1 million in 2024 to RMB398.1 million in 2025, primarily due to increased sales volume driven by the increased market demand. The gross margin decreased from 32.8% in 2024 to 30.8% in 2025, mainly due to our pricing strategies in response to intensified competition. In particular, to maintain our market share and sales volume, we adopted a defensive pricing strategy, whereby we calibrated list prices to key benchmarks, offered targeted channel rebates and sell-through incentives, and used tiered discounts tied to volume, platform qualification, and competitive-match scenarios. Meanwhile, we selectively prioritized fast-moving SKUs and strategic accounts.

Analog IC

Our gross profit from analog ICs increased by 14.9% from RMB222.4 million in 2024 to RMB255.5 million in 2025, primarily due to increased sales volume driven by the industry recovery. The gross margin increased from 47.2% in 2024 to 50.5% in 2025. Despite persistently intense competition in the analog IC market in 2025, which placed downward pressure on selling prices, we continuously optimized our supply chain procurement strategy and strengthened commercial collaboration with upstream wafer suppliers, effectively reducing raw material procurement costs. As the decline in unit cost outpaced the decline in selling prices, the overall gross margin improved year-on-year.

Others

Our gross profit from others decreased by 51.7% from RMB58.7 million in 2024 to RMB28.4 million in 2025, mainly due to a decrease in revenue from sales of others. The gross margin decreased from 95.5% in 2024 to 92.5% in 2025.

Other Income, Gains and Losses, Net

In 2025, our net other income, gains and losses increased to RMB176.7 million from RMB139.9 million in 2024, primarily due to: (i) the recognition of net exchange gains of RMB17.6 million in 2025 as compared to net exchange losses of RMB20.9 million in 2024, mainly as a result of favorable foreign exchange rate movements; (ii) an increase in gain on disposal of intangible assets to RMB24.1 million in 2025 from nil in 2024, primarily due to higher proceeds from the disposal of certain non-patented technologies and trademarks; and offset by (iii) a decrease in government grants to RMB17.1 million 2025 from RMB30.1 million in 2024, mainly because government grants related to R&D projects in 2024 were recognized in profit or loss during the year upon the completion of the corresponding R&D projects.

Selling and Distribution Expenses

	Year Ended December 31,		
	2024	**2025**	**% Change**
	(in RMB thousands, except for percentages)		
Selling and distribution expenses	(303,206)	(332,961)	9.8
as % of total revenue	(7.2)	(7.0)	

Our selling and distribution expenses increased by 9.8% from RMB303.2 million in 2024 to RMB333.0 million in 2025, primarily due to an increase in employee benefits from RMB160.4 million in 2024 to RMB177.5 million in 2025, mainly driven by further workforce expansion and salary adjustments.

Administrative Expenses

	Year Ended December 31,		
	2024	**2025**	**% Change**
	(in RMB thousands, except for percentages)		
Administrative expenses	(217,108)	(271,956)	25.3
as % of total revenue	(5.2)	(5.7)	

Our administrative expenses increased by 25.3% from RMB217.1 million in 2024 to RMB272.0 million in 2025, primarily due to (i) an increase in consulting service fee from RMB18.5 million in 2024 to RMB38.1 million in 2025, (ii) an increase in employee benefits from RMB104.2 million in 2024 to RMB125.0 million in 2025, mainly driven by further salary adjustments, and (iii) an increase in share-based compensation from RMB45.1 million in 2024 to RMB54.6 million in 2025, reflecting increased grants under the 2024 Restricted Share Incentive Plan. These increases were partially offset by a decrease in maintenance fee from RMB11.7 million in 2024 to RMB10.5 million in 2025. As a percentage of our revenue, our administrative expenses increased from 5.2% in 2024 to 5.7% in 2025, primarily as a result of the increase in grants under the 2024 Restricted Share Incentive Plan.

Research and Development Expenses

	Year Ended December 31,		
	2024	**2025**	**% Change**
	(in RMB thousands, except for percentages)		
Research and development expenses	(681,339)	(712,027)	4.5
as % of total revenue	(16.2)	(15.0)	

Our research and development expenses remained relatively stable at RMB681.3 million and RMB712.0 million in 2024 and 2025, respectively, reflecting our commitment in R&D.

Finance Costs

Our finance costs decreased by 20.0% from RMB1.1 million in 2024 to RMB0.9 million in 2025, primarily due to a reduction in interest on lease liabilities as a result of lower outstanding lease liabilities during the year.

Share of Results of Associates

Share of results of associates improved from a loss of RMB0.4 million in 2024 to a profit of RMB0.3 million in 2025, primarily due to the improved operating performance of our associates in 2025.

Income Tax Expenses

Income tax expenses decreased by 16.2% from RMB45.8 million in 2024 to RMB38.3 million in 2025, due to an increase in deferred tax assets recognized from share-based compensations.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 3.1% from RMB364.2 million in 2024 to RMB375.3 million in 2025, while our net margin decreased from 8.6% to 7.9% for the respective years.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

	Year ended December 31,		
	2023	**2024**	**% Change**
	(in RMB thousands, except for percentages)		
Memory IC	2,911,558	2,589,492	(11.1)
Computing IC	1,108,371	1,090,104	(1.6)
Analog IC	408,918	471,522	15.3
Others[(1)]	102,079	61,508	(39.7)
Total	**4,530,926**	**4,212,626**	**(7.0)**

Note:

(1) Mainly including sales of other goods including development boards, provision of technical services and rental income.

Sales Volume and Average Selling Price

	Year ended December 31,			
	2023		**2024**	
	Sales volume	**Average selling price**	**Sales volume**	**Average selling price**
	('000)	*(RMB)*	*('000)*	*(RMB)*
Memory IC	415,932	7.0	479,042	5.4
Computing IC	75,503	14.7	93,526	11.7
Analog IC	179,356	2.3	217,335	2.2

Our revenue decreased by 7.0% from RMB4,530.9 million in 2023 to RMB4,212.6 million in 2024, primarily due to a decrease in revenue from sales of memory ICs by 11.1% from RMB2,911.6 million in 2023 to RMB2,589.5 million in 2024.

Memory IC

Our revenue from sales of memory ICs decreased by 11.1% from RMB2,911.6 million in 2023 to RMB2,589.5 million in 2024, primarily due to a decline in the average selling price from RMB7.0 per unit in 2023 to RMB5.4 per unit in 2024. The decrease in average selling price was mainly attributable to our defensive pricing strategy adopted to maintain our market share and sales volume in response to (i) changes in supply-demand dynamics, which reflected an uneven recovery pace between upstream capacity and inventory normalization and end market consumption; and (ii) intensified pricing competition among market players, which amplified such pressure. In addition, automotive electronics tied to traditional internal-combustion platforms softened, and our portfolio has been transitioning from mature DDR3 into newer products. During this transition phase, cost curves and pricing for selected SKUs

were temporarily less competitive versus peers already scaled on newer nodes, further impacting average selling prices and automotive-grade revenue. See also "— Significant Factors Affecting Our Results of Operations — Industry Cycle."

This negative impact on revenue was partially offset by an increase in sales volume from 415.9 million units in 2023 to 479.0 million units in 2024, as the memory IC market gradually emerged from industry downturn, with demand showing signs of recovery.

Computing IC

Our revenue from sales of computing ICs decreased by 1.6% from RMB1,108.4 million in 2023 to RMB1,090.1 million in 2024, primarily due to a decline in the average selling price from RMB14.7 per unit in 2023 to RMB11.7 per unit in 2024. The lower average selling price in 2024 was mainly a result of a higher proportion of sales from entry-level products, which were positioned at lower price points to address a more price-sensitive market segment. This negative impact on revenue was partially offset by an increase in sales volume from 75.5 million units in 2023 to 93.5 million units in 2024, mainly driven by the launch of these new products.

Analog IC

Our revenue from sales of analog ICs increased by 15.3% from RMB408.9 million in 2023 to RMB471.5 million in 2024, primarily due to an increase in sales volume from 179.4 million units in 2023 to 217.3 million units in 2024. This growth was mainly driven by robust demand from the automotive electronics sector. The average selling price remained relatively stable at RMB2.3 per unit in 2023 and RMB2.2 per unit in 2024.

Others

Our revenue from others decreased by 39.8% from RMB102.1 million in 2023 to RMB61.5 million in 2024, primarily due to the fluctuation of customer demand.

Cost of Sales

	Year ended December 31,		
	2023	**2024**	**% Change**
	(in RMB thousands, except for percentages)		
Wafers	1,897,624	1,710,869	(9.8)
Packaging	470,578	455,658	(3.2)
Testing	332,928	329,127	(1.1)
Others[(1)]	320,607	275,777	(14.0)
Write-down of inventories	(98,843)	(31,930)	(67.7)
Total	**2,922,894**	**2,739,501**	**(6.3)**
as % of total revenue	64.5	65.0	

Note:

(1) Mainly including overheads.

Our cost of sales decreased by 6.3% from RMB2,922.9 million in 2023 to RMB2,739.5 million in 2024, which was in line with the decrease in our revenue. More specifically, our cost of sales decreased despite an increase in our sales volume as a result of a change in product mix.

Gross Profit and Gross Margin

	Year ended December 31,			
	2023		2024	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin
	(in RMB thousands, except for percentages)			
Memory IC	1,000,369	34.4%	833,930	32.2%
Computing IC	299,620	27.0%	358,076	32.8%
Analog IC	208,925	51.1%	222,390	47.2%
Others[(1)]	99,118	97.1%	58,729	95.5%
Total/Overall	**1,608,032**	**35.5%**	**1,473,125**	**35.0%**

Note:

(1) Mainly including sales of other goods including development boards, provision of technical services, and rental income.

Our gross profit decreased by 8.4% from RMB1,608.0 million in 2023 to RMB1,473.1 million in 2024, primarily due to a decrease in our revenue. The gross margin remained relatively stable at 35.5% in 2023 and 35.0% in 2024.

Memory IC

Our gross profit from memory ICs decreased by 16.6% from RMB1,000.4 million in 2023 to RMB833.9 million in 2024, primarily due to a decrease in revenue as a result of weak demand in the automotive and industrial markets. The gross margin declined from 34.4% to 32.2%, mainly due to (i) pricing pressure across all memory IC product lines, as intensified competition and persistent inventory overhang in the channel required price adjustments to sustain sales volumes; and (ii) weakness in automotive and industrial end markets, which led customers to defer orders and draw down existing inventories, reducing shipments and constraining operating leverage and fixed-cost absorption.

Computing IC

Our gross profit from computing ICs increased by 19.5% from RMB299.6 million in 2023 to RMB358.1 million in 2024 and the gross margin increased from 27.0% in 2023 to 32.8% in 2024 despite a decrease in our revenue from sales of computing ICs, primarily due to a change in product mix as we successfully pulled out our new products.

Analog IC

Our gross profit from analog ICs increased by 6.5% from RMB208.9 million in 2023 to RMB222.4 million in 2024, primarily due to an increase in revenue. The gross margin decreased from 51.1% in 2023 to 47.2% in 2024, mainly due to changes in product mix and increased competition. Changes in product mix reflected a higher share of entry-level products and shipments into more price-sensitive applications, which diluted per-unit

contribution relative to prior periods with a greater proportion of premium parts. Increased competition led to selective price concessions and tighter quote thresholds on overlapping specifications, narrowing the price — cost spread and reducing the blended gross margin.

Others

Our gross profit from others decreased by 40.8% from RMB99.1 million in 2023 to RMB58.7 million in 2024, primarily due to a decrease in sales revenue. The gross margin remained relatively stable at 97.1% in 2023 and 95.5% in 2024.

Other Income, Gains and Losses, Net

Our net other income, gains and losses decreased by 6.7% from RMB149.9 million in 2023 to RMB139.9 million in 2024, primarily due to (i) a decrease in net exchange gains or losses from gains of RMB26.2 million in 2023 to losses of RMB20.9 million in 2024, mainly as a result of less favorable foreign exchange rate movements; partially offset by (ii) an increase in bank interest income to RMB95.9 million in 2024 from RMB61.1 million in 2023, mainly attributable to a favorable movement of foreign exchange rate; and (iii) an increase in gain on derecognition of financial assets at fair value through profit or loss to RMB25.6 million in 2024 from RMB22.1 million in 2023.

Selling and Distribution Expenses

	Year ended December 31,		
	2023	2024	% Change
	(in RMB thousands, except for percentages)		
Selling and distribution expenses	(323,145)	(303,206)	(6.2)
as % of total revenue	(7.1)	(7.2)	

Our selling and distribution expenses decreased by 6.2% from RMB323.1 million in 2023 to RMB303.2 million in 2024, primarily due to (i) a decrease in sales commission from RMB64.8 million in 2023 to RMB54.8 million in 2024, due to the decrease in our revenue, and (ii) a reduction in consulting service fees from RMB19.3 million in 2023 to RMB17.5 million in 2024, reflecting a lower demand for external marketing and sales advisory services.

Administrative Expenses

	Year ended December 31,		
	2023	2024	% Change
	(in RMB thousands, except for percentages)		
Administrative expenses	(180,155)	(217,108)	20.5
as % of total revenue	(4.0)	(5.2)	

Our administrative expenses increased by 20.5% from RMB180.2 million in 2023 to RMB217.1 million in 2024, primarily due to (i) the share-based compensation of RMB45.1 million in 2024 (nil in 2023), as a result of the implementation of our 2024 Restricted Share Incentive Plan to attract and retain key employees, and (ii) an increase in maintenance fee from RMB6.3 million in 2023 to RMB11.7 million in 2024, mainly due to expanded office operations and increased maintenance activities. These increases were partially offset by a decrease in consulting service fee from RMB23.5 million in 2023 to RMB18.5 million in 2024.

Research and Development Expenses

	Year ended December 31,		
	2023	2024	% Change
	(in RMB thousands, except for percentages)		
Research and development expenses	(708,345)	(681,339)	(3.8)
as % of total revenue	(15.6)	(16.2)	

Our research and development expenses remained stable at RMB708.3 million in 2023 and RMB681.3 million in 2024.

Finance Costs

Our finance costs increased from RMB0.1 million in 2023 to RMB1.1 million in 2024, primarily due to an increase in interest on lease liabilities as a result of new leases commenced during the year.

Share of Results of Associates

Share of results of associates changed from a loss of RMB0.9 million in 2023 to RMB0.4 million in 2024, primarily due to the increasing operating performance of our associates in 2024.

Income Tax Expenses

Income tax expenses increased by 55.3% from RMB29.5 million in 2023 to RMB45.8 million in 2024, because our subsidiaries which were subject to higher income tax rates recorded a greater portion of taxable profits.

Profit for the Year

As a result of the foregoing, our profit for the year decreased by 29.4% from RMB515.7 million in 2023 to RMB364.2 million in 2024, and our net margin decreased from 11.4% in 2023 to 8.6% in 2024.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, we financed our operations primarily through cash generated from operating activities. As of March 31, 2026, we had bank balances and cash of RMB3,411.7 million. Going forward, we believe our liquidity requirements will be satisfied by using funds from a combination of cash generated from operations and net proceeds from the Global Offering.

Taking into account the net proceeds from the Global Offering and cash generated from our operating activities available to us, our Directors believe that we have sufficient working capital to meet our present and future cash requirements for at least the next 12 months from the date of publication of this prospectus.

Net Current Assets/Liabilities

The table below sets forth our current assets and liabilities as of the dates indicated.

	As of December 31,			As of March 31,	As of June 30,
	2023	2024	2025	2026	2026
	(in RMB thousands)				*(unaudited)*
Current assets:					
Inventories	2,404,781	2,672,020	2,974,647	2,938,031	3,144,809
Trade and bills receivables	407,332	390,950	470,781	642,424	934,896
Other receivables, deposits and prepayments	433,906	509,422	252,278	285,642	218,718
Tax recoverable	15,857	1,677	4,302	4,757	7,178
Financial assets at fair value through profit or loss	393,865	757,737	899,705	1,590,737	1,463,126
Restricted bank deposits	2,625	4,780	4,496	4,398	4,465
Bank balances and cash	3,924,646	3,711,868	4,087,149	3,411,739	3,953,712
Total current assets	**7,583,012**	**8,048,454**	**8,693,358**	**8,877,728**	**9,726,904**
Current liabilities:					
Trade and other payables	674,352	650,153	844,164	844,789	1,053,957
Contract liabilities	77,154	68,796	117,826	48,864	68,644
Tax liabilities	20,528	9,098	29,574	78,574	152,818
Lease liabilities	12,562	10,062	8,414	7,208	8,439
Total current liabilities	**784,596**	**738,109**	**999,978**	**979,435**	**1,283,858**
Net current assets	**6,798,416**	**7,310,345**	**7,693,380**	**7,898,293**	**8,443,046**

Our net current assets increased from RMB7,898.3 million as of March 31, 2026 to RMB8,443.0 million as of June 30, 2026, primarily due to (i) an increase in bank balances and cash from RMB3,411.7 million to RMB3,953.7 million, (ii) an increase in trade and bills receivables from RMB642.4 million to RMB934.9 million, partially offset by an increase in tax liabilities from RMB78.6 million to RMB152.8 million.

Our net current assets remained stable at RMB7,693.4 million as of December 31, 2025 and RMB7,898.3 million as of March 31, 2026, primarily due to (i) an increase in financial assets at fair value through profit or loss from RMB899.7 million to RMB1,590.7 million, (ii) an increase in trade and bills receivables from RMB470.8 million to RMB642.4 million, partially offset by (i) a decrease in bank balances and cash from RMB4,087.1 million to RMB3,411.7 million and (ii) an increase in tax liabilities from RMB29.6 million to RMB78.6 million.

Our net current assets increased from RMB7,310.3 million as of December 31, 2024 to RMB7,693.4 million as of December 31, 2025, primarily due to (i) an increase in bank balances and cash from RMB3,711.9 million to RMB4,087.1 million, (ii) an increase in inventories from RMB2,672.0 million to RMB2,974.6 million, partially offset by (i) a decrease in other receivables, deposits and prepayments from RMB509.4 million to RMB252.3 million and (ii) an increase in trade and other payables from RMB650.2 million to RMB844.1 million.

Our net current assets increased from RMB6,798.4 million as of December 31, 2023 to RMB7,310.3 million as of December 31, 2024, primarily due to (i) an increase in financial assets at fair value through profit or loss from RMB393.9 million to RMB757.7 million, (ii) an increase in inventories from RMB2,404.8 million to RMB2,672.0 million, partially offset by (i) a decrease in trade and bills receivables from RMB407.3 million to RMB391.0 million and (ii) a decrease in tax recoverable from RMB15.9 million to RMB1.7 million.

SELECTED BALANCE SHEET ITEMS

Inventories

Our inventories include raw materials, finished goods, and work in progress. The table below sets forth the breakdown of our inventories as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(in RMB thousands)			
Raw materials	1,386,299	1,239,533	1,454,993	1,288,980
Work in progress	577,418	863,209	960,795	1,039,164
Finished goods	728,432	818,149	762,883	808,859
Less: (write-down of inventories)	(287,368)	(248,871)	(204,024)	(198,972)
Total	**2,404,781**	**2,672,020**	**2,974,647**	**2,938,031**

Our inventories decreased from RMB2,974.6 million as of December 31, 2025 to RMB2,938.0 million as of March 31, 2026, primarily due to a decrease in raw material from RMB1,455.0 million to RMB1,289.0 million, partially offset by (i) an increase in work in progress from RMB960.8 million to RMB1,039.2 million and (ii) an increase in finished goods from RMB762.9 million to RMB808.9 million.

Our inventories increased from RMB2,404.8 million as of December 31, 2023 to RMB2,672.0 million as of December 31, 2024, primarily due to (i) an increase in work in progress from RMB577.4 million to RMB863.2 million, (ii) an increase in finished goods from RMB728.4 million to RMB818.1 million, partially offset by a decrease in raw materials from RMB1,386.3 million to RMB1,239.5 million.

Our inventories increased from RMB2,672.0 million as of December 31, 2024 to RMB2,974.6 million as of December 31, 2025, primarily due to (i) an increase in raw material from RMB1,239.5 million to RMB1,455.0 million and (ii) an increase in work in progress from RMB863.2 million to RMB960.8 million, partially offset by a decrease in finished goods from RMB818.1 million to RMB762.9 million.

To ensure a stable wafer supply and mitigate risks of input price increases, capacity shortages and geopolitical supply chain disruptions, we entered into long-term agreements with several key suppliers. These agreements enabled us to secure a baseline level of foundry capacity with built-in flexibility to adjust procurement volumes based on actual demand and market conditions. While this approach enhanced supply assurance, it also, to a certain extent, resulted in elevated inventory levels during periods when actual demand lagged planning assumptions. See also "Risk Factors — Capacity commitments and inventory planning could lead to excess stock, write-downs, and cash pressure in a downturn."

The net realizable value of our inventories represents the estimated selling price in the ordinary course of business, less the estimated costs necessary to complete the inventories and to make the sale. We determine these estimates based on prevailing market conditions and our historical experience in manufacturing and selling similar products. The net realizable value may be subject to significant adjustments as a result of technological advancements, changes in customer preferences, or competitor actions in response to industry cycles. We review and update these estimates at the end of each year to ensure that they reflect the most current information available.

We recorded reversal of inventories of RMB98.8 million, RMB31.9 million, RMB48.0 million and write-downs of RMB0.0 million in 2023, 2024 and 2025 and the three months ended March 31, 2026, respectively.

Inventory Management Policy

We maintain a structured inventory management framework designed to balance supply assurance with working-capital efficiency.

We operate a rolling 12-month sales and operations planning (S&OP) cycle, updated monthly and formally reconciled quarterly. We first formulate a quarterly sales plan based on historical sell-through, customer commitments, and management judgment; this plan anchors wafer starts, OSAT loading, and inventory targets. We then set inventory build plans against the sales plan and historical inventory levels, with SKU-level targets and stage-gate release controls. Key accounts provide firm purchase forecasts for the near term with extended visibility thereafter, supplemented by frequent demand signals (including purchase orders, backlog, and, where available, downstream consumption). We monitor forecast accuracy and bias by SKU/region and apply tolerance bands to calibrate wafer starts and OSAT capacity.

Our account managers and field application engineers conduct standing forecast reviews with top customers on a monthly cadence, with ad hoc sessions for material changes such as program ramps, push-outs, or new design-in wins.

Inventory targets and execution are governed by stage gates across wafer starts, probe, assembly, and final test, linked to demand-coverage thresholds and backlog quality. We benchmark current inventory against historical norms and sales plans to adjust safety stock and prioritize fast-moving SKUs. We perform net realizable value (NRV) testing at year-end and on an ad hoc basis upon market dislocation, triangulating recent average selling prices, contracted/backlog pricing, and market quotes.

We align our rolling forecasts with foundry partners and capacity reservations, including multi-foundry arrangements and flexible take-or-pay terms, with periodic slot reallocation windows. Our OSAT partners are scheduled on a weekly master production schedule to optimize yield, reduce test time, and control work-in-process days.

For memory ICs, our products typically remain competitive over a longer horizon due to stable specifications and broad compatibility. Given this profile, we may strategically increase wafer and die inventories when wafer input prices are within a favorable band, subject to demand-coverage thresholds and NRV safeguards. While this can result in a short-term increase in inventory, it supports long-term cost competitiveness, supply continuity for key customers, and improved gross-margin resilience across market cycles. We apply stricter stage-release controls, hedging limits, and periodic stress tests (including price sensitivity and demand downside cases) to ensure that strategic builds remain within our risk appetite and are supported by forecasted demand and historical sell-through performance.

Aging Analysis

The table below sets forth an aging analysis of our inventories as of the dates indicated. We assess inventories for impairment in accordance with the applicable accounting standards, including testing net realizable value and recognizing write-downs where carrying amounts exceed expected recoverable amounts, with periodic reassessment and reversals where appropriate.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(in RMB thousands)			
Within 1 year	2,169,514	2,213,015	2,391,505	2,489,440
1-2 years	230,495	354,893	391,809	269,286
2-3 years	4,756	103,808	133,723	116,605
Above 3 years	16	304	57,610	62,700
Total	**2,404,781**	**2,672,020**	**2,974,647**	**2,938,031**

Turnover Days

The table below sets forth the turnover days of our inventories for the years/period indicated.

	Year ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
Inventory turnover days[(1)]	294	338	323	297

Note:

(1) Inventory turnover days for each year equals the average of the beginning and ending balances of inventory for that year divided by cost of sales for that year and multiplied by 365 days for 2023, 2024 and 2025, and by 90 days for the three months ended March 31, 2026.

Our relatively long inventory turnover days during the Track Record Period were primarily due to the nature of our production, the characteristics of our products, and our supply chain management strategies. Specifically, our products are predominantly deployed in the automotive electronics, industrial and medical sectors, all of which are characterized by elongated product lifecycles. To ensure stable supply to our customers, we proactively maintain strategic safety stocks of these long-lifecycle products. Concurrently, we have entered into long-term procurement agreements with our major foundry partners to secure production capacity, establish supply stability, and enhance the predictability of our manufacturing costs. In addition, the fluctuations of our inventory turnover days were affected by industry cycles during the Track Record Period, as further discussed below.

Our inventory turnover days increased from 294 days in 2023 to 338 days in 2024, and then decreased to 323 days in 2025. The increase was primarily driven by: (i) supply outpacing demand during the industry down-cycle, which slowed sell-through; (ii) strategic inventory builds when wafer prices were relatively low to secure cost and supply advantages; and (iii) capacity-securing purchases under long-term arrangements with foundries, which affected the timing of wafer deliveries and elevated average inventory levels. The decrease in 2025 was due to improved market conditions and accelerated inventory sell-through as downstream demand recovered. Our cash conversion cycle was correspondingly prolonged in 2023 and 2024, primarily as a result of the elevated inventory turnover days. It further decreased to 297 days for the three months ended March 31, 2026, primarily due to increased downstream market demand, which accelerated the sell-through of our finished goods and drove faster inventory turnover.

To improve our cash conversion cycle, we have optimized our inventory management policies and conducted regular evaluations of our inventory levels. Going forward, we will enhance the coordination between our sales forecasting and production planning, and strengthen our collaboration with both suppliers and customers to improve our cash conversion cycle, through measures such as optimizing our procurement schedules and enhancing supply chain flexibility.

Subsequent Utilization

As of June 30, 2026, 85.0% of our total inventories as of March 31, 2026, or RMB2,665.9 million, were utilized or sold.

Trade and Bills Receivables

Trade and bill receivables mainly arise from sales of our products on credit. We periodically conduct credit evaluations of customers who trade on credit. We usually grant our customers credit periods ranging between 30 and 90 days, depending on their operating situations, financial condition and expected transaction volume.

We measure the loss allowance for our trade receivables at an amount equal to the lifetime expected credit losses ("**ECL**"). We estimate the expected credit losses on trade receivables using a provision matrix, which takes into account our past experience of debtor defaults and an analysis of the current financial position of our debtors. These estimates are further adjusted for debtor-specific factors, prevailing economic conditions in the relevant industry, and an assessment of both current and forecasted economic trends as of the reporting date. During the Track Record Period, we did not make any changes to our estimation techniques or significant assumptions used in determining expected credit losses.

The table below sets forth the breakdown of our trade and bill receivables as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(in RMB thousands)			
Trade receivables	403,681	389,059	466,860	638,264
Less: Expected credit losses	(332)	(331)	(328)	(238)
Bills receivables	3,983	2,222	4,249	4,398
Total	**407,332**	**390,950**	**470,781**	**642,424**

Our trade and bills receivables further increased to RMB642.4 million as of March 31, 2026, primarily due to the increase in revenue, as a portion of customer receivables had not yet reached the end of credit terms. This increase also reflected higher sales volume.

Our trade and bills receivables decreased to RMB391.0 million as of December 31, 2024, primarily due to our continued focus on the timely collection of outstanding receivables and a slight decrease in credit sales during the year, as we strived to prioritize business with customers demonstrating stronger payment capabilities and financial stability.

Our trade and bills receivables increased to RMB470.8 million as of December 31, 2025, primarily attributable to the increase in revenue, as a portion of customer receivables had not yet reached the end of credit terms. This increase also reflected higher sales volume.

Aging Analysis

The table below sets forth an aging analysis of our trade receivables as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(in RMB thousands)			
Within 6 months	402,873	387,822	465,846	637,311
7 to 12 months	476	906	686	715
Total	**403,349**	**388,728**	**466,532**	**638,026**

For further details, see note 24 to "Appendix I — Accountants' Report."

Turnover Days

The table below sets forth the turnover days of our trade and bills receivables.

	Year ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
Trade and bills receivables turnover days[(1)]	37	35	33	32

Note:

(1) Trade and bills receivables turnover days for each year equals the average of the beginning and ending balances of trade and bills receivables for that year divided by revenue for that year and multiplied by 365 days for 2023, 2024 and 2025, and by 90 days for the three months ended March 31, 2026.

Our trade and bills receivables turnover days remained relatively stable throughout the Track Record Period and was in line with credit period.

Subsequent Settlement

As of June 30, 2026, 97.5% of our total trade and bills receivables as of March 31, 2026, or RMB626.6 million, were settled.

Financial Assets at FVTPL

Our financial assets at FVTPL primarily include (i) wealth management products, which are predominantly U.S. Treasury-backed cash management products that are not principal-protected and carry low or low-to-medium risk ratings, and (ii) structured deposits, which are primarily linked to indices issued by China Securities Index Co., Ltd., foreign exchange rates and gold, and are principal-protected and carry a low-risk rating. The table below sets forth the breakdown of our other current assets as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
		(in RMB thousands)		
Wealth management products	368,865	539,737	549,705	615,737
Structured deposits	25,000	218,000	350,000	975,000
Total	**393,865**	**757,737**	**899,705**	**1,590,737**

Our financial assets at FVTPL increased from RMB393.9 million as of December 31, 2023 to RMB757.7 million as of December 31, 2024, primarily due to an increase in both wealth management products and structured deposits representing more short-term investments to optimize our cash management.

Our financial assets at FVTPL further increased from RMB757.7 million as of December 31, 2024 to RMB899.7 million as of December 31, 2025, primarily because we allocated a larger portion of surplus cash into short-term wealth management products and structured deposits that are classified under this category. The increase in structured deposits reflected higher surplus operating cash and a deliberate shift toward low-duration, principal-protected (or low-risk) instruments that offered a yield premium over demand and standard time deposits under prevailing market rates, executed within our treasury policy on tenor, liquidity, and counterparty diversification. This reflects deliberate treasury management to enhance yield on idle funds while maintaining liquidity.

Our financial assets at FVTPL further increased from RMB899.7 million as of December 31, 2025 to RMB1,590.7 million as of March 31, 2026, primarily because of an increase in both wealth management products and structured deposits representing more short-term investments to optimize our cash management.

Trade and Other Payables

Our trade and other payables primarily represent trade payables in connection with procurement from suppliers, payroll and welfare payables in connection with employee compensation and benefits, and other payables. Our suppliers usually grant us a credit period ranging from 15 to 90 days from invoice date.

The table below sets forth the breakdown of our trade and other payables as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
		(in RMB thousands)		
Trade payables	422,567	433,743	599,033	608,126
Other deposits	1,763	2,115	2,031	1,991
Other tax payables	4,347	3,797	4,663	2,594
Payroll and welfare payables	220,711	191,619	208,278	196,302
Other payables	35,832	30,406	39,415	44,870
Total	**685,220**	**661,680**	**853,420**	**853,883**

Our trade and other payables decreased by 3.4% from RMB685.2 million as of December 31, 2023 to RMB661.7 million as of December 31, 2024, primarily due to a decrease in payroll and welfare payables as a result of the payment of year-end bonuses and a reduction in accrued employee compensation.

Our trade and other payables increased by 29.0% from RMB661.7 million as of December 31, 2024 to RMB853.4 million as of December 31, 2025, primarily due to an increase in trade payables as a result of our procurement from suppliers in 2025, as well as an increase in payroll and welfare payables due to accrual of salaries and bonuses.

Our trade and other payables remained stable at RMB853.4 million and RMB853.9 million as of December 31, 2025 and March 31, 2026, respectively.

Aging Analysis

The table below sets forth the breakdown of the aging analysis of the trade payables.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
		(in RMB thousands)		
Within one year	422,298	433,460	596,990	605,868
Over 1 year	269	283	2,043	2,258
Total	**422,567**	**433,743**	**599,033**	**608,126**

Turnover Days

The table below sets forth the turnover days for the trade and other payables for the years/period indicated.

	Year ended December 31,			As of March 31,
	2023	2024	2025	2026
Trade and other payables turnover days[(1)]	99	88	87	80

Note:

(1) Trade and other payables turnover days for each year equals the average of the beginning and ending balances of trade and other payables for that year divided by cost of sales for that year and multiplied by 365 days for 2023, 2024 and 2025, and by 90 days for the three months ended March 31, 2026.

Our trade and other payables turnover days remained stable during the Track Record Period and were in line with the credit period granted by our suppliers.

Subsequent Settlement

As of June 30, 2026, 94.3% of our trade payables outstanding as of March 31, 2026, or RMB573.4 million, were settled.

Restricted Bank Deposits

We had restricted bank deposits of RMB2.6 million, RMB4.8 million, RMB4.5 million and RMB4.4 million as of December 31, 2023, 2024 and 2025 and as of March 31, 2026, primarily related to deposits for guarantee purposes.

CASH FLOWS

The table below sets forth our cash flows for the years/period indicated.

	Year ended December 31,			Three months ended March 31,	
	2023	2024	2025	2025	2026
	(in RMB thousands)			*(unaudited)*	
Net cash from operating activities	558,152	363,455	622,603	175,150	216,689
Net cash used in investing activities	(14,213)	(413,205)	(233,657)	(616,217)	(732,039)
Net cash used in financing activities	(32,770)	(106,806)	(7,248)	(2,846)	(4,573)
Net increase/ (decrease) in cash and cash equivalents	**511,169**	**(156,556)**	**381,698**	**(443,913)**	**(519,923)**
Cash and cash equivalents at beginning of the year/period	3,398,066	3,924,646	3,711,868	3,711,868	4,087,149
Effects of foreign exchange rate changes	15,411	(56,222)	(6,417)	(9,985)	(155,487)
Cash and cash equivalents at end of the year/period	**3,924,646**	**3,711,868**	**4,087,149**	**3,257,970**	**3,411,739**

Operating Activities

For the three months ended March 31, 2026, we had net cash generated from operating activities of RMB216.7 million, mainly consisting of our profit before tax of RMB363.5 million, adjusted for non-operating and non-cash items mainly including (i) amortization of intangible assets of RMB23.0 million, (ii) depreciation of property, plant and equipment of RMB17.2 million, partially offset by (iii) bank interest income of RMB22.5 million. The amount was further affected by changes in working capital, including (i) an increase in trade and bills receivables of RMB171.6 million and (ii) a decrease in contract liabilities of RMB69.0 million, partially offset by (iii) an increase in trade and other payables of RMB49.9 million.

In 2025, we had net cash generated from operating activities of RMB622.6 million, primarily consisting of our profit before tax of RMB413.7 million, adjusted for non-operating and non-cash items mainly including (i) amortization of intangible assets of RMB103.4 million, depreciation of property, plant and equipment of RMB67.9 million, partially offset by (ii) bank interest income of RMB90.8 million. The amount was further affected by changes in working capital, including (i) an increase in inventories of RMB288.4 million, (ii) an increase in trade and bills receivables of RMB72.1 million, partially offset by (iii) an increase in trade and other payables of RMB195.1 million.

In 2024, we had net cash generated from operating activities of RMB363.5 million, primarily consisting of our profit before tax of RMB410.0 million, adjusted for non-operating and non-cash items mainly including (i) depreciation and amortization expenses of RMB191.1 million, (ii) share-based payment expenses of RMB45.1 million, and partially offset by (iii) bank interest income of RMB95.9 million. The amount was further affected by changes in working capital, including (i) an increase in inventories of RMB234.5 million, (ii) a decrease in trade and other payables of RMB13.0 million, and (iii) a decrease in trade and bills receivables of RMB5.9 million.

In 2023, we had net cash generated from operating activities of RMB558.2 million, primarily consisting of our profit before tax of RMB545.2 million, adjusted for non-operating and non-cash items mainly including (i) depreciation and amortization expenses of RMB235.1 million and (ii) a reversal of write-down of inventories of RMB98.8 million, and partially offset by (iii) bank interest income of RMB61.1 million. The amount was further affected by changes in working capital, including (i) a decrease in other receivables, deposits and prepayments of RMB106.0 million and (ii) a decrease in trade and other payables of RMB220.3 million, partially offset by (iii) a decrease in trade and bills receivables of RMB113.1 million.

Investing Activities

For the three months ended March 31, 2026, we had net cash used in investing activities of RMB732.0 million, primarily consisting of purchase of financial assets at FVTPL of RMB1,712.1 million and purchase of equity instruments designated at FVTOCI of RMB12.3 million, partially offset by proceeds from disposal of financial assets at FVTPL of RMB1,019.1 million.

In 2025, we had net cash used in investing activities of RMB233.7 million, primarily consisting of purchase of financial assets at FVTPL of RMB4,195.8 million, purchase of equity instruments designated at FVTOCI of RMB100.7 million and purchases of property, plant and equipment of RMB74.0 million, partially offset by proceeds from disposal of financial assets at FVTPL of RMB4,078.8 million and proceeds from settlement on finance lease receivables of RMB44.9 million.

In 2024, we had net cash used in investing activities of RMB413.2 million, primarily consisting of purchases of financial assets at FVTPL of RMB2,563.2 million, purchases of property, plant and equipment of RMB91.7 million, and purchases of equity instruments designated at FVTOCI of RMB144.6 million, partially offset by proceeds from disposal of financial assets at FVTPL of RMB2,230.8 million and settlement on finance lease receivables of RMB175.0 million.

In 2023, we had net cash used in investing activities of RMB14.2 million, primarily consisting of purchases of financial assets at FVTPL of RMB2,900.1 million, purchases of property, plant and equipment of RMB84.8 million, and purchases of equity instruments designated at FVTOCI of RMB100.5 million, partially offset by proceeds from disposal of financial assets at FVTPL of RMB2,886.1 million and settlement on finance lease receivables of RMB204.3 million.

Financing Activities

For the three months ended March 31, 2026, we had net cash used in financing activities of RMB4.6 million, primarily due to principal portion of lease payments of RMB3.0 million and payment of listing expenses of RMB1.4 million.

In 2025, we had net cash used in financing activities of RMB7.2 million, primarily due to dividend payments of RMB48.2 million and payment of listing expenses of RMB17.6 million, partially offset by proceeds from issue of shares under the 2024 Restricted Share Incentive Plan of RMB30.0 million.

In 2024, we had net cash used in financing activities of RMB106.8 million, primarily due to dividend payments of RMB96.3 million and principal portion of lease payments of RMB9.4 million.

In 2023, we had net cash used in financing activities of RMB32.8 million, primarily due to dividend payments of RMB38.5 million and principal portion of lease payments of RMB17.5 million, partially offset by capital contribution by non-controlling shareholders of RMB23.4 million.

INDEBTEDNESS

The table below sets forth the breakdowns of our indebtedness as of the dates indicated. There was no material covenant on any of the outstanding debt, or breach of such covenant, during the Track Record Period and up to the Latest Practicable Date. As we maintain ample cash and cash equivalents during the Track Record Period and as of June 30, 2026, as a matter of practice, we do not track or aggregate the amount of unutilised banking facilities.

Our Directors confirm that there has not been any material change in our indebtedness since June 30, 2026 and up to the Latest Practicable Date. Our Directors confirm that as of June 30, 2026, we did not have any material defaults, breaches of covenants in repayment of indebtedness, or experience any material difficulty in obtaining bank loans and other borrowings during the Track Record Period and up to the Latest Practicable Date.

	As of December 31,			As of March 31,	As of June 30,
	2023	2024	2025	2026	2026
	(in RMB thousands)				*(unaudited)*
Current					
Lease liabilities	12,562	10,062	8,414	7,208	8,439
Non-current					
Lease liabilities	19,700	13,623	9,343	7,566	7,416
Total	**32,262**	**23,685**	**17,757**	**14,774**	**15,855**

Lease Liabilities

Our lease liabilities, including current and non-current portions, were primarily in relation to leases of office premises.

Lease liabilities decreased during the Track Record Period. The decrease mainly reflected the regular rental payments and the expiration of certain lease contracts, partially offset by the renewal of some lease agreements. It further increased as of June 30, 2026, primarily due to the renewal of some lease agreements.

CONTINGENT LIABILITIES

As of June 30, 2026, we did not have any material contingent liabilities. During the Track Record Period and up to the Latest Practicable Date, save as disclosed above, we did not have any bank and other loans, or any issued and outstanding or agreed to be issued loan capital, bank overdrafts, borrowings or similar indebtedness, liabilities under acceptances (other than ordinary trade bills), acceptance credits, debentures, mortgages, charges, hire purchase commitments or finance lease commitments, guarantees or other material contingent liabilities.

CAPITAL EXPENDITURE AND COMMITMENTS

Capital Expenditure

The table below sets forth the capital expenditure for the years/period indicated.

	Year ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
		(in RMB thousands)		
Property, plant and equipment	39,692	59,499	59,354	20,491
Intangible assets	8,685	9,388	15,315	761
Construction in progress	43,351	24,331	14,650	839
Capitalized research and development expenditures	9,318	12,069	7,969	5,401
Total	**101,046**	**105,287**	**97,288**	**27,492**

Commitments

As of December 31, 2023, 2024 and 2025 and March 31, 2026, we did not have any significant contractual commitment.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the years/period indicated.

	Year ended/As of December 31,			Three months ended March 31,
	2023	2024	2025	2026
Gross margin (%)[(1)]	35.5	35.0	32.8	42.6
Net margin (%)[(2)]	11.4	8.6	7.9	20.5
Adjust net margin (a non-IFRS measure) (%)[(3)]	11.4	9.7	9.1	21.0
Current ratio[(4)]	9.7	10.9	8.7	9.1

Notes:

(1) Gross margin is calculated as gross profit for the year/period divided by revenue for the corresponding year/period and multiplied by 100%.

(2) Net margin is calculated as net profit for the year/period divided by revenue for the corresponding year/period and multiplied by 100%.

(3) Adjusted net margin (a non-IFRS measure) is calculated as adjusted net profit for the year/period (a non-IFRS measure) divided by revenue for the corresponding year/period and multiplied by 100%. Adjusted net profit (a non-IFRS measure) is calculated by excluding listing expenses and share-based compensation from profit for the year/period as defined in "— Non-IFRS Measure."

(4) Current ratio is calculated as current assets divided by current liabilities as of the end of the relevant year/period.

DISCLOSURE ABOUT FINANCIAL RISK

The main risks arising from our financial instruments are foreign currency risk, interest rate risk and price risk. See note 36 to "Appendix I — Accountants' Report."

Capital Management

Our capital structure consists of net debts, net of cash and cash equivalents and restricted bank deposits and equity attributable to owners of the Company (comprising share capital and reserves).

We invest in unlisted investments, which represent wealth management products issued by banks in Chinese Mainland. We have estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks. The fair values have been assessed to be approximate to their carrying amounts. The discount for lack of marketability represents the amounts of premiums and discounts determined by our Group that market participants would take into account when pricing the investments.

To ensure proper oversight and mitigate risks, we have established a robust internal control mechanism for managing these investments. All potential investments are subject to a rigorous evaluation process, which involves assessing the risk-return profile, the creditworthiness of the issuing bank, and compliance with our investment policies. Once investments are made, we conduct continuous monitoring of their performance and credit risk, with regular updates provided to senior management and the Board. Additionally, our internal audit team periodically reviews the investment process to ensure adherence to regulatory requirements and internal policies.

Our Board is actively involved in overseeing and governing our investment activities. It approves our overall investment policy to ensure alignment with our strategic objectives and provides oversight for key decisions regarding wealth management investments. Any proposed investment that exceeds a predetermined threshold or carries a higher level of risk requires prior approval from the Board. Investments in wealth management products are subject to a multi-level approval process. Both the management team and the Board are involved, depending on the size and risk profile of the investment. This rigorous approval framework ensures that all investment decisions are thoroughly scrutinized and align with our financial and risk management objectives. The investment in these assets will be subject to compliance with Chapter 14 of the Listing Rules upon the Listing and the Global Offering.

OFF-BALANCE SHEET ARRANGEMENTS

We have not entered into, nor do we expect to enter into, any off-balance sheet arrangements. We also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of manufacturing partners. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as

owners' equity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing or hedging or research and development services with us.

DIVIDEND POLICY

Subject to PRC laws and regulations, including the PRC Company Law (《中華人民共和國公司法》) and the No. 3 Guideline for the Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies (2025 Revision) (《上市公司監管指引第3號—上市公司現金分紅(2025年修訂)》), and the Articles of Association, and provided that the conditions for cash dividend distribution are met, we are required to distribute no less than 5% of the distributable profits attributable to the parent company for the relevant fiscal year in the form of cash dividends each year. Moreover, over any consecutive three-year period, the total amount of cash dividends distributed shall be no less than 30% of the average annual distributable profits attributable to the company realized during those three years. Save for the above statutory requirements under the PRC Company Law and the No. 3 Guideline for the Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies (2025 Revision), we do not have any other formal dividend policy or pre-determined dividend payout ratio.

We typically review and determine the annual profit distribution plan at the annual general meeting of shareholders. Taking the 2024 Annual Profit Distribution Plan as an example, on May 12, 2025, we convened the 2024 Annual General Meeting of Shareholders, at which the "2024 Annual Profit Distribution Plan" was deliberated and approved. Pursuant to this plan, in June 2025, we distributed a cash dividend of RMB0.997988 per 10 shares (inclusive of taxes) to all shareholders, based on the total share capital of 482,540,723 shares as of that date. On May 7, 2026, we convened the 2025 Annual General Meeting of Shareholders, at which the "2025 Annual Profit Distribution Plan" was deliberated and approved. Pursuant to this plan, in May 2026, we distributed a cash dividend of RMB1.5 per 10 shares (inclusive of taxes) to all shareholders, based on the total share capital of 482,540,723 shares as of that date.

During the Track Record Period, we declared dividends as follows:

	Year ended December 31,			Three months ended March 31,
	2023	2024	2025	2026
		(in RMB thousands)		
Dividends attributable to the year/period	38,527	96,314	48,156	–

Future profit distributions may be carried out in the form of cash dividends or stock dividends or a combination of cash dividends and stock dividends. Any proposed distribution of dividends is subject to the discretion of our Board and the approval at our Shareholders' meetings. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders' interests and any other conditions that our Board may deem relevant.

DISTRIBUTABLE RESERVE

As of March 31, 2026, our Company had retained profit amounted to RMB3,275.1 million, which is available for distribution to our Shareholders.

DISCLOSURE REQUIRED UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, they were not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to Rules 13.19 of the Listing Rules.

RELATED-PARTY TRANSACTIONS

Related party transactions are set out in note 41 to "Appendix I — Accountants' Report." Our Directors confirm that these transactions were conducted in the ordinary and usual course of business and on arm's length basis. For related party loans, advances, guarantees and/or pledges of securities including the terms and the plans for these arrangements after the Listing, if any, see also note 41 to "Appendix I — Accountants' Report."

UNAUDITED PRO FORMA FINANCIAL INFORMATION

For details, see "Appendix IIA — Unaudited Pro Forma Financial Information."

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commissions and fees incurred in connection with the Listing and the Global Offering. Our listing expenses are estimated to be approximately HK$75.1 million (including underwriting commissions), accounting for approximately 2.4% of the gross proceeds of the Global Offering, assuming the maximum Offer Price of HK$102.80 per Offer Share. Among our listing expenses, approximately HK$71.2 million is directly attributable to the issuance of Shares and will be charged to equity upon completion of the Listing, and approximately HK$3.9 million has been or will be charged to our consolidated statement of comprehensive income. We expect to incur listing expenses of approximately HK$34.7 million in underwriting-related expenses and fees (including underwriting commissions, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy), approximately HK$31.9 million in non-underwriting-related expenses and fees including fees for the Sole Sponsor, legal advisors and reporting accountant, and approximately HK$8.5 million for other non-underwriting-related fees and expenses. During the Track Record Period, we incurred approximately HK$1.5 million of listing expenses.

The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

PROFIT ESTIMATE FOR THE SIX MONTHS ENDED JUNE 30, 2026

On the bases set out in Appendix IIB to this prospectus, and in the absence of unforeseen circumstances, the Company estimates that its unaudited consolidated profit attributable to owners of the Company for the six months ended June 30, 2026 is as follows:

Estimated consolidated profit attributable to owners of the Company for the six months ended June 30, 2026	Not less than RMB1,078.6 million (equivalent to HK$1,246.1 million)

Pursuant to Rule 11.18 of the Listing Rules, the Company has given an undertaking to the Stock Exchange that the interim financial statements of the Group for the six months ended June 30, 2026 will be audited.

NO MATERIAL ADVERSE CHANGE AND RECENT DEVELOPMENTS

Our Directors confirmed that, as of the date of this prospectus, there has been no material adverse change in our financial position since March 31, 2026, and there has been no event since March 31, 2026 that would materially affect the information as set out in the Accountants' Report in Appendix I to this prospectus.

OVERVIEW

The Company has entered into a transaction with Beijing Huaru Technology Co., Ltd. (北京華如科技股份有限公司, a company listed on the Shenzhen Stock Exchange with stock code 301302, "**Huaru Technology**") which will constitute a continuing connected transaction under Chapter 14A of the Listing Rules upon the Listing.

As of the Latest Practicable Date, Mr. Li Jie, a non-executive Director and a substantial Shareholder, was interested in approximately 45.95% of the issued share capital of Huaru Technology and was entitled to exercise more than 30% of the voting power at general meetings of Huaru Technology together with other parties acting in concert with him. Accordingly, Huaru Technology and its subsidiaries are associates of Mr. Li Jie and will become connected persons of the Company upon the Listing.

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTION

Property Leasing Framework Agreement

The Company (for itself and on behalf of its subsidiaries) entered into a property leasing framework agreement with Huaru Technology (for itself and on behalf of its subsidiaries) on April 8, 2026 (the "**Property Leasing Framework Agreement**"), pursuant to which the Company and/or its subsidiaries will lease certain of their properties to Huaru Technology and/or its subsidiaries for their operation use, and will charge rental fees to Huaru Technology and/or its subsidiaries. The term of the Property Leasing Framework Agreement commenced on January 1, 2026 and is valid until December 31, 2028.

Reasons and Benefits for the Transaction

Huaru Technology and its subsidiaries have historically been leasing the properties from the Company on normal commercial terms. Leasing the idle properties of the Company to Huaru Technology and/or its subsidiaries will improve the utilization efficiency and profitability of the Company's assets and provide the Group with additional cash flow for its business operations.

Pricing Basis

The rental fees charged by the Company and/or its subsidiaries to Huaru Technology and/or its subsidiaries are determined after arm's length negotiations between the relevant parties, with reference to the prevailing market rates of properties of comparable size and quality situated in the general locality that are used for similar purposes.

Historical Amounts

For the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026, the transaction amounts of the Company's property leasing to Huaru Technology and its subsidiaries were approximately RMB9.3 million, RMB6.8 million, RMB6.8 million and RMB1.1 million, respectively.

Annual Caps and Basis of Annual Caps

For the years ending December 31, 2026, 2027 and 2028, the annual caps of the transaction amounts under the Property Leasing Framework Agreement are expected to be RMB4.8 million, RMB5.8 million and RMB5.8 million, respectively.

In arriving at the above annual caps, the Directors have considered, among others, the following factors:

(i) the historical transaction amounts of the Company's property leasing to Huaru Technology and its subsidiaries during the Track Record Period;

(ii) the geographical locations of the leased properties and the prevailing market rates of properties of comparable size and quality situated in the general locality that are used for similar purposes;

(iii) the projected trend of the rental rates in the property leasing market, the PRC; and

(iv) the total size of the properties that the Company and/or its subsidiaries expect to lease to Huaru Technology and/or its subsidiaries considering their estimated business expansion plan.

Listing Rules Implications

As the highest applicable percentage ratio calculated under Chapter 14A of the Listing Rules for the annual caps under the Property Leasing Framework Agreement for the year ending December 31, 2026, 2027 and 2028 is expected to exceed 0.1% but less than 5%, the transaction contemplated under the Property Leasing Framework Agreement will constitute a partially-exempt continuing connected transaction of the Company after the Listing that is subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules, but is exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

MEASURES TO SAFEGUARD THE INTERESTS OF THE SHAREHOLDERS

To safeguard the interests of the Company and its Shareholders as a whole, including the minority Shareholders, the Company has put in place certain internal approval and monitoring procedures relating to the proposed connected transaction contemplated under the Property Leasing Framework Agreement, which include the following:

(a) the Company has formulated internal guidelines according to the Listing Rules, which provide approval procedures for connected transactions based on their nature and amounts;

(b) the Company shall collect the transaction amount information regularly and conduct analysis of the data to manage the connected transactions;

(c) in respect of the connected transactions not governed by the existing framework agreements (if any), the relevant operating entities shall communicate with the headquarters in advance and provide necessary documents to facilitate related decision-making and disclosure process; and

(d) additional approvals are required for transactions exceeding the proposed annual caps (if applicable).

WAIVER

As the transaction contemplated under the Property Leasing Framework Agreement is expected to continue on a recurring and continuing basis, the Directors consider that compliance with the announcement requirements will be impractical, will incur unnecessary administrative costs for the Company, and will be unduly burdensome to the Group.

Accordingly, the Company has applied to the Stock Exchange for, and the Stock Exchange has granted a waiver to us under Rule 14A.105 of the Listing Rules from compliance with the announcement requirement in respect of the Property Leasing Framework Agreement and the transaction contemplated thereunder.

CONFIRMATION FROM THE DIRECTORS

The Directors (including the independent non-executive Directors) are of the view that (i) although the Property Leasing Framework Agreement and the transaction contemplated thereunder are not entered into in the ordinary and usual course of business of the Group, the terms of such agreements and transaction are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole; and (ii) the annual caps for the transaction is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

CONFIRMATION FROM THE SOLE SPONSOR

Based on the documentation and data provided by the Company and participation in the due diligence and discussion with the Company, the Sole Sponsor is of the view that (i) although the Property Leasing Framework Agreement and the transaction contemplated thereunder are not entered into in the ordinary and usual course of business of the Group, the terms of such agreements and transaction are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole; and (ii) the annual caps for the transaction is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, the total issued share capital of the Company was RMB483,664,367, comprising 483,664,367 A Shares of nominal value RMB1.00 each, all of which are listed on the ChiNext of the Shenzhen Stock Exchange.

UPON COMPLETION OF THE GLOBAL OFFERING

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no additional Shares are issued pursuant to the 2024 Restricted Share Incentive Plan), the issued share capital of the Company will be as follows:

	Number of Shares	Approximately % of issued share capital
A Shares in issue	483,664,367	93.92%
H Shares to be issued pursuant to the Global Offering	31,287,300	6.08%
Total	**514,951,667**	**100.00%**

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is exercised in full and no additional Shares are issued pursuant to the 2024 Restricted Share Incentive Plan), the issued share capital of the Company will be as follows:

	Number of Shares	Approximately % of issued share capital
A Shares in issue	483,664,367	93.08%
H Shares to be issued pursuant to the Global Offering	35,980,300	6.92%
Total	**519,644,667**	**100.00%**

THE SHARES

Upon the completion of the Global Offering, the Shares will consist of A Shares and H Shares. The A Shares and H Shares are all ordinary Shares in the share capital of the Company. Apart from certain qualified domestic institutional investors in Chinese Mainland, the qualified investors in Chinese Mainland under the Shenzhen-Hong Kong Stock Connect (if the H Shares are eligible securities for that purpose) and other persons who are entitled to hold the H Shares pursuant to relevant PRC law or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural persons in Chinese Mainland.

Shenzhen-Hong Kong Stock Connect has established a stock connect mechanism between Chinese Mainland and Hong Kong. The A Shares can be traded by investors in Chinese Mainland, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As the A Shares are eligible securities under the Northbound Trading Link, they can also be traded by Hong Kong and other overseas

investors pursuant to the rules and limits of the Shenzhen-Hong Kong Stock Connect. If the H Shares are eligible securities under the Southbound Trading Link, they can also be traded by investors in Chinese Mainland in accordance with the rules and limits of the Shenzhen-Hong Kong Stock Connect.

The A Shares and H Shares are generally neither interchangeable nor fungible, and the market prices of the A Shares and H Shares may be different after the Listing. The Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share 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 are not applicable to companies dual listed in the PRC and on the Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A Shareholders may convert A Shares held by them into H Shares for listing and trading on the Stock Exchange.

RANKING

The A Shares and H Shares are regarded as one class of Shares under the Articles of Association and 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 after the date of this prospectus.

APPROVAL FROM A SHAREHOLDERS REGARDING THE GLOBAL OFFERING

The Company obtained its A Shareholders' approval to issue H Shares and seek the listing of H Shares on the Stock Exchange at the general meeting of the Company held on September 11, 2025. Such approval is subject to the following conditions:

(i) *Size of the offer.* The proposed number of H Shares to be offered shall not exceed 10% of the total issued share capital enlarged by the H Shares to be issued pursuant to the Global Offering (before the exercise of the Over-allotment Option and assuming that all outstanding restricted shares granted under the 2024 Restricted Share Incentive Plan are fully vested). The number of H Shares to be issued pursuant to the full exercise of the Over-allotment Option shall not exceed 15% of the total number of H Shares to be offered initially under the Global Offering.

(ii) *Method of offering.* The method of offering shall be by way of an international offering to institutional investors and a public offer for subscription in Hong Kong.

(iii) *Target investors.* The H Shares shall be issued to public investors in Hong Kong under the Hong Kong Public Offering and international investors, qualified domestic institutional investors in Chinese Mainland and other investors who are approved by mainland Chinese regulatory bodies to invest abroad in the International Offering.

(iv) *Price determination basis.* The issue price of the H Shares will be determined, among others, after due consideration of the interests of existing Shareholders of the Company, acceptance of investors and the risks related to the offering, according to international practice, through the demands for orders and book building process, subject to the domestic and overseas capital market conditions and by reference to the valuation level of comparable companies in domestic and overseas markets.

(v) *Validity period.* The issue of H Shares and listing of H Shares on the Stock Exchange shall be completed within 24 months from the date when the Shareholders' meeting was held on September 11, 2025.

As of the Latest Practicable Date, there is no other approved offering plan for the Shares except the Global Offering.

GENERAL MEETINGS

For details of circumstance under which general meetings of the Company are required, see "Summary of the Articles of Association — Shareholders and General Meetings" in Appendix III to this prospectus.

SHARE SCHEME

For details of the 2024 Restricted Share Incentive Plan, see "Statutory and General Information — 2024 Restricted Share Incentive Plan" in Appendix IV to this prospectus.

So far as the Directors are aware, immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no additional Shares are issued pursuant to the 2024 Restricted Share Incentive Plan), the following persons will have an interest or short position in the Shares and/or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 5% or more of the issued voting Shares of the Company.

Name of Shareholder	Nature of interest	Number and description of Shares or underlying Shares held	Shareholding as of the Latest Practicable Date		Shareholding upon completion of the Global Offering[1]	
			in A Shares	in total issued share capital	in A Shares	in total issued share capital
Dr. Liu Qiang[2][3]	Beneficial owner Interest in controlled corporation Interest in a section 317 concert party agreement	58,411,378 A Shares	12.08%	12.08%	12.08%	11.34%
Mr. Li Jie[3]	Beneficial owner Interest in a section 317 concert party agreement	58,411,378 A Shares	12.08%	12.08%	12.08%	11.34%

Notes:

(1) The calculation is based on the total number of 514,951,667 Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no additional Shares are issued pursuant to the 2024 Restricted Share Incentive Plan).

(2) As of the Latest Practicable Date, Dr. Liu Qiang directly held 40,475,544 A Shares. In addition, Sihai Junxin was controlled by Dr. Liu Qiang. As such, by virtue of the SFO, Dr. Liu Qiang is also deemed to be interested in the 2,018,049 A Shares held by Sihai Junxin. For details of the shareholding structure of Sihai Junxin, see "History and Corporate Structure — Corporate Structure."

(3) As of the Latest Practicable Date, Mr. Li Jie directly held 15,917,785 A Shares. In addition, Dr. Liu Qiang and Mr. Li Jie have entered into the Acting-in-Concert Agreement, to which section 317(1) of the SFO applies. As such, Dr. Liu Qiang and Mr. Li Jie have aggregated their respective interests with each other.

THE CORNERSTONE PLACING

The Company has entered into cornerstone investment agreements (each a "**Cornerstone Investment Agreement**", and together the "**Cornerstone Investment Agreements**") with the cornerstone investors set out below (each a "**Cornerstone Investor**", and together the "**Cornerstone Investors**"), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, at the Offer Price, for such number of Offer Shares (rounded down to the nearest whole board lot of 100 H Shares) that may be purchased for an aggregate amount of approximately US$191.65 million (or approximately HK$1,503.44 million, calculated based on an exchange rate of US$1.00 to HK$7.8447) and exclusive of brokerage fee, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee (the "**Cornerstone Placing**").

Based on the Offer Price of HK$102.80 per Offer Share, being the maximum Offer Price, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 14,624,500 H Shares. The table below reflects the shareholding percentage immediately after the completion of the Global Offering assuming there is no other change made to the issued share capital of the Company between the Latest Practicable Date and the Listing.

Assuming the Over-allotment Option is not exercised		**Assuming the Over-allotment Option is exercised in full**	
Approximate % of the Offer Shares	**Approximate % of the total issued share capital**	**Approximate % of the Offer Shares**	**Approximate % of the total issued share capital**
46.74%	2.84%	40.65%	2.81%

The Company believes that the Cornerstone Placing demonstrates the Cornerstone Investors' confidence in the Company and its business prospect, and that the Cornerstone Placing will help raise the profile of the Company. The Company became acquainted with each of the Cornerstone Investors in its ordinary course of operation through the Group's business network or through introduction by the Company's business partners or the Underwriters.

The Cornerstone Placing will form part of the International Offering, and, save as otherwise obtained consent from the Stock Exchange, the Cornerstone Investors (and for Cornerstone Investors who will subscribe for the Offer Shares through qualified domestic institutional investor(s) (the "**QDII(s)**"), the QDII(s)), and their respective close associates will not subscribe for any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). The Offer Shares to be subscribed by the Cornerstone Investors (and for Cornerstone Investors who will subscribe for the Offer Shares through QDII(s), the QDII(s)) will rank *pari passu* in all respects with the fully paid H Shares in issue following the Global Offering and will be counted towards the public float of the Company under Rule 8.08 of the Listing Rules. Immediately following the completion of the Global Offering, the Cornerstone Investors or their close associates will not, by virtue of their cornerstone investments, have any Board representation in the Company, and none of the Cornerstone Investors and their close associates will become a substantial Shareholder. Other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, the Cornerstone Investors do not have any preferential rights under each of their respective Cornerstone Investment Agreements, as compared with other public Shareholders. There are no side arrangements or agreements between the Company and the Cornerstone

Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Listing, other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, following the principles as set out in Chapter 4.15 of the Guide for New Listing Applicants.

Among the Cornerstone Investors, GF Fund, ICBC Wealth and China Universal (HK) are either existing minority Shareholders or their respective close associates. The Stock Exchange has granted a waiver from strict compliance with the requirements under Rule 10.04 and consent under Paragraph 1C(2) of the Appendix F1 to the Listing Rules to permit H Shares in the International Offering to be placed to certain existing minority Shareholders and/or their close associates. For further details, see "Waivers, Consents and Exemption – Allocation of H Shares to Existing Minority Shareholders and Their Close Associates."

To the best knowledge and belief of the Company, save for GF Fund, ICBC Wealth and China Universal (HK), being existing minority Shareholders or their respective close associates, (i) each of the Cornerstone Investors (and for Cornerstone Investors who will subscribe for the Offer Shares through QDII(s), the QDII(s)) is an Independent Third Party; (ii) none of the Cornerstone Investors (and for Cornerstone Investors who will subscribe for the Offer Shares through QDII(s), the QDII(s)) is accustomed to taking instructions from the Company, the Directors, supervisors, chief executive, substantial Shareholders, existing Shareholders or any of their respective subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; (iii) none of the subscription of the relevant Offer Shares by any of the Cornerstone Investors (and for Cornerstone Investors who will subscribe for the Offer Shares through QDII(s), the QDII(s)) is financed by the Company, the Directors, supervisors, chief executive, substantial Shareholders, existing Shareholders or any of their respective subsidiaries or their respective close associates; (iv) each Cornerstone Investor will be utilizing its internal financial resources, financial resources of its shareholders or (in the case of Cornerstone Investors which are funds or investment managers) the assets managed for its investors as its source of funding for the subscription of the Offer Shares, and each Cornerstone Investor has sufficient funds to settle its respective investment under the Cornerstone Placing; and (v) each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing and that no specific approval from any stock exchange (if relevant) is required for the relevant Cornerstone Placing. In addition, to the best knowledge of the Company, save as otherwise disclosed, each of the Cornerstone Investors is independent from each other and makes independent investment decisions.

The Cornerstone Investors have agreed to pay for the relevant Offer Shares that they have subscribed for before dealings in the H Shares commence on the Stock Exchange. Some of the Cornerstone Investors have agreed that, the Company, the Sole Sponsor and the Overall Coordinators may in their sole discretion defer the delivery of all or part of the Offer Shares it will subscribe for on a date later than the Listing Date. Where delayed delivery takes place, each of such Cornerstone Investors that may be affected by such delayed delivery has agreed that it shall nevertheless pay for the relevant Offer Shares before the Listing. Accordingly, there will be no deferred settlement of the Offer Shares to be subscribed by the Cornerstone Investors.

Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of the Company to be published on or around Monday, August 24, 2026.

To the best knowledge of the Company and the Overall Coordinators, and based on the indicative interest of investment of the Cornerstone Investors and/or their close associates as of the date of this prospectus, certain Cornerstone Investors and/or their close associates may participate in the International Offering as placees and subscribe for further Offer Shares in the Global Offering. The Company will seek the Stock Exchange's consent and/or

waiver to allow the Cornerstone Investors and/or their close associates to participate in the International Offering as placees pursuant to Chapter 4.15 of the Guide for New Listing Applicants. Whether such Cornerstone Investors and/or their close associates will place orders in the International Offering are uncertain and will be subject to the final investment decisions of such investors and the terms and conditions of the Global Offering.

THE CORNERSTONE INVESTORS

The table below sets forth details of the Cornerstone Placing based on the Offer Price of HK$102.80, being the maximum Offer Price:

			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
Cornerstone Investor	Subscription amount[1]	Number of Offer Shares[2]	Approximate % of the Offer Shares	Approximate % of the issued share capital	Approximate % of the Offer Shares	Approximate % of the issued share capital
	(US$ in millions)					
Emerald Prime	60.00	4,578,600	14.63%	0.89%	12.73%	0.88%
GF Fund	30.00	2,289,300	7.32%	0.44%	6.36%	0.44%
Perseverance Asset Management	9.65	736,300	2.35%	0.14%	2.05%	0.14%
Shanghai Gaoyi and HTCI (in connection with the Huatai Back-to-back TRS and the Huatai Client TRS)	10.00	763,100	2.44%	0.15%	2.12%	0.15%
Huaqin Singapore	15.00	1,144,600	3.66%	0.22%	3.18%	0.22%
ICBC Wealth	15.00	1,144,600	3.66%	0.22%	3.18%	0.22%
Arrow Target	13.00	992,000	3.17%	0.19%	2.76%	0.19%
China Universal (HK)	12.00	915,700	2.93%	0.18%	2.55%	0.18%
CloudAlpha Capital	12.00	915,700	2.93%	0.18%	2.55%	0.18%
Heading Pioneer 10 Fund LPF	10.00	763,100	2.44%	0.15%	2.12%	0.15%
Dream'ee HK Fund	5.00	381,500	1.22%	0.07%	1.06%	0.07%
Total	**191.65**	**14,624,500**	**46.74%**	**2.84%**	**40.65%**	**2.81%**

Notes:

(1) Exclusive of brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy, and to be converted to Hong Kong dollars based on the exchange rate as disclosed in this prospectus.

(2) Rounded down to the nearest whole board lot of 100 H Shares.

The information about the Cornerstone Investors sets forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing.

Emerald Prime

Emerald Prime Group Limited ("**Emerald Prime**") is incorporated in the British Virgin Islands with limited liability and is wholly owned by Shanghai Chuangke Tiandi Yihao Enterprise Development Center (Limited Partnership) (上海創客天地伊號企業發展中心(有限合夥), "**Chuangke Tiandi**"), a limited liability partnership established in the PRC with focus on equity investment. Chuangke Tiandi is managed by its general partner Shanghai Chuangke Tiandi Enterprise Management Co., Ltd. (上海創客天地企業管理有限公司), which is ultimately controlled by Zeng Yu'e (曾玉娥). Save for certain state-owned authorities in Shanghai Municipality who in aggregate hold over 30% interest in Chuangke Tiandi, no other single ultimate beneficial owner holds 30% or more interest in Chuangke Tiandi.

GF Fund

GF Fund Management Co., Ltd. ("**GF Fund**") was established on August 5, 2003. As of December 31, 2025, its assets under management exceeded RMB2 trillion. It offers a comprehensive range of product offerings, covering active equity, bonds, money market, overseas investments, passive investments, FOF, and quantitative hedging, among others, to meet the diversified investment needs of domestic and international clients. The controlling shareholder of GF Fund is GF Securities Co., Ltd. ("**GF Securities**"), a company limited by shares listed on The Stock Exchange of Hong Kong Limited (stock code: 1776) and the Shenzhen Stock Exchange (stock code: 000776), holding a 54.53% equity interest in GF Fund. Apart from GF Securities, no other shareholder holds 30% or more of the equity in GF Fund.

GF Fund will subscribe for the Offer Shares as a cornerstone investor in its capacity as the discretionary investment manager of certain funds under its management. To the best knowledge of GF Fund, each fund is an Independent Third Party, and no ultimate beneficial owner holds 30% or more interest.

Perseverance Asset Management

Perseverance Asset Management International (Singapore) Pte. Ltd. ("**Perseverance Asset Management**") acts as the investment advisor or investment manager on a discretionary basis of certain investment funds and/or separated managed accounts (collectively the "**Perseverance Funds**"). No single ultimate beneficial owner holds 30% or more interest in each of the Perseverance Funds. Each of the Perseverance Funds is an Independent Third Party. Perseverance Asset Management is a private limited company incorporated in Singapore in October 2018, and holds a Capital Markets Services License for fund management with Monetary Authority of Singapore. Perseverance Asset Management is wholly owned by Perseverance Asset Management International, which is principally engaged in investment management and investment advisory services and an Independent Third Party. Certain investments funds for which Perseverance Asset Management acts as the investment advisor or investment manager invested in ZIJIN GOLD INTERNATIONAL COMPANY LIMITED (紫金黃金國際有限公司) (stock code: 2259.HK), Contemporary Amperex Technology Co. Limited (寧德時代新能源科技股份有限公司) (stock code: 3750.HK) and Acotec Scientific Holdings Limited (先瑞達醫療科技控股有限公司) (stock code: 6669.HK) as cornerstone investor. Perseverance Asset Management is entering into the cornerstone investment agreement with the Company in its capacity as an investment advisor or investment manager and on behalf of the Perseverance Funds.

Shanghai Gaoyi and HTCI (in connection with the Huatai Back-to-back TRS and the Huatai Client TRS)

Huatai Capital Investment Limited ("**HTCI**") will act as the single counterparty of a back-to-back total return swap transaction (the "**Huatai Back-to-back TRS**") to be entered into by HTCI and Huatai Securities Co., Ltd. ("**Huatai Securities**") in connection with a total return swap transaction (the "**Huatai Client TRS**") fully funded by the ultimate clients (the "**Ultimate Clients (Gaoyi)**"), by which HTCI will ultimately pass the full economic return and loss of the Offer Shares allocated to HTCI to the Ultimate Clients (Gaoyi). HTCI will hold the Offer Shares on a non-discretionary basis to hedge the Huatai Back-to-back TRS in connection with the Huatai Client TRS, and will pass on the full economic return and loss of the Offer Shares ultimately to the Ultimate Clients (Gaoyi) through the Huatai Back-to-back TRS and the Huatai Client TRS, subject to customary fees and commissions. HTCI will not take part in any economic return or bear any economic loss in relation to the Offer Shares, save as customary fees and commission. The Ultimate Clients (Gaoyi) may, after expiration of the lock-up period beginning from the date of the Cornerstone Investment Agreement entered into among HTCI, the Company, the Sole Sponsor and the Sponsor-Overall Coordinator, and ending on the date which is six months from the Listing Date, request to early terminate the Huatai Client TRS at their own discretion. Upon the final maturity or early termination of the Huatai Client TRS by the Ultimate Clients (Gaoyi), HTCI will accordingly terminate the Huatai Back-to-back TRS and dispose of the Offer Shares on the secondary market and the Ultimate Clients (Gaoyi) will receive a final settlement amount of the Huatai Client TRS in cash in accordance with the terms and conditions of the Huatai Back-to-back TRS and the Huatai Client TRS. It is proposed that HTCI will hold the legal title and the voting right of the Offer Shares by itself, and pass through the full economic return and loss ultimately to the Ultimate Clients (Gaoyi), each being an onshore client who places a Huatai Client TRS order with Huatai Securities in connection with the Global Offering. HTCI will not exercise the voting right of the Offer Shares during the tenor of the Huatai Back-to-back TRS.

To the best of HTCI's knowledge after having made all reasonable inquiries, each of the Ultimate Clients (Gaoyi) is an independent third party of (i) the Company, the connected persons or associates thereof, and (ii) HTCI and the companies which are members of the same group of Huatai Financial Holdings (Hong Kong) Limited.

During the life of the Huatai Back-to-back TRS and the Huatai Client TRS, HTCI may continue to hold the Offer Shares in its custodian account, or to hold some or all of the Offer Shares in a prime brokerage account for stock borrowing purpose, which is consistent with market practice to lower its finance cost, provided that the economic interests are ultimately passed to the Ultimate Clients (Gaoyi).

Both HTCI and Huatai Financial Holdings (Hong Kong) Limited ("**Huatai**"), one of the Overall Coordinators and Underwriters, are indirect wholly-owned subsidiaries of Huatai Securities, the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601688), the H shares of which are listed on the Stock Exchange (stock code: 6886), and the global depositary receipts of which are listed on the London Stock Exchange (LON: HTSC). HTCI is a connected client (as defined under Appendix F1 to the Listing Rules) of Huatai, holding securities on a non-discretionary basis on behalf of independent third parties. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, its consent under paragraph 1C(1) of Appendix F1 to the Listing Rules to permit the Company to allocate the Offer Shares to HTCI. See "Waivers, Consents and Exemption – Consent in respect of the Proposed Subscription of H Shares by Connected Clients."

The Ultimate Clients (Gaoyi) are certain investment schemes managed by Shanghai Gaoyi Asset Management Partnership (Limited Partnership) (上海高毅資產管理合夥企業(有限合夥)) ("**Shanghai Gaoyi**") on a discretionary basis. Shanghai Gaoyi is a limited partnership established in the PRC, which is engaged in asset management and investment

management with a primary focus on investments in secondary market. Certain investment schemes managed by Shanghai Gaoyi entered into delta-one OTC swap transactions in connection with the cornerstone investment in Zijin Gold International Company Limited (stock code: 2259.HK), Nanjing Leads Biolabs Co., Ltd. (stock code: 9887.HK) and Contemporary Amperex Technology Co., Limited (stock code: 3750.HK) and bear all economic return and loss. Shanghai Gaoyi holds the Qualification of Private Investment Fund Manager (私募投資基金管理人資格) accredited by the Asset Management Association of China (中國證券投資基金業協會). The managing partner of Shanghai Gaoyi is Shanghai Gaoyi Investment Management Co, Ltd. (上海高毅投資管理有限公司) ("**Gaoyi Investment**"). Perseverance Asset Management is an affiliate of Shanghai Gaoyi. As confirmed by Shanghai Gaoyi, there is no single ultimate beneficial owner holding 30% or more interests in respect of each of the Ultimate Clients (Gaoyi).

Huaqin Singapore

HQ TELECOM SINGAPORE PTE. LTD. ("**Huaqin Singapore**") is a limited company incorporated under the laws of Singapore in 2019 primarily engaged in electronic product sales and equity investment business. Huaqin Singapore is wholly owned by Huaqin Co., Ltd. (華勤技術股份有限公司) ("**Huaqin**"), a company listed on the Shanghai Stock Exchange (stock code: 603296) and the Stock Exchange (stock code: 3296). Huaqin is a globally leading, technology-driven smart product platform company. It provides smart products covering mobile terminals, computing and data center business, AIoT, and innovative business fields to the world's leading technology companies, offering customers end-to-end solutions across the entire value chain. As a globally leading full-stack ODM platform for smart products, Huaqin has achieved the world's No. 1 position in multiple smart product categories.

ICBC Wealth

ICBC Wealth Management Co., Ltd. ("**ICBC Wealth**") was officially established in Beijing in May 2019 with a registered capital of RMB16 billion). It is a wholly-owned subsidiary of Industrial and Commercial Bank of China Limited (A-share stock code: 601398, H-share stock code: 1398). The business scope of ICBC Wealth covers: public offering of wealth management products to the general public, investment and management of properties entrusted by investors; private placement of wealth management products to qualified investors, investment and management of properties entrusted by investors; advisory service on asset and wealth management; and other businesses approved by the banking supervisory authorities of the State Council.

As confirmed by ICBC Wealth, the subscription of the Offer Shares as a Cornerstone Investor will be made by ICBC Wealth in its capacity as the investment manager of certain wealth management products under its discretionary management, and no single ultimate beneficial owner holds 30% or more interests in such products.

For the purpose of the Cornerstone Investment, ICBC Wealth (among other QDII engaged) has engaged Shanghai Guotai Haitong Securities Asset Management Co., Ltd. (上海國泰海通證券資產管理有限公司) ("**Shanghai GTHT**"), an asset manager that is a QDII, in the name of Guotai Haitong Junxiang Wentuo QDII No.1 Collective Asset Management Plan (國泰海通君享穩拓QDII1號集合資產管理計劃) to subscribe for and hold such Offer Shares on a non-discretionary basis on its behalf. Shanghai GTHT is a wholly owned subsidiary of Guotai Haitong Securities Co., Ltd. ("**Guotai Haitong**"), the A shares and H shares of which are listed on the Shanghai Stock Exchange (stock code: 601211) and the Stock Exchange (stock code: 2611), respectively. As the Sponsor-Overall Coordinator is also a subsidiary of Guotai Haitong, Shanghai GTHT is part of the same group of companies. Accordingly, Shanghai GTHT is a connected client of the Sponsor-Overall Coordinator under paragraph 1B(7) of Appendix F1 to the Listing Rules. The Company has applied to the Stock Exchange

for, and the Stock Exchange has granted, its consent under paragraph 1C(1) of Appendix F1 to the Listing Rules to permit the Company to allocate the Offer Shares to ICBC Wealth (through Shanghai GTHT as the asset manager). See "Waivers, Consents and Exemption – Consent in respect of the Proposed Subscription of H Shares by Connected Clients."

Arrow Target

Arrow Target Investment L.P. ("**Arrow Target**") is a limited partnership registered in the British Virgin Islands, the general partner of which is Digital View GP II Limited, which is wholly owned by Mr. Wu Ping. To the knowledge of Arrow Target, save for Mr. Wu Ping, there is no single ultimate beneficial owner holding 30% or more therein. Mr. Wu Ping is a founding partner of SummitView. Mr. Wu Ping co-founded Spreadtrum Communications Co., Ltd. simultaneously in Shanghai and Silicon Valley in 2001, and led the company to a successful listing on the Nasdaq Stock Exchange in 2007. In 2011, Mr. Wu Ping co-founded SummitView, focusing on investment in and mergers and acquisitions of high-technology enterprises, with a commitment to driving technological innovation and industrial consolidation.

China Universal (HK)

China Universal Asset Management (Hong Kong) Company Limited ("**China Universal (HK)**"), founded in November 2009, is a wholly owned subsidiary of China Universal Asset Management Co., Ltd. (匯添富基金管理股份有限公司) ("**CUAM**"), a joint stock company established in the PRC with limited liability on February 3, 2005 and is principally engaged in the business of fund and asset management covering areas such as mutual funds, segregated accounts, international business and pension funds. CUAM is owned as to 35.412% by Orient Securities Co., Ltd (東方證券股份有限公司), a public company dually listed on the Shanghai Stock Exchange (stock code: 600958) and the Stock Exchange (stock code: 3958) and is a professional and integrated financial service provider. No ultimate beneficial owner holds 30% or more of interest in CUAM. China Universal (HK) is among the first group of Chinese fund management company subsidiaries established outside of Chinese Mainland. China Universal (HK) is licensed by the Hong Kong Securities and Futures Commission to carry on Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities under Part V of the Securities and Futures Ordinance.

China Universal (HK) manages investment funds, provides investment advisory services, and manages discretionary accounts. The subscription of the Offer Shares as a cornerstone investor will be made by China Universal (HK) in its capacity as the investment manager on a discretionary basis for and on behalf of the following fund(s) and/or discretionary account(s): (i) LC Logistics, Inc; and (ii) China Universal Special Situation Fund SPC – CUAM Flexible Strategy Fund SP.

To the best knowledge and belief of China Universal (HK), Xu Xin and Li Yan hold 30% or more interest in LC Logistics, Inc; and no single ultimate beneficial owner holds 30% or more interest in China Universal Special Situation Fund SPC – CUAM Flexible Strategy Fund SP.

CloudAlpha Capital

CloudAlpha Capital Management Limited ("**CloudAlpha Capital**") was founded in 2014 and is now a global-leading hedge fund manager that focuses on investment in technologies. CloudAlpha Capital is headquartered in Hong Kong, with teams also spread across Shenzhen, Shanghai, Taipei, Hsinchu, and Tokyo. CloudAlpha Capital currently manages equity long or short hedge funds with total assets under management of approximately US$4 billion. CloudAlpha Capital is fully controlled by Yang Jin (楊晉), Wang Yen Kang (王彥康) and

Yan Peide (閆沛德), all of whom are Independent Third Parties. CloudAlpha Capital acts as the investment manager to two funds, namely Singularity Master Fund and Singularity Winners Master Fund, managed by it on a discretionary basis. There is no single investor holding 30% or more interests in the funds.

Heading Pioneer 10 Fund LPF

Heading Pioneer 10 Fund LPF is a limited partnership fund registered in Hong Kong, with Heading Capital International Limited acting as its investment manager. The ultimate beneficial owner of Heading Pioneer 10 Fund LPF, which will participate in the Global Offering, is Tsinghua University Education Foundation (清華大學教育基金會). The ultimate beneficial owners of Heading Capital International Limited are Mr. Wang Jue (王珏) and Mr. Yu Yan (遇言).

Tsinghua University Education Foundation was established in 1994 as a nationwide non-publicly-fundraising foundation, registered and approved by the Ministry of Civil Affairs of the PRC (中華人民共和國民政部), and is regulated by the Ministry of Education of the PRC (中華人民共和國教育部). The foundation was initiated by Tsinghua University (清華大學), with its funding primarily derived from public donations. Pursuant to the Interim Measures for the Administration of Value Preservation and Appreciation Investment Activities of Charitable Organizations (《慈善組織保值增值投資活動管理暫行辦法》) and other applicable regulations, Tsinghua University Education Foundation may invest in financial products that comply with the relevant requirements, so as to achieve the objectives of preserving and enhancing the value of its assets, thereby continuously providing funding support for Tsinghua University's educational undertakings and related charitable projects.

Dream'ee HK Fund

Dream'ee (Hong Kong) Open-ended Fund Company ("**Dream'ee HK Fund**") is a private open-ended fund company incorporated in Hong Kong in August 2025 as an umbrella fund governed by the SFO, primarily engaged in cornerstone investment. The investment manager of Dream'ee HK Fund is Dream'ee (Hong Kong) Capital Limited (君宜(香港)資本有限公司), a limited company incorporated in Hong Kong in February 2024 wholly owned by Lan Kun and licensed by the SFC to conduct Type 9 (Asset Management) regulated activities in Hong Kong. As of the Latest Practicable Date, except for H&T Intelligent Control International Co., Limited (和而泰智能控制國際有限公司), which holds exceeds 30% and is wholly owned by Shenzhen H&T Intelligent Control Co., Ltd. (深圳和而泰智能控制股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002402), none of the investors holds 30% or more of the interest in the sub-fund under Dream'ee HK Fund that will participate in the Global Offering.

CLOSING CONDITIONS

The obligation of each Cornerstone Investor or each QDII (as applicable) to subscribe for the Offer Shares under the respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

(i) the Underwriting Agreements for the Hong Kong Public Offering and the International Offering being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Underwriting Agreements, and neither of the aforesaid Underwriting Agreements having been terminated;

(ii) the Offer Price having been agreed according to the Underwriting Agreements and price determination agreement among the parties thereto in connection with the Global Offering;

(iii) the Stock Exchange having granted the approval for the listing of, and permission to deal in, the H Shares (including the H Shares to be subscribed for by the Cornerstone Investors) as well as other applicable waivers and approvals, and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;

(iv) no laws shall have been enacted or promulgated by any governmental authorities which prohibits the consummation of the transactions contemplated in the Global Offering or in the respective Cornerstone Investment Agreements, and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and

(v) the respective agreements, representations, warranties, undertakings, confirmations and acknowledgements of the relevant Cornerstone Investor under the respective Cornerstone Investment Agreement are accurate and true in all respects and not misleading and that there is no material breach of the Cornerstone Investment Agreement on the part of the relevant Cornerstone Investor.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six months from (and inclusive of) the Listing Date (the "**Lock-up Period**"), dispose of, in any way, any of the Offer Shares or any interest in any company or entity holding such Offer Shares that they have purchased pursuant to the relevant Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

OVERVIEW

The Board consists of 11 Directors, comprising four executive Directors, three non-executive Directors and four independent non-executive Directors. The Directors are appointed for a term of three years and are eligible for re-election upon expiry of their term of office. The independent non-executive Directors shall not hold office for more than six consecutive years pursuant to the relevant PRC laws and regulations.

DIRECTORS

The following table sets forth the information about the Directors:

Name	Age	Position	Time of joining the Group	Date of appointment as a Director	Roles and responsibilities
Dr. Liu Qiang (劉強)	57	Executive Director, chairman of the Board and general manager	July 2005	July 15, 2005	Overall strategic planning, key product research and development directions, business development and enterprise management and the operation and management of memory and analog ICs of the Group
Mr. Zhang Jin (張緊)	64	Executive Director and deputy general manager	July 2005	July 15, 2005	Strategic planning for the development of computing technology, technical implementation and research and development of key technologies of the Group
Mr. Xian Yonghui (冼永輝)	57	Executive Director and deputy general manager	July 2005	December 19, 2012	Embedded MCU business of the Group and the operations of Lumissil Wuhan
Mr. Huang Lei (黃磊)	43	Executive Director and deputy general manager	January 2009	May 19, 2023	Operations of Hefei Ingenic and the intelligent vision business of the Group
Mr. Li Jie (李杰)	62	Non-executive Director	July 2005	July 15, 2005	Providing advice on the operation and management of the Group
Mr. Zheng Hao (鄭浩)	41	Non-executive Director	December 2024	December 20, 2024	Providing advice on the operation and management of the Group
Ms. Zhang Yanxiang (張燕祥)	57	Non-executive Director	July 2006	May 12, 2025	Providing advice on the operation and management of the Group
Mr. Ye Jinfu (葉金福)	50	Independent non-executive Director	December 2021	December 24, 2021	Supervising and providing independent opinion and judgment to the Board
Dr. Xiao Limin (肖利民)	56	Independent non-executive Director	May 2024	May 13, 2024	Supervising and providing independent opinion and judgment to the Board

Name	Age	Position	Time of joining the Group	Date of appointment as a Director	Roles and responsibilities
Ms. Yu Ying (于瑩)	57	Independent non-executive Director	December 2024	December 20, 2024	Supervising and providing independent opinion and judgment to the Board
Mr. Xiang Zuo (向左)	62	Independent non-executive Director	September 2025	September 11, 2025	Supervising and providing independent opinion and judgment to the Board

None of the Directors and senior management of the Company is related to the other Directors or senior management of the Company. Save as disclosed in this section, (i) none of the Directors held any directorships in public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years immediately preceding the date of this prospectus; (ii) to the best knowledge, information and belief of the Directors having made all reasonable inquiries, there were no other matters with respect to the appointment of the Directors that need to be brought to the attention of the Shareholders and there was no information relating to the Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Executive Directors

Dr. Liu Qiang (劉強), aged 57, is an executive Director, chairman of the Board and general manager of the Company. Dr. Liu has been a Director, chairman of the Board and general manager of the Company since its inception. He was redesignated as an executive Director on September 11, 2025 with effect from the Listing Date. He is primarily responsible for the overall strategic planning, key product research and development directions, business development and enterprise management and the operation and management of memory and analog ICs of the Group.

Dr. Liu obtained a bachelor's degree in welding processes and equipment from Tsinghua University (清華大學) in the PRC in July 1993 and a doctoral degree in computer system and architecture from the Institute of Computing Technology of the Chinese Academy of Sciences (中國科學院計算技術研究所) in the PRC in July 1998. He also obtained an EMBA degree from China Europe International Business School (中歐國際工商學院) in the PRC in July 2015.

Mr. Zhang Jin (張緊), aged 64, is an executive Director and deputy general manager of the Company. Mr. Zhang has been a Director and deputy general manager of the Company since its inception. He also served as the technical director of the Company from July 2005 to December 2009. Mr. Zhang was redesignated as an executive Director on September 11, 2025 with effect from the Listing Date. He is primarily responsible for the strategic planning for the development of computing technology, technical implementation and research and development of key technologies of the Group.

Mr. Zhang obtained a bachelor's degree in modern physics from the University of Science and Technology of China (中國科學技術大學) in the PRC in July 1982 and a master's degree in experimental nuclear physics from the Nuclear Physics Institute of China Institute of Atomic Energy (中國原子能科學研究院核物理研究所) in the PRC in September 1985.

Mr. Xian Yonghui (冼永輝), aged 57, is an executive Director and deputy general manager of the Company. Mr. Xian has been a deputy general manager of the Company since its inception and was a Director from the inception of the Company to December 2009. He was re-appointed as a Director in December 2012, and was redesignated as an executive Director on September 11, 2025 with effect from the Listing Date. Mr. Xian also served as the chairman of the board of directors of Lumissil Microsystems (Wuhan) Co., Ltd. (絡明芯微電子(武漢)有限公司, "**Lumissil Wuhan**"), a subsidiary of the Company, from October 2022 to January 2024, and has served as the executive director and manager of Lumissil Wuhan since then. He is primarily responsible for the embedded MCU business of the Group and the operations of Lumissil Wuhan.

Mr. Xian obtained a bachelor's degree in electromagnetic fields and microwave technology from Huazhong University of Science and Technology (華中理工大學) in the PRC in June 1991.

Mr. Huang Lei (黃磊), aged 43, is an executive Director and deputy general manager of the Company. Mr. Huang joined the Group in January 2009 as an IC design personnel of the Company until May 2012. He then served as the SoC department manager from May 2012 to June 2013 and the director of intelligent video department from June 2013 to May 2019. Mr. Huang was appointed as a deputy general manager of the Company in May 2019 and a Director in May 2023, and was redesignated as an executive Director on September 11, 2025 with effect from the Listing Date. Mr. Huang has also served as the general manager of Hefei Ingenic since April 2022. He is primarily responsible for the operations of Hefei Ingenic and the intelligent vision business of the Group.

Mr. Huang obtained a bachelor's degree in automation and a master's degree in software engineering from Beihang University (北京航空航天大學) in the PRC in July 2006 and January 2009, respectively.

Non-Executive Directors

Mr. Li Jie (李杰), aged 62, is a non-executive Director. Mr. Li has been a Director since the inception of the Company. He was redesignated as a non-executive Director on September 11, 2025 with effect from the Listing Date. He is responsible for providing advice on the operation and management of the Group.

Mr. Li was a director and the chairman of the board of directors of Beijing Huaru Technology Co., Ltd. (北京華如科技股份有限公司, a company listed on the Shenzhen Stock Exchange with stock code 301302, "**Huaru Technology**") from November 2011 to July 2023.

Mr. Li obtained a bachelor's degree in computer science and computer software from Tsinghua University (清華大學) in the PRC in June 1984 and a master's degree in computer engineering from the Institute of Computing Technology of the Chinese Academy of Sciences (中國科學院計算技術研究所) in the PRC in June 1987.

Mr. Li previously served as an executive director of Yangzhou Junzheng Management Consulting Co., Ltd. (揚州市君正管理諮詢有限公司), a supervisor of Yangzhou Gaide Management Consulting Co., Ltd. (揚州市蓋德管理諮詢有限公司) and a supervisor of Yangzhou Dingneng Economic and Trade Co., Ltd. (揚州市鼎能經貿有限公司) (collectively, the "**Relevant Companies**") immediately prior to the respective revocations of their business licenses on January 28, 2008, February 18, 2011 and March 8, 2007 due to the cessation of operations of the Relevant Companies for a period exceeding six consecutive months pursuant to the then applicable PRC laws and regulations. Mr. Li has confirmed that (i) each of the Relevant Companies was solvent immediately prior to the revocation of its business

license; (ii) Mr. Li has not incurred any liability as a result of such revocations; (iii) Mr. Li is not aware of any actual or potential claim that has been or will be made against him as a result of such revocations; and (iv) there is no material adverse impact on Mr. Li with respect to such revocations.

Mr. Zheng Hao (鄭浩), aged 41, has been a Director since December 2024 and was redesignated as a non-executive Director on September 11, 2025 with effect from the Listing Date. He is responsible for providing advice on the operation and management of the Group.

Mr. Zheng has been the general manager of the integrated circuit investment department of Beijing E-Town International Investment Development Co., Ltd. (北京亦莊國際投資發展有限公司, "**E-Town Investment Development**") since March 2026. Previously, he served as the general manager of the asset management department of E-Town Investment Development from May 2023 to March 2026 and the head of the asset management department of E-Town Investment Development from November 2020 to May 2023 and the director of the general affairs office of E-Town Investment Development from March 2019 to May 2023. From September 2015 to March 2019, Mr. Zheng worked at the Administration Committee of Beijing Economic-Technological Development Area ("**BDA**") (北京經濟技術開發區管理委員會), during which he also served as a deputy general manager of Beijing Zhonghangzhi Technology Co., Ltd. (北京中航智科技有限公司) from July 2018 to December 2018 on secondment. From March 2010 to September 2015, Mr. Zheng worked at the Social Development Bureau of BDA (北京經濟技術開發區社會發展局). Mr. Zheng worked at Beijing 798 Cultural Creative Industrial Investment Co., Ltd. (北京798文化創意產業投資股份有限公司) from July 2008 to February 2010, with his last position as the head of business affairs department. Mr. Zheng has also been serving as a director of Beijing YanDong Micro Electronic Co., Ltd. (北京燕東微電子股份有限公司, a company listed on the Shanghai Stock Exchange with stock code 688172) since March 2024, an independent director of UTStarcom Holdings Corp. (a company listed on the Nasdaq with stock ticker UTSI) since November 2021 and a director of Beijing E-Town Semiconductor Technology Co., Ltd. (北京屹唐半導體科技股份有限公司, a company listed on the Shanghai Stock Exchange with stock code 688729) since February 2021.

Mr. Zheng obtained dual bachelor's degrees in business administration, and polymer materials and engineering and a master's degree in project management from Beijing Institute of Technology (北京理工大學) in the PRC in June 2008 and June 2019, respectively.

Ms. Zhang Yanxiang (張燕祥), aged 57, is a non-executive Director. Ms. Zhang joined the Group in July 2006 as the finance director until December 2015. She also served as a deputy general manager of the Company from December 2009 to November 2018, and the chairperson of the board of supervisors of the Company from December 2018 to May 2025. Ms. Zhang was appointed as an employee representative Director in May 2025 and was redesignated as a non-executive Director on September 11, 2025 with effect from the Listing Date. She is responsible for providing advice on the operation and management of the Group.

Ms. Zhang obtained a master's degree in business administration from Tianjin University (天津大學) in the PRC in June 2018.

Independent Non-Executive Directors

Mr. Ye Jinfu (葉金福), aged 50, has been an independent Director since December 2021 and was redesignated as an independent non-executive Director on September 11, 2025 with effect from the Listing Date. He is responsible for supervising and providing independent opinion and judgment to the Board.

Mr. Ye has been the managing partner of Da Hua Certified Public Accountants (Special General Partnership) (大華會計師事務所(特殊普通合夥)) since January 2012. Prior to that, he worked at Tianjian Zhengxin Accountant Firm Co., Ltd. (天健正信會計師事務所有限公司) and Tianjian Guanghua Accountant Firm Co., Ltd. (天健光華會計師事務所有限公司), respectively.

Mr. Ye obtained a bachelor's degree in accounting from Xiamen University (廈門大學) in the PRC in July 1999 and a master's degree in accounting from Central University of Finance and Economics (中央財經大學) in the PRC in June 2009. Mr. Ye has been a member of the Chinese Institute of Certified Public Accountants since September 2002.

Dr. Xiao Limin (肖利民), aged 56, has been an independent Director since May 2024 and was redesignated as an independent non-executive Director on September 11, 2025 with effect from the Listing Date. He is responsible for supervising and providing independent opinion and judgment to the Board.

Dr. Xiao is currently a professor of Beihang University (北京航空航天大學). Prior to that, he worked at the Institute of Computing Technology of the Chinese Academy of Sciences (中國科學院計算技術研究所) from May 1996 to February 2003, successively serving as an assistant researcher and an associate researcher. Dr. Xiao has also been an independent director of Loongson Technology Corporation Limited (龍芯中科技術股份有限公司, a company listed on the Shanghai Stock Exchange with stock code 688047) since November 2020.

Dr. Xiao obtained a bachelor's degree in computer science from Tsinghua University (清華大學) in the PRC in July 1993, and a master's degree and a doctoral degree in computer science from the Institute of Computing Technology of the Chinese Academy of Sciences (中國科學院計算技術研究所) in the PRC in February 1996 and July 1998, respectively.

Ms. Yu Ying (于瑩), aged 57, has been an independent Director since December 2024 and was redesignated as an independent non-executive Director on September 11, 2025 with effect from the Listing Date. She is responsible for supervising and providing independent opinion and judgment to the Board.

Ms. Yu worked at Zhongtai Securities Co., Ltd. (中泰證券股份有限公司, formerly known as Qilu Securities Co., Ltd. (齊魯證券有限公司), a company listed on the Shanghai Stock Exchange with stock code 600918) from September 2002 to March 2024, with her last position as a deputy general manager of its Beijing branch. Ms. Yu has also been an independent director of Beijing Enlight Media Co., Ltd. (北京光線傳媒股份有限公司, a company listed on the Shenzhen Stock Exchange with stock code 300251) since August 2024.

Ms. Yu obtained a bachelor's degree in enterprise management from Fudan University (復旦大學) in the PRC in July 1994 through distance learning and a master's degree in business administration from Renmin University of China (中國人民大學) in the PRC in January 2004. Ms. Yu was recognized as a senior economist by Shandong Provincial Department of Human Resources (山東省人事廳) in February 2008.

Mr. Xiang Zuo (向左), aged 62, has been an independent Director since September 2025 and was redesignated as an independent non-executive Director on September 11, 2025 with effect from the Listing Date. He is responsible for supervising and providing independent opinion and judgment to the Board.

Mr. Xiang has been a managing director of Investment & Portfolio Management, China Property of Nan Fung Development (China) Limited (南豐發展(中國)有限公司) since 2019. Prior to that, he served as a managing director of J.P. Morgan Global Special Opportunities Group, a managing director and the head of China Investment Banking in Global Banking & Markets of Royal Bank of Scotland, an executive director of J.P. Morgan and a director of GE Consumer Finance — Asia.

Mr. Xiang obtained a bachelor's degree in philosophy from Sichuan University (四川大學) in the PRC in July 1987 and a master's degree in business administration from Fairleigh Dickinson University in the United States in October 1994.

SENIOR MANAGEMENT

The Group's senior management team is responsible for the day-to-day management and operation of its business. The executive Directors are also members of the Group's senior management. For their biographies, see "— Directors — Executive Directors" above.

Name	Age	Position	Time of joining the Group	Date of appointment as a member of senior management	Roles and responsibilities
Ms. Zhang Min (張敏)	53	Deputy general manager, Board secretary and joint company secretary	August 2007	December 18, 2009	Corporate governance, capital operation, investor relations and securities affairs of the Group
Mr. Zhou Shenglei (周生雷)	50	Deputy general manager	November 2008	December 18, 2009	Industry research and corporate strategy
Mr. Ye Fei (葉飛)	47	Deputy general manager and finance director	September 2011	December 18, 2015	Financial operations and funds management of the Group
Mr. Liu Jiang (劉將)	40	Deputy general manager	June 2008	April 18, 2019	Operations of Shenzhen Ingenic and the AI-MCU product line of the Group

Ms. Zhang Min (張敏), aged 53, is a deputy general manager, the Board secretary and a joint company secretary of the Company. Ms. Zhang joined the Group in August 2007 as the business director until December 2009, and has been serving as a deputy general manager and the Board secretary of the Company since then. She is primarily responsible for the corporate governance, capital operation, investor relations and securities affairs of the Group.

Ms. Zhang obtained a bachelor's degree and a master's degree in chemical fiber from Sichuan University (四川大學, formerly known as Sichuan United University (四川聯合大學)) in the PRC in July 1995 and June 1998, respectively, and a master's degree in business administration from Tsinghua University (清華大學) in the PRC in January 2006.

Mr. Zhou Shenglei (周生雷), aged 50, is a deputy general manager of the Company. Mr. Zhou joined the Group in November 2008 as a marketing director until December 2009, and has been serving as a deputy general manager of the Company since then. He is primarily responsible for the industry research and corporate strategy.

Mr. Zhou obtained a bachelor's degree in communication engineering from Beijing Institute of Information Technology (北京信息工程學院, now known as Beijing Information Science and Technology University (北京信息科技大學)) in the PRC in July 1996 and a master's degree in information and communication engineering from Xidian University (西安電子科技大學) in the PRC in December 2001.

Mr. Ye Fei (葉飛), aged 47, is a deputy general manager and the finance director of the Company. Mr. Ye joined the Group in September 2011 as a finance manager until December 2015, and has been serving as a deputy general manager and finance director of the Company since then. He is primarily responsible for the financial operations and funds management of the Group.

Mr. Ye obtained a bachelor's degree in accounting from Capital University of Economics and Business (首都經濟貿易大學) in the PRC in January 2008 and a master's degree in business administration from University of International Business and Economics (對外經濟貿易大學) in the PRC in June 2021. Mr. Ye has been a member of the Chinese Institute of Certified Public Accountants since May 2013.

Mr. Liu Jiang (劉將), aged 40, is a deputy general manager of the Company. Mr. Liu joined the Group in June 2008 and worked at Shenzhen Ingenic Times Integrated Circuit Co., Ltd. (深圳君正時代集成電路有限公司, "**Shenzhen Ingenic**"), a wholly-owned subsidiary of the Company until April 2019, successively serving as a software engineer, the manager of software department and the manager of engineering department. He was appointed as a deputy general manager of the Company in April 2019 and the general manager of Shenzhen Ingenic in April 2024. He is primarily responsible for the operations of Shenzhen Ingenic and the AI-MCU product line of the Group.

Mr. Liu obtained a bachelor's degree in computer science and technology from Changchun University (長春大學) in the PRC in July 2007.

JOINT COMPANY SECRETARIES

Ms. Zhang Min (張敏) has been appointed as a joint company secretary of the Company. See "— Senior Management" above for her biography.

Ms. Chu Cheuk Ting (朱卓婷) has been appointed as a joint company secretary of the Company. Ms. Chu is currently the manager of the listing services department of TMF Hong Kong Limited. She is an associate member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and the Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom.

OTHER INFORMATION

Rule 3.09D of the Listing Rules

Each of the Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in August 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he or she had no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there were no other factors that may affect his or her independence at the time of his/her appointments.

Rule 8.10(2) of the Listing Rules

Each of the Directors (other than the independent non-executive Directors) confirms that as of the Latest Practicable Date, he or she was not interested in any business, apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business under Rule 8.10(2) of the Listing Rules.

FURTHER INFORMATION ABOUT MR. ZHANG JIN

On September 27, 2021, Mr. Zhang Jin, an executive Director and deputy general manager of the Company, sold 11,400 A Shares on market with an average selling price of RMB126.5 per A Share (the "**Relevant Sales**"). Subsequently, the publication date of the Company's 2021 third quarterly report was determined to be October 27, 2021. Under the then applicable PRC securities regulations, a director or senior management of an A-share listed company shall not deal in any shares of the company within 30 days before the publication of any periodic report of the company, otherwise the dealing would constitute dealing in a sensitive period trading (敏感期交易) and is not allowed. As such, the Relevant Sales fall within the definition of a sensitive period trading by Mr. Zhang Jin. On December 10, 2021, the ChiNext of the Shenzhen Stock Exchange issued a regulatory letter (监管函) to Mr. Zhang Jin with respect to the Relevant Sales. No further regulatory measure has been taken by the ChiNext of the Shenzhen Stock Exchange or any other regulatory authorities on Mr. Zhang Jin, the Company or other Directors or senior management of the Company in relation to the Relevant Sales.

The Directors are of the view that Mr. Zhang Jin's suitability to act as a Director under Rules 3.08 and 3.09 of the Listing Rules is not affected by the Relevant Sales, with regard to the following reasons:

(i) the Relevant Sales happened before the determination of the publication date of the Company's 2021 third quarterly report. In addition, Mr. Zhang was not aware that the "sensitive period" had commenced and was not in possession of any inside information, including any management accounts with such specific information which may constitute inside information of the Group, at the time of the Relevant Sales;

(ii) as advised by the PRC Legal Advisor, pursuant to the applicable PRC laws and regulations, a regulatory letter issued by the ChiNext of the Shenzhen Stock Exchange does not constitute an administrative penalty or criminal offence and would not cause Mr. Zhang to lose his suitability to continue to act as a Director under the applicable PRC laws and regulations;

(iii) no similar matter occurred since the regulatory letter. In addition, as of the Latest Practicable Date, there were no facts and/or circumstances which suggest that Mr. Zhang Jin is not qualified to act as a director of a listed company; and

(iv) Mr. Zhang Jin has accumulated extensive experience in board affairs as well as abundant experience in the industry the Group operates in, as he has served as a Director with executive capacity in charge of the strategic planning for the development of computing technology, technical implementation and research and development of key technologies of the Group for more than 20 years since the Company's inception in July 2005 (including a tenure of more than 15 years since the Company's A-share listing in May 2011), without serving as a director of any other listed company. See "— Directors — Executive Directors" in this section for the biography of Mr. Zhang Jin. The Company believes that Mr. Zhang Jin processes required levels of skill, care and diligence to be a director of a Hong Kong listed Company.

The Company has adopted internal control measures to prevent the reoccurrence of similar incidents, including but not limited to appointing the Compliance Advisor and enhancing the internal policies with respect to the dealing in the securities of the Company by the Directors and senior management of the Company. The Company closely monitors the dealings in the securities of the Company by the Directors and senior management of the Company and requires the relevant Directors or members of senior management to notify the Company in writing before dealing in the securities of the Company. Specifically, to prevent the reoccurrence of similar incidents, the Company regularly notifies the relevant Directors and members of senior management in advance of the potential black out period with respect to the publication of the periodic reports of the Company even if the precise timing remains undetermined, such that the relevant Directors and members of senior management would have sufficient time to plan any securities dealings to avoid breaching the applicable laws and regulations on black out period. Upon Listing, the Company will adopt the Model Code for

Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as part of its securities trading rules and procedures. In addition to the regular training sessions to keep the Directors and senior management of the Company abreast of the applicable laws and regulations and their duties, the Company will distribute written notice to all Directors and relevant employees to remind them of the blackout period and the dealing restrictions prior to the commencement of such period to prevent any breach of the relevant Listing Rules. In connection with the Listing, the Company has also engaged an internal control consultant to review the effectiveness of its internal control system, including controls on the dealings in the securities of the Company by the Directors and senior management of the Company, and no material deficiency was identified during their review process.

Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the attention of the Sole Sponsor which casts reasonable doubt on the above view of the Directors that Mr. Zhang Jin's suitability to act as a Director under Rules 3.08 and 3.09 of the Listing Rules is not affected by the Relevant Sales.

FURTHER INFORMATION ABOUT MR. LI JIE

On August 26, 2024, Huaru Technology announced that according to the information published on the procurement website of the People's Liberation Army of the PRC (the "**PLA**"), the Procurement Planning Division of Operational Support Department of Joint Logistics Support Force (聯勤保障部隊戰勤部採購計劃處) had suspended it from participating in military procurement activities relating to materials and engineering services for a period of three years, effective from November 22, 2023, due to its involvement in collusive bidding and false bidding in a tender project (the "**2023 Huaru Technology Incident**"). During the suspension period, any companies in which Mr. Li Jie (a non-executive Director), being the then legal representative of Huaru Technology, holds a controlling interest, or which are managed by Mr. Li Jie, will also be suspended from participating in procurement activities within the aforementioned scope (the "**2023 Huaru Technology Suspension**").

On July 7, 2025, Huaru Technology further announced that the procurement website of the PLA disclosed that it was temporarily suspended from participating in military procurement activities relating to materials and engineering services for the Air Force from July 4, 2025 by the Procurement and Asset Management Bureau of the Air Force Logistics Department (空軍後勤部採購和資產管理局) due to the suspected involvement in collusive bidding (the "**2025 Huaru Technology Incident**"). Any companies in which Mr. Li Jie holds a controlling interest, or which are managed by Mr. Li Jie, will also be suspended from participating in procurement activities within the aforementioned scope (the "**2025 Huaru Technology Suspension**"). The 2025 Huaru Technology Incident related to a tender project submitted in 2022. Huaru Technology has been actively communicating with the Procurement and Supply Office of the People's Liberation Army Air Force Aviation University (中國人民解放軍空軍航空大學採購供應處) on removing the suspension. As of the Latest Practicable Date, the relevant military authorities had only temporarily imposed the suspension measure, which does not constitute a final determination on the 2025 Huaru Technology Incident.

On April 1, 2026, Huaru Technology further announced that the procurement website of the PLA disclosed that it was temporarily suspended from participating in military procurement activities relating to materials and engineering services from March 31, 2026 by the Procurement Service Center of the Logistics Support Department of the Central Military Commission (軍委後勤保障部採購服務中心) with the primary violation recorded as "other" (the "**2026 Huaru Technology Incident**", together with the 2023 Huaru Technology Incident and the 2025 Huaru Technology Incident, the "**Huaru Technology Incidents**"). Huaru Technology has been actively communicating with the procurement website of the PLA to seek clarification on the 2026 Huaru Technology Incident. As of the Latest Practicable Date, the relevant military authorities had only temporarily imposed the suspension measure, which does not constitute a final determination on the 2026 Huaru Technology Incident.

Mr. Li Jie served as a director and the chairman of the board of directors of Huaru Technology from November 2011 to July 2023 and ceased to hold any positions in the board of directors of Huaru Technology thereafter. As of the Latest Practicable Date, Mr. Li Jie was interested in approximately 45.95% of the issued share capital of Huaru Technology together with other parties acting in concert with him.

The Company confirms that the Huaru Technology Incidents would not affect Mr. Li Jie's suitability to act as a Director for the following reasons:

(i) as confirmed by Huaru Technology, (a) neither Huaru Technology nor any of its employees engaged in any specific conduct that involves the actual collusive bidding and/or false bidding and was only deemed "collusive bidding and/or false bidding" due to mishandling of the relevant tender documents or inaccurate representation by other relevant bidders and testing institute with respect to the 2023 Huaru Technology Incident, (b) neither Huaru Technology nor any of its employees engaged in any specific conduct that involves the actual collusive bidding and was only deemed "collusive bidding" due to mishandling of the relevant tender document by the other relevant bidder with respect to the 2025 Huaru Technology Incident, and (c) Mr. Li Jie was not involved in the management of Huaru Technology and the relevant affairs (including any procurement projects and tendering activities) during the period between 2022 and 2023, being the period during which the alleged violation is stated to have occurred according to the notification letter received by Huaru Technology in connection with the 2026 Huaru Technology Incident;

(ii) Mr. Li Jie was not involved in any personal wrongdoing, fraudulent behaviour, or dishonest conduct in connection with the Huaru Technology Incidents;

(iii) (a) Mr. Li Jie's sole involvement in the 2023 Huaru Technology Incident and the 2025 Huaru Technology Incident was attributable to his position as the legal representative of Huaru Technology at the time when relevant tender projects in relation to the 2023 Huaru Technology Incident and the 2025 Huaru Technology Incident took place, and the Company, after consulting its PRC legal advisor, understands that Mr. Li Jie was highly likely subject to the 2023 Huaru Technology Suspension and the 2025 Huaru Technology Suspension solely by virtue of his position as the legal representative of Huaru Technology during the relevant period; and (b) with respect to the 2026 Huaru Technology Incident, Mr. Li Jie has confirmed that he had not received any such enquiry or request, nor had he been subject to any investigation by any regulatory authority in connection with the 2026 Huaru Technology Incident as of the Latest Practicable Date. As of the Latest Practicable Date, there were no facts and/or circumstances suggesting that Mr. Li Jie is unqualified to act as a director of a listed company under the PRC laws and regulations;

(iv) Mr. Li Jie had not assumed any executive duties or senior management position with Huaru Technology or participate in the relevant projects and the day-to-day operations of Huaru Technology since its establishment. In addition, despite serving as chairman of the board of directors of Huaru Technology, Mr. Li Jie did not have any casting vote, veto power or other special decision-making authority in his capacity as chairman of the board of directors of Huaru Technology;

(v) Mr. Li Jie had exercised adequate oversight over the sufficiency and effectiveness of Huaru Technology's internal control measures;

(vi) as advised by the PRC legal advisors to the Company, the Huaru Technology Incidents concern the internal procurement and supplier management rules of the relevant PRC military authorities, and do not constitute any circumstances under which Mr. Li Jie is prohibited from serving as a Director under the PRC laws and regulations;

(vii) Mr. Li Jie has attended the training as regards, among other things, the requirements under the Listing Rules that are applicable to him as a director of a listed issuer, including Rules 3.08 and 3.09 of the Listing Rules, and the possible consequences of making a false declaration or giving false information to the Stock Exchange; and

(viii) after the Listing, as a director of a Hong Kong listed company, Mr. Li Jie will receive continuous professional development in each financial year of the Company in compliance with the Listing Rules, covering, among other things, the roles, functions, responsibilities of the directors, as well as the directors' duties under Hong Kong law and the Listing Rules, to the same standard as that received by the other Directors.

The Company further confirms that the Huaru Technology Incidents would not affect the Company's suitability for listing on the Stock Exchange as:

(i) the suspension measures imposed on Huaru Technology do not affect the Company's business operation and financial performance. The Company operates independently from Huaru Technology with distinctive scope of businesses and no overlapping management team. The Company does not have business relationship with Huaru Technology other than the property leasing to Huaru Technology as disclosed in the section headed "Connected Transaction" in this prospectus and has not participated in any bidding projects from the procurement website of the PLA;

(ii) Mr. Li Jie has never served as a Director with executive capacity since the establishment of the Company. Mr. Li Jie had not assumed any executive duties or senior management position in the Company nor had he participated in the daily management and operations of the Company, and accordingly is not in a position to exert control or significant influence over the Company's operation and management;

(iii) while Mr. Li Jie is regarded as a member of the single largest group of shareholders of the Company, he is not a controlling shareholder of the Company and given his non-executive role in the Company, the status of the Company as a public company and the internal controls the Company has in place, Mr. Li Jie had not and is not expected to exert control or significant influence over the Company's operation and management; and

(iv) Mr. Li Jie had not conducted any personal misconduct in the Huaru Technology Incidents.

Based on the due diligence conducted by the Sole Sponsor, including, but not limited to, reviewing the relevant correspondences between Huaru Technology and the PRC military authorities, interviewing the parties involved in the Huaru Technology Incidents, and discussing with the PRC legal advisors to the Company and the Sole Sponsor, the Sole Sponsor concurs with the Company's view that the Huaru Technology Incidents would not affect Mr. Li Jie's suitability to act as a Director and the Company's suitability for listing on the Stock Exchange.

MANAGEMENT AND CORPORATE GOVERNANCE

Board Committees

Audit Committee

The Board has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group and provide advice and comments to the Board. The Audit Committee comprises Mr. Ye Jinfu, Ms. Yu Ying and Mr. Li Jie, with Mr. Ye Jinfu (being the independent non-executive Director with appropriate professional qualifications) as the chairperson.

Nomination and Remuneration Committee

The Board has established the Nomination and Remuneration Committee with written terms of reference in compliance with Rules 3.25 and 3.27A of the Listing Rules and the Corporate Governance Code. The primary duties of the Nomination and Remuneration Committee are to make recommendations to the Board on the appointment of Directors and management of Board succession and to review and make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to the Directors and other senior management. The Nomination and Remuneration Committee comprises Ms. Yu Ying, Dr. Xiao Limin and Dr. Liu Qiang, with Ms. Yu Ying as the chairperson.

Strategy and ESG Committee

The Board has established the Strategy and ESG Committee with written terms of reference. The primary duties of the Strategy and ESG Committee are to make recommendations to the Board on the Group's long-term development strategies, major investment decisions, sustainable development and ESG affairs. The Strategy and ESG Committee comprises Dr. Liu Qiang, Mr. Li Jie and Dr. Xiao Limin, with Dr. Liu Qiang as the chairperson.

Corporate Governance Code

The Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of the Shareholders. To accomplish this, the Company intends to comply with the code provisions in Part 2 of the Corporate Governance Code after the Listing save for the below.

Pursuant to code provision C.2.1 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. The Company deviates from this provision because Dr. Liu Qiang, performs both the roles of the chairman and chief executive in the Company. The Board believes that, in view of his experience, personal profile and understanding of the Group's business operations as detailed in his biography above, Dr. Liu Qiang is the Director best suited to identify strategic opportunities and focus of the Board. Vesting the roles of both chairman and chief executive to Dr. Liu Qiang can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board.

The Board considers that the balance of power and authority will not be impaired due to this arrangement. In addition, all major decisions are made in consultation with members of the Board, including the relevant Board committees, and independent non-executive Directors. The Board will reassess the division of the roles of chairman and the chief executive from time to time, and may recommend dividing the two roles between different people in the future, taking into account the circumstances of the Group as a whole.

Board Diversity

The Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining its competitive advantage and enhancing its ability to attract, retain and motivate employees from the widest possible pool of available talent. In reviewing and assessing suitable candidates to serve as a Director, the Nomination and Remuneration Committee will consider a number of aspects, including, but not limited to, gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience.

The Board currently consists of two female and nine male Directors ranging from 41 to 63 years old with a balanced mix of knowledge and skills, including, but not limited to, overall management and strategic development, accounting and corporate governance in addition to relevant industry experience. They obtained degrees in various majors including computer science, physics, accounting and business administration. Taking into account the Group's existing business model and specific needs, as well as the diverse background of the Directors, the composition of the Board satisfies the board diversity policy.

The Nomination and Remuneration Committee is responsible for reviewing the structure and diversity of the Board and selecting individuals to be nominated as Directors. The Nomination and Remuneration Committee will monitor and evaluate the implementation of the board diversity policy from time to time to ensure its ongoing effectiveness, and will propose any necessary amendments as required, recommending such amendments to the Board for consideration and approval. The Nomination and Remuneration Committee will also include a summary of the board diversity policy in the annual reports.

REMUNERATION

The Directors and senior management of the Company receive their remuneration in the form of basic annual payments and performance-related annual payments, including fees, salaries, share-based compensation and other benefits in kind.

For the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026, the total remuneration paid to the Directors amounted to RMB2.7 million, RMB3.5 million, RMB4.5 million and RMB0.8 million, respectively. None of the Directors waived or agreed to waive any emolument during the Track Record Period.

Under the arrangements in force as of the date of this prospectus, the Company estimates the total remuneration payable to, and benefits in kind receivable by, the Directors by the Group for the year ending December 31, 2026 to be approximately RMB4.6 million.

None of the five highest paid individuals of the Group for the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026 was a Director. During the same year/period, the aggregate amount of remuneration of the five highest paid individuals was RMB29.9 million, RMB39.7 million, RMB37.6 million and RMB8.7 million, respectively.

During the Track Record Period, no remuneration was paid to, or received by, the Directors or the five highest paid individuals as an inducement to join or upon joining the Group. No compensation was paid to, or received by, the Directors, former Directors or the five highest paid individuals for the loss of office as a director of any member of the Group or of any other office in connection with the management of the affairs of any member of the Group.

Save as disclosed above, no other payments have been made or are payable by the Group to the Directors in respect of the Track Record Period.

COMPLIANCE ADVISOR

The Company has appointed Rainbow Capital (HK) Limited as the Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. The Compliance Advisor will provide the Company with guidance and advice as to compliance with the requirements under the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will, amongst other things, advise the 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 the Group proposes to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where the business activities, development or results of the Group deviate from any forecast, estimate, or other information in this prospectus; and

(iv) where the Stock Exchange makes an inquiry of the Company under Rule 13.10 of the Listing Rules.

The term of appointment of the Compliance Advisor shall commence on the Listing Date and is expected to end on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date.

FUTURE PLANS

For a detailed description of our future plans, see "Business — Our Strategies."

USE OF PROCEEDS

Assuming the maximum Offer Price of HK$102.80 per Offer Share, we estimate that we will receive net proceeds of approximately HK$3,141.2 million from the Global Offering after deducting the underwriting commissions and other estimated expenses in connection with the Global Offering (assuming the Over-allotment Option is not exercised). We intend to use our proceeds for the purposes and in the amounts set forth below.

- Approximately 50.0% or HK$1,570.6 million will be used to enhance technological innovation and product development across our three core product lines: memory IC, computing IC, and analog IC. Our investments will primarily focus on recruiting R&D talent, purchasing R&D equipment, tools and services, and collaborating with upstream and downstream industry players. Specifically:

  - Approximately 35.0% or HK$1,099.4 million will be allocated towards technological innovation and product development in the memory IC field over the next five years. In 2025, the global niche memory IC market reached US$15.8 billion, representing a CAGR of 6.8% for the period from 2021 to 2025. Over the next five years, market expansion is expected to continue, driven by AI-related demand growth and broader application adoption, reaching an estimated US$29.5 billion by 2030 and entering a phase of steady growth, representing a CAGR of 11.8% for the period from 2026 to 2030 driven by the rapid development in fields such as AI, automotive, and industrial devices. Specifically, we plan to: (i) continue investing in the development of advanced memory technologies, such as 3D DRAM, 3D NAND Flash, Octal NAND Flash, and secure NOR Flash, focusing on capacity upgrades, process optimization, and system integration; and (ii) further expand and iterate our product portfolio of DRAM, SRAM, NAND Flash, and NOR Flash while enhancing product quality and optimizing costs to capture market opportunities driven by automotive electronics and edge AI.

  - Approximately 10.0% or HK$314.1 million will be allocated towards technological innovation and product development in the computing IC segment over the next five years. According to Frost & Sullivan, the global IC market is expected to exceed to the tens of billions. Specifically, we plan to: (i) continue investing in core technologies, including embedded CPU technology, video encoding and decoding, ISP, NPU, AI development platforms, and AI algorithms. We aim to optimize RISC-V CPU architecture, low-bit quantization, and large-model lightweighting technologies and advance the design of next-generation RISC-V CPUs, NPUs, VPUs, and ISPs; and (ii) further expand and iterate our product portfolio of Intelligent Vision SoC, embedded MPU, and AI-MCU, while exploring AIoT, security, and robotics to identify new growth drivers.

  - Approximately 5.0% or HK$157.1 million will be allocated towards technological innovation and product development in the analog IC over the next five years. Driven by rapid development in technologies such as artificial intelligence, automotive electronics and telecommunications, China's analog-IC market grew significantly from 2021 to 2025. The total market expanded from approximately US$21.5 billion in 2021 to US$30.0 billion in 2025, representing a CAGR of 8.6%. Looking ahead, the accelerated

adoption of AI applications and electric vehicles is projected to drive a second wave of growth, with the market size expected to increase at a CAGR of 12.2% between 2026 and 2030 to reach approximately US$53.4 billion by 2030. Specifically, we plan to: (i) continue investing in core technologies such as LED driver technology and lighting effect driver technology; and (ii) further expand and iterate our product portfolio of LED driver ICs and Combo ICs, enriching high-quality automotive-grade and industrial-grade LED driver IC offerings while introducing new products tailored to the demands of automotive electronics, industrial, and home appliances.

- Approximately 25.0% or HK$785.3 million will be used for strategic investments and/or acquisitions to capture growth opportunities. Building on our successful acquisition experience, we plan to identify potential investment and acquisition opportunities worldwide that synergize with our business and enhance our core competitiveness to achieve our long-term strategic goals. Specifically, our strategic investments and/or acquisitions will focus on:

  - IC design companies operating within our core business areas, in order to strengthen our competitiveness in memory IC, computing IC, and analog IC.

  - Companies along the semiconductor value chain, including both upstream and downstream enterprises — such as IP or EDA suppliers, wafer manufacturers, packaging and testing providers — to further enhance our industry positioning, improve our supply chain autonomy, and support continuous technological innovation and product development, while maintaining our fabless business model.

  We currently expect that our strategic investments and/or acquisitions will primarily take the form of minority equity investments in the relevant targets. As of the Latest Practicable Date, we have not identified any specific acquisition targets, nor are we in ongoing discussions with any potential acquisition targets.

- Approximately 15.0% or HK$471.2 million will be used to expand our network and promote our products. Specifically, we plan to: optimize the layout of our sales and service centers by recruiting sales and technical support talent; and enhance our brand influence through large-scale exhibitions, advertising, product launch events, and strengthening our partnership ecosystem.

- Approximately 10.0% or HK$314.1 million will be used for working capital and other general corporate purposes, including day-to-day operations and general corporate expenditures.

The additional net proceeds that we would receive if the Over-allotment Option were exercised in full would be HK$477.1 million. In the event that the Offer Price is fixed at a lower level compared to the maximum Offer Price stated in this prospectus, the net proceeds from the Global Offering will be allocated to the above purposes on a pro rata basis.

In the event that certain parts of our development plans are hindered due to factors such as changes in government policies or force majeure events, our directors will carefully evaluate the situation and may reallocate the net proceeds from the Global Offering. Should there be any significant changes to the intended use of proceeds, we will make appropriate disclosures in accordance with the Listing Rules.

To the extent that the net proceeds of the Global Offering are not immediately used for the above purposes or if we are unable to effect any part of our future development plans as intended, we will only deposit such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdiction). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

HONG KONG UNDERWRITERS

Guotai Junan Securities (Hong Kong) Limited

Huatai Financial Holdings (Hong Kong) Limited

Ping An Securities (Hong Kong) Company Limited

Tiger Brokers (HK) Global Limited

Zheshang International Financial Holdings Co., Limited

Futu Securities International (Hong Kong) Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, the Company is offering 3,128,800 Hong Kong Offer Shares (including any additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option) 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, the H Shares 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 Sponsor-Overall Coordinator (for itself and on behalf of the other Underwriters) and the 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 Sponsor-Overall Coordinator (for itself and on behalf of the other Hong Kong Underwriters) and the 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 exceeding the maximum Offer Price as stated in this prospectus, or if the 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 the H Shares as prescribed under Rule 11.13 of the Listing Rules, we are required to cancel the Global Offering and relaunch the offer and issue a supplemental prospectus or a new prospectus in FINI.

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 Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners and the Joint Lead Managers (for themselves and on behalf of the Hong Kong Underwriters and the Capital Market Intermediaries) may, after prior consultation with the Company, in their sole and absolute discretion terminate the Hong Kong Underwriting Agreement with immediate effect by notice in writing to the Company from the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners and the Joint Lead Managers (for themselves and on behalf of the Hong Kong Underwriters and the Capital Market Intermediaries) 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 effect:

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 the 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 the 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 Sponsor-Overall Coordinator, the issue or requirement to issue by the Company of a supplement or amendment to this 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 regulatory body of any public action or investigation against a member of the Group or a Director or a senior management member of any member of the 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 any member of the Group 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. any valid demand by creditors for payment or repayment of indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or

x. an order or petition is presented for the winding-up or liquidation of any member of the Group, or any member of the 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 the Group or a provisional liquidator, receiver or manager is appointed over all or material part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or

xi. any non-compliance of this 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 the Group or any Director or senior management members as named in this prospectus; or

xiii. save as disclosed in this prospectus, any contravention by any member of the Group or any Director of the Listing Rules or applicable laws; or

xiv. any change or prospective change or a materialization of any of the risks set out in the section headed "Risk Factors" of this prospectus; or

xv. that the Chairman of the Board, any Director or any member of senior management of the Company named in this prospectus seeks to retire, or is removed from office or vacating his/her office; or

xvi. any event, act or omission which gives rise or is likely to give rise to any liability of the Company pursuant to the indemnities in the Hong Kong Underwriting Agreement; or

xvii. 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 in the Hong Kong Underwriting Agreement or the International Underwriting Agreement,

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Sole Sponsor and the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters):

A. has or will or may have a material adverse effect; or

B. 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

C. 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; or

D. 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) there has come to the notice of the Sole Sponsor and the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) that:

i. any statement contained in any of this prospectus, the CSRC Filings and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto but excluding the marketing name, legal name, logo, address, opinions and qualification of the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the CMIs, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters or any of them contained therein) (the "**Global Offering Documents**") 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 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 this prospectus, constitute a material omission or misstatement in any Global Offering Document; or

iii. any material breach of any of the obligations or undertakings imposed upon our Company under the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or

iv. there is any change or development involving a prospective change, constituting or having a material adverse effect; or

v. any Director or any member of senior management of the Company named in this 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

vi. the Company withdraws this 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

vii. 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

viii. any person named as an expert in this prospectus (other than the Sole Sponsor) has withdrawn its consent to the issue of this 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

ix. any prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or

x. any person named as an expert in this prospectus (other than the Sole Sponsor) has withdrawn or sought to withdraw its consent to being named in this prospectus; or

xi. (i) 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 (ii) other than with the prior written consent of the Sponsor-Overall Coordinator, the issue or requirement to issue by the 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 (iii) any non-compliance of the CSRC Filings with the CSRC Rules or any other applicable laws; or

xii. 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 the Company

We have undertaken to the Stock Exchange that we shall not issue any further Shares or securities convertible into our equity securities (whether or not of a class already listed) or enter into any agreement to issue any such Shares or securities within six months from the Listing Date (whether or not such issue of Shares will be completed within six months from the Listing Date), except in certain circumstances prescribed by Rule 10.08 of the Listing Rules.

Undertakings given to the Hong Kong Underwriters

Undertakings by the Company

The Company has undertaken to each of the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries that except for the offer and sale of the Offer Shares pursuant to the Global Offering (including pursuant to the Over-Allotment Option), during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is 6 months after the Listing Date (the "**First Six-Month Period**"), we will not, without the prior written consent of the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners and the Joint Lead Managers (for themselves and on behalf of the Hong Kong Underwriters and the Capital Market Intermediaries) 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, 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 a mortgage, charge, pledge, lien or other security interest or any option, restriction, right of first refusal, right of pre-emption or other third party claim, right, interest or preference or any other encumbrance of any kind ("**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 any other securities of the Company, as applicable, 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 H Shares or any shares or other securities of the Company); 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 of H Shares or any other shares or securities of the Company, as applicable, 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 H Shares or any shares or other securities of the Company); or

(c) enter into any transaction with the same economic effect as any transaction specified in (a) or (b) above; or

(d) offer to or agree to or announce any intention to effect any transaction specified in (a), (b) or (c) above,

in each case, whether any of the transactions specified in (a), (b) or (c) above is to be settled by delivery of H Shares or such other securities of the Company, or in cash or otherwise (whether or not the issue of H Shares or such other securities will be completed within the First Six-Month Period).

In the event that, during the period of six months commencing on the date on which the First Six-Month Period expires (the "**Second Six-Month Period**"), the Company enters into any of the transactions specified in (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction, the Company shall ensure that it will not create a disorderly or false market in the securities of the Company.

Underwriters' interests 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 the H Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement and International Underwriting Agreement.

The Sole Sponsor's Independence

The Sole Sponsor satisfies the independence criteria applicable to sponsors 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 Offering Shares or procure purchasers for the International Offering 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 Sponsor-Overall Coordinator (for itself 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 4,693,000 additional Offer Shares, representing 15% 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 0.6% 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**"). The Company may, at our sole and absolute discretion, pay to all the Underwriters and the Capital Market Intermediaries an incentive fee not exceeding 0.5% 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 31.6:68.4. 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 the Company to the Underwriters and the Capital Market Intermediaries. The Sole Sponsor 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$102.80 per Offer Share, 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 the Company relating to the Global Offering, are estimated to amount in aggregate to HK$75.1 million in total and are payable by us.

Indemnity

We have agreed to indemnify the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Capital Market Intermediaries, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters for certain losses which they may suffer or incur, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by us.

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 the sections headed "Structure of the Global Offering — Stabilization," and "Structure of the Global Offering — Over-allotment."

Activities by the Underwriters

The Underwriters 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 Underwriters 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 Underwriters 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 the Company and/or persons and entities in relation with the 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 Underwriters 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 Underwriters 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 Underwriters 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 Underwriters or their respective affiliates will be subject to certain restrictions, including the following:

(a) the Underwriters 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 Underwriters 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 Underwriters 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, our affiliates or our Shareholders including cornerstone investors, for which the Underwriters 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:

(1) the Hong Kong Public Offering of initially 3,128,800 H Shares (subject to reallocation as mentioned below) for subscription by the public in Hong Kong as described in the paragraph headed "— The Hong Kong Public Offering" below; and

(2) the International Offering of initially 28,158,500 H Shares (subject to reallocation and the Over-allotment Option as mentioned below) outside the United States (including professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, as described in the paragraph headed "— The International Offering" below.

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 number of Offer Shares to be offered under the Hong Kong Public Offering and the International Offering, respectively, may be subject to reallocation as described in "— The Hong Kong Public Offering — Reallocation" below.

THE HONG KONG PUBLIC OFFERING

Number of Hong Kong Offer Shares Initially Offered

We are initially offering 3,128,800 H Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10% of the total number of the Offer Shares initially available under the Global Offering. Subject to the reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering, the Hong Kong Offer Shares will represent approximately 0.6% of the enlarged issued share capital of our Company immediately following the 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, and 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.

Completion of the Hong Kong Public Offering is subject to the conditions as set forth in "— Conditions of the Global Offering" below.

Allocation

Allocation of the Offer Shares to investors under the Hong Kong Public Offering will be based solely 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. Such allocation could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than the others who have applied for the same number of the 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 the Offer Shares initially available under the Hong Kong Public Offering (after taking into account any allocation) is to be divided into two pools (with odd lots being allocated to Pool A): Pool A and Pool B. The Hong Kong Offer Shares in Pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK$5 million (excluding the brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable) or less. The Offer Shares in Pool B will be allocated on an equitable basis to applicants who have applied for Offer Shares with an aggregate subscription price of more than HK$5 million and up to the total value of pool B (excluding the brokerage, SFC transaction levy, AFRC transaction levy and the 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 that other pool and be allocated accordingly. For the purpose of this subsection only, the "price" for the Hong Kong Offer Shares means the price payable on application therein (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of the Offer Shares from either Pool A or Pool B but not from both pools.

Multiple or suspected multiple applications and any application for more than 1,564,400 Hong Kong Offer Shares (being 50% of the 3,128,800 Hong Kong Offer Shares initially available under the Hong Kong Public Offering) are liable to be rejected.

Reallocation

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Sponsor-Overall Coordinator. Subject to the allocation cap described in the subsequent paragraph, the Sponsor-Overall Coordinator may in its discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed, the Sponsor-Overall Coordinator will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Sponsor-Overall Coordinator deem appropriate. In the event of reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering in the circumstances where (a) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, or (b) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 1,564,200 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 4,693,000 Offer Shares, representing approximately 15% of the number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option) in accordance with Chapter 4.14 of the Guide for New Listing Applicants. In the circumstance where the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are undersubscribed, there will be no reallocation from the International Offering to the Hong Kong Public Offering, and no over-allocation of H Shares to the Hong Kong Public Offering.

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows Mechanism B set out under paragraph 2 of Chapter 4.14 of the Guide and the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase 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.

Details of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering will be disclosed in the results announcement of the Global Offering, which is expected to be published on Monday, August 24, 2026.

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 also be required to give an undertaking and confirmation in the application submitted by him/her that he/she and any person(s) for whose benefit he/she is making the application have 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 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 channel), the maximum price of HK$102.80 per Offer Share in addition to the brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy payable on each Offer Share. If the Offer Price, as finally determined in the manner described in the paragraph headed "— Pricing and Allocation" below, is less than the maximum price of HK$102.80 per Offer Share, appropriate refund payments (including the brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy attributable to the surplus application monies) will be made to successful applicants (subject to application channels), without interest. Further details are set out in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

THE INTERNATIONAL OFFERING

Number of International Offer Shares Initially Offered

The International Offering will consist of an initial offering of 28,158,500 Offer Shares, representing approximately 90% of the total number of Offer Shares initially available under the Global Offering and approximately 5.5% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering and assuming that the Over-allotment Option is not exercised. The International Offering will be offered by us outside of the United States in reliance on Regulation S.

Allocation

The International Offering will include selective marketing of Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares. 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. Allocation of Offer Shares pursuant to the International Offering will be effected in

accordance with the "book-building" process described in the paragraph headed "— Pricing and Allocation" below and based on a number of factors, including the level and timing of demand, the 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 Offer Shares, and/or hold or sell its Offer Shares, after the listing of the Offer Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the 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 the Shareholders as a whole.

The Sponsor-Overall Coordinator (for itself 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 Sponsor-Overall Coordinator 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 application of Offer Shares.

Reallocation

The total number of the Offer Shares to be issued or sold pursuant to the International Offering may change as a result of the reallocation arrangement described in "— The Hong Kong Public Offering — Reallocation" above, the exercise of 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 to the International Offering.

Over-allotment Option

Our Company is expected to grant to the International Underwriters, exercisable in whole or in part by the Sponsor-Overall Coordinator at its sole and absolute discretion (for itself and on behalf of the International Underwriters), the Over-allotment Option, which will be exercisable from the Listing Date until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, to require our Company to allot and issue, up to an aggregate of 4,693,000 Offer Shares, representing approximately 15% of the Offer Shares initially available under the Global Offering, at the Offer Price, to cover over-allocations in the International Offering, if any. If 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 newly issued securities in the secondary market, during a specified period of time, to retard and, if possible, prevent any decline in the 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, 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 the H Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date, to the extent permitted by applicable laws of Hong Kong or elsewhere. However, there is no obligation on the Stabilizing Manager, its affiliates or any persons acting for it, to conduct any such stabilizing action. Such stabilization action, if taken, (a) will be conducted at the absolute discretion of the Stabilizing Manager (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.

Stabilizing action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong), as amended, includes (i) over-allocation for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (ii) selling or agreeing to sell the 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 the H Shares, (iii) purchasing or subscribing for, or agreeing to purchase or subscribe for, the 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 the H Shares for the sole purpose of preventing or minimizing any reduction in the market price of the 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 paragraph (ii), (iii), (iv) or (v) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- the Stabilizing Manager, 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 regarding the extent to which and the time or period for which the Stabilizing Manager, its affiliates or any person acting for it, will maintain such a long position;
- liquidation of any such long position by the Stabilizing Manager, its affiliates or any person acting for it 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, September 19, 2026, being the 30th day after the date of closing of the application lists under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, 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 may be made or transactions effected in the course of the stabilizing action at any price at or below the Offer Price, which means that stabilizing bids may be made or transactions effected at a price below the price paid by applicants for, or investors in, the H Shares.

In order to effect stabilization actions, the Stabilizing Manager will arrange cover of up to an aggregate of 4,693,000 H Shares (representing approximately 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 Offer Price for the Offer Shares allocated to such investor will be paid 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 (Chapter 571W of the Laws of Hong Kong) 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 Sponsor-Overall Coordinator, its affiliates or any person acting for it may cover such over-allocation by using H Shares purchased by the Stabilizing Manager, its affiliates or any person acting for it in the secondary market, exercising the Over-allotment Option in full or in part, or by a combination of these means. Any such purchases will be made in accordance with the laws, rules and regulations in place in Hong Kong on stabilization. The number of H Shares which can be over-allocated will not exceed the number of the H Shares which may be allotted and/or issued pursuant to the exercise in full of the Over-allotment Option, being 4,693,000 H Shares, representing approximately 15% of the Offer Shares initially available under the Global Offering.

PRICING AND ALLOCATION

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 about, the last day for lodging applications under the Hong Kong Public Offering.

The Offer Price is expected to be fixed by agreement between our Company and the Sponsor-Overall Coordinator on the Price Determination Date, which is expected to be on Friday, August 21, 2026 and in any event no later than 12:00 noon on Friday, August 21, 2026. The Offer Price will not be more than HK$102.80 per Offer Share unless otherwise announced, as further explained below, not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channel), the maximum Offer Price of HK$102.80 per Offer Share plus brokerage of 1.0%, SFC transaction levy of 0.0027%, the AFRC transaction levy of 0.00015%, and Stock Exchange trading fee of 0.00565%, amounting to a total of HK$10,383.68 for one board lot of 100 H Shares.

We will determine the Offer Price by reference to, among other factors, the closing price of the A Shares on the Shenzhen Stock Exchange on the last trading day on or before the Price Determination Date (which is accessible to the Shareholders and potential investors at https://www.szse.cn/English/siteMarketData/siteMarketDatas/lookup/index.html?code=300223), and the Offer Price will not be more than HK$102.80. The historical prices of our A Shares and trading volume on Shenzhen Stock Exchange are set out below.

Period	High	Low	ADTV
	(RMB)	*(RMB)*	*(million A Shares)*
Year ended December 31, 2023	119.88	61.40	9
Year ended December 31, 2024	89.14	41.38	12
Year ended December 31, 2025	117.99	56.95	22
Year of 2026 (up to Latest Practicable Date)	279.44	103.76	36

Note:

(1) Average daily trading volume ("ADTV") represents daily average number of our A Shares traded over the relevant period.

The Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective professional and institutional investors during the book-building process, and with our consent, reduce the number of Offer Shares and/or the maximum Offer Price below as stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering.

In such a case, our Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the websites of our Company and the Stock Exchange at **www.ingenic.com.cn** and **www.hkexnews.hk**, respectively, an announcement, cancel the offer and relaunch the offer at the revised number of Offer Shares and/or the revised Offer Price and the requirements under Rule 11.13 of the Listing Rules (which include the issue of a supplemental or a new prospectus (as appropriate)), and complete the requisite associated settlement processes on the FINI platform afresh. The Global Offering must first be canceled and subsequently relaunched on the FINI platform pursuant to the supplemental or new prospectus.

In the absence of any such announcement or supplemental or new prospectus, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon by the Sponsor-Overall Coordinator (on behalf of the Underwriters) and our Company, will under no circumstances be set higher than the Offer Price as stated in this prospectus.

In the event of a reduction in the number of Offer Shares, the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) may, at its discretion, reallocate the number of Offer Shares to be offered in the Hong Kong Public Offering and the International Offering in accordance with Chapter 4.14 of the Guide for New Listing Applicants published by the Stock Exchange and paragraph 4.2 of Practice Note 18 of the Listing Rules, provided that the number of Offer Shares comprised in the Hong Kong Public Offering shall not be less than 10% of the total number of Offer Shares available under the Global Offering. Subject to the foregoing paragraph, the Offer Shares to be offered in the Hong Kong Public Offering and the Offer Shares to be offered in the International Offering may, in certain circumstances, be reallocated between these offerings at the discretion of the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters).

The final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in the section headed "How to Apply for Hong Kong Offer Shares — B. Publication of Results" in this prospectus.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is conditional upon the International Underwriting Agreement being signed and becoming unconditional.

We expect that we will enter into the International Underwriting Agreement relating to the International Offering on the Price Determination Date.

The underwriting arrangements under the Hong Kong Underwriting Agreement and the International Underwriting Agreement are summarized in the section headed "Underwriting" in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptances of all applications for Offer Shares will be conditional on:

(1) the Listing Committee granting the approval for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including the Offer Shares which may be issued pursuant to the exercise of the Over-allotment Option) and any H Shares to be converted from Unlisted Shares as mentioned herein on the Main Board of the Stock Exchange and such approval not subsequently having been withdrawn or revoked prior to the Listing Date;

(2) the Offer Price having been duly determined between our Company and the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters);

(3) the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date; and

(4) the obligations of the Underwriters under each of the respective Underwriting Agreements becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective Underwriting Agreements;

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times).

If, for any reason, the Offer Price is not agreed between our Company and the Sponsor-Overall Coordinator by 12:00 noon on Friday, August 21, 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, the other offering becoming unconditional and not having been terminated in accordance with its 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. We will as soon as possible publish or cause to be published a notice of the lapse of the Hong Kong Public Offering on the website of our Company (**www.ingenic.com.cn**) and the website of the Stock Exchange (**www.hkexnews.hk**). In such eventuality, all application monies will be returned, without interest, on the terms set forth in the section headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies" in this prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), as amended.

H Share certificates issued in respect of the Hong Kong Offer Shares will only become valid evidence of title at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional in all respects (including the Underwriting Agreements not having been terminated in accordance with their terms) at any time prior to 8:00 a.m. on the Listing Date.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the granting of the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and any H Shares to be converted from Unlisted Shares as mentioned herein.

Save as disclosed in the prospectus, no part of our Company's share or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to deal is being or proposed 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 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 to enable 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.

DEALING IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Tuesday, August 25, 2026, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Tuesday, August 25, 2026.

The H Shares will be traded on the Main Board of the Stock Exchange in board lots of 100 H Shares each. The stock code of the H Shares will be 3223.

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.ingenic.com.cn.

To apply for the Hong Kong Offer Shares, you may: (1) apply online via the **White Form eIPO** service at **www.eipo.com.hk**; or (2) apply through the HKSCC EIPO channel to electronically cause HKSCC Nominees to apply on your behalf by instructing your broker or custodian who is a HKSCC Participant to submit electronic application instruction(s) on your behalf through HKSCC's FINI system in accordance with your instructions.

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 or a waiver and/or consent has been granted by the Stock Exchange to us, 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 beneficial owner of any Shares in the Company and/or any of its subsidiaries;
- are a Director or chief executive officer of the Company and/or any of its subsidiaries;
- are a close associate (as defined in the Listing Rules) of any of the above;
- a connected person (as defined in the Listing Rules) of the Company or will become a connected person of the Company immediately upon completion of the Global Offering; or
- have been allocated or have applied for any International Offer Shares or otherwise participate in the International Offering.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Monday, August 17, 2026 and end at 12:00 noon on Thursday, August 20, 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**	Applicants 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, August 17, 2026, to 11:30 a.m. on Thursday, August 20, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Thursday, August 20, 2026 Hong Kong time.
HKSCC EIPO channel .	Your broker or custodian who is a HKSCC Participant will submit electronic application instruction(s) on your behalf through HKSCC's FINI system in accordance with your instruction.	Applicants 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. Hong Kong identity card ("HKID"); 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. Legal entity identifier ("LEI") registration document; or
  - ii. Certificate of incorporation; or
  - iii. Business registration certificate; or
  - iv. Other equivalent document; and
- Identity document number

Notes:

(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 applicants on FINI is capped at 4 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 Sponsor-Overall Coordinator, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

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$102.80 per Offer 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 Offer 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	10,383.68	2,000	207,673.48	10,000	1,038,367.38	300,000	31,151,021.40
200	20,767.35	2,500	259,591.85	20,000	2,076,734.75	400,000	41,534,695.20
300	31,151.02	3,000	311,510.21	30,000	3,115,102.15	500,000	51,918,369.00
400	41,534.69	3,500	363,428.58	40,000	4,153,469.52	600,000	62,302,042.80
500	51,918.37	4,000	415,346.95	50,000	5,191,836.90	700,000	72,685,716.60
600	62,302.04	4,500	467,265.32	60,000	6,230,204.28	800,000	83,069,390.40
700	72,685.72	5,000	519,183.69	70,000	7,268,571.65	900,000	93,453,064.20
800	83,069.39	6,000	623,020.43	80,000	8,306,939.05	1,000,000	103,836,738.00
900	93,453.07	7,000	726,857.17	90,000	9,345,306.42	1,250,000	129,795,922.50
1,000	103,836.74	8,000	830,693.90	100,000	10,383,673.80	1,564,400[1]	162,442,192.93
1,500	155,755.10	9,000	934,530.64	200,000	20,767,347.60		

(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 the paragraph headed "— A. Applications for Hong Kong Offer Shares — 3. Information Required to Apply" in this section. 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 for any Offer Shares.

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 Sponsor-Overall Coordinator, as our agent, 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 Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners and the Joint Lead Manager, the Capital Market Intermediaries, the Underwriters, their directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering (the "**Relevant Persons**"), 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 the paragraph headed "— G. Personal Data — 3. Purposes" and "— 4. Transfer of personal data" in this section;

(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 the paragraph headed "— B. Publication of Results" in this section;

(x) confirm that you are aware of the situations specified in the paragraph headed "— C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares" in this section;

(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 Sponsor-Overall Coordinator 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 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.

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 website at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function.	24 hours, from 11:00 p.m. on Monday, August 24, 2026 to 12:00 midnight on Sunday, August 30, 2026 (Hong Kong time)
	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.ingenic.com.cn** which will provide links to the above mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Monday, August 24, 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, August 25, 2026, Wednesday, August 26, 2026, Thursday, August 27, 2026 and Friday, August 28, 2026 (Hong Kong time)

For those applying through **HKSCC EIPO** channel, you may also check with your broker or custodian from 6:00 p.m. on Friday, August 21, 2026 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Friday, August 21, 2026 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

The Company expects 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 the Company's website at **www.ingenic.com.cn** by no later than 11:00 p.m. on Monday, August 24, 2026 (Hong Kong time).

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, Sponsor-Overall Coordinator, 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 the paragraph headed "— A. Applications for Hong Kong Offer Shares — 5. Multiple Applications Prohibited" in this section 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; or
- we or the Sponsor-Overall Coordinator 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 Offer 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 banks will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their designated banks.

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 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, August 25, 2026 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting" has not been exercised. Investors who trade 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
Despatch/collection of H Share certificate[1]		
For application of 1,000,000 Hong Kong Offer Shares or more	Collection in person from 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.	Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account. No action by you is required.

	White Form eIPO service	HKSCC EIPO channel
	Time: from 9:00 a.m. to 1:00 p.m. on Tuesday, August 25, 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 application of less than 1,000,000 Hong Kong Offer Shares . .	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, August 24, 2026	

	White Form eIPO service	HKSCC EIPO channel
Refund mechanism for surplus application monies paid by you		
Date	Tuesday, August 25, 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	

1. Except in the event of a Severe Weather Signals (as defined below) in force in Hong Kong in the morning on Monday, August 24, 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" in this section.

E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Thursday, August 20, 2026 if, there is/are:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- 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, August 20, 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 the section headed "Expected Timetable" in this prospectus, an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.ingenic.com.cn** of the revised timetable.

If a Severe Weather Signal is hoisted on Monday, August 24, 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, August 25, 2026.

If a Severe Weather Signal is hoisted on Monday, August 24, 2026, the despatch of physical H Share certificate(s) for application of less than 1,000,000 Hong Kong Offer Shares 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, August 24, 2026 or on Tuesday, August 25, 2026).

If a Severe Weather Signal is hoisted on Tuesday, August 25, 2026, physical H Share certificate(s) for application of 1,000,000 Hong Kong Offer Shares or more will be 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, August 25, 2026 or on Wednesday, August 26, 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 agreed 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 Offer 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 Offer Shares and identifying any duplicate applications for the Offer Shares;

- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the Offer 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 Offer 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 Offer Shares and/or regulators and/or any other purposes to which applicants and holders of the Offer 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 advisors and receiving banks;
- 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 the section headed "Corporate information" in this prospectus 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.

SHINEWING (HK) CPA Limited
17/F, Chubb Tower, Windsor House,
311 Gloucester Road,
Causeway Bay, Hong Kong

信永中和(香港)會計師事務所有限公司
香港銅鑼灣告士打道311號
皇室大廈安達人壽大樓17樓

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION

TO THE DIRECTORS OF INGENIC SEMICONDUCTOR CO., LTD. AND GUOTAI JUNAN CAPITAL LIMITED

Introduction

We report on the historical financial information of Ingenic Semiconductor Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-76, which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and 31 March 2026 and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2026 (the "Track Record Period") including material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-76 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated 17 August 2026 (the "Document") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company 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' Report on Historical Financial Information in Investment Circulars*" issued by the Hong Kong Institute of Certified Public Accountants (the "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' judgment, 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 and set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, 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 Company's and the Group's financial position as at 31 December 2023, 2024 and 2025 and 31 March 2026, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Review of Stub Period Comparative Financial Information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the three months ended 31 March 2025 and other explanatory information (the "**Stub Period Comparative Financial Information**"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with 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 Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 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 13 to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the Track Record Period.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Wong Chuen Fai
Practising Certificate Number: P05589

Hong Kong
17 August 2026

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by SHINEWING (HK) CPA Limited 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 AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December			Three months ended 31 March	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Revenue	*6*	4,530,926	4,212,626	4,741,008	1,060,232	1,559,767
Cost of sales		(2,922,894)	(2,739,501)	(3,186,442)	(689,166)	(895,696)
Gross profit		1,608,032	1,473,125	1,554,566	371,066	664,071
Other income, gains and losses, net	*8*	149,868	139,931	176,666	29,867	24,358
Selling and distribution expenses		(323,145)	(303,206)	(332,961)	(81,933)	(95,530)
Administrative expenses		(180,155)	(217,108)	(271,956)	(58,364)	(57,264)
Research and development expenses		(708,345)	(681,339)	(712,027)	(176,327)	(171,903)
Finance costs	*9*	(142)	(1,083)	(866)	(213)	(198)
Share of results of associates		(909)	(355)	258	(45)	(22)
Profit before tax		545,204	409,965	413,680	84,051	363,512
Income tax expense	*10*	(29,480)	(45,767)	(38,349)	(10,376)	(43,164)
Profit for the year/period	*11*	515,724	364,198	375,331	73,675	320,348
Attributable to:						
– Owners of the Company		537,254	366,202	376,226	73,905	318,979
– Non-controlling interests		(21,530)	(2,004)	(895)	(230)	1,369
		515,724	364,198	375,331	73,675	320,348
Other comprehensive (expense) income						
Items that will not be reclassified to profit or loss:						
Remeasurement of net defined benefit liability		(1,084)	997	(2,799)	–	–
Fair value change on equity investments designated at FVTOCI		1,705	(23,022)	11,123	(47)	83,641
Income tax relating to items that will not be reclassified subsequently to profit or loss		(254)	3,981	297	7	(12,546)
		367	(18,044)	8,621	(40)	71,095
Item that may be reclassified to profit or loss:						
Exchange differences arising on translation of foreign operations		69,538	(41,578)	(54,283)	(30,305)	(131,220)
Other comprehensive income (expense) for the year/period		69,905	(59,622)	(45,662)	(30,345)	(60,125)

	Notes	Year ended 31 December			Three months ended 31 March	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Total comprehensive income for the year/period		585,629	304,576	329,669	43,330	260,223
Attributable to:						
– Owners of the Company		606,738	307,360	330,425	43,560	259,365
– Non-controlling interests		(21,109)	(2,784)	(756)	(230)	858
		585,629	304,576	329,669	43,330	260,223
Earnings per share for profit attributable to owners of the Company (RMB per share)	*14*					
– Basic		1.1156	0.7604	0.7803	0.1535	0.6610
– Diluted		1.1156	0.7592	0.7781	0.1529	0.6585

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	Year ended 31 December			As at 31 March
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property, plant and equipment	*15*	455,419	468,762	471,951	471,261
Right-of-use assets	*16*	65,990	56,198	49,399	46,270
Investment properties	*17*	79,583	83,488	83,174	82,924
Goodwill	*18*	3,007,784	3,007,784	3,007,784	3,007,784
Intangible assets	*19*	657,040	576,763	471,955	449,355
Interests in associates	*20*	941	586	843	821
Equity instruments designated at fair value through other comprehensive income ("FVTOCI")	*21*	427,813	547,523	648,167	742,222
Deferred tax assets	*22*	134,872	129,086	132,530	134,537
Other receivables	*25*	329,572	8,300	14,044	13,833
Total non-current assets		5,159,014	4,878,490	4,879,847	4,949,007
Current assets					
Inventories	*23*	2,404,781	2,672,020	2,974,647	2,938,031
Trade and bills receivables	*24*	407,332	390,950	470,781	642,424
Other receivables, deposits and prepayments	*25*	433,906	509,422	252,278	285,642
Tax recoverable		15,857	1,677	4,302	4,757
Financial assets at fair value through profit or loss ("FVTPL")	*26*	393,865	757,737	899,705	1,590,737
Restricted bank deposits	*27*	2,625	4,780	4,496	4,398
Bank balances and cash	*27*	3,924,646	3,711,868	4,087,149	3,411,739
Total current assets		7,583,012	8,048,454	8,693,358	8,877,728
Current liabilities					
Trade and other payables	*28*	674,352	650,153	844,164	844,789
Contract liabilities	*29*	77,154	68,796	117,826	48,864
Tax liabilities		20,528	9,098	29,574	78,574
Lease liabilities	*30*	12,562	10,062	8,414	7,208
Total current liabilities		784,596	738,109	999,978	979,435
Net current assets		6,798,416	7,310,345	7,693,380	7,898,293
Total assets less current liabilities		11,957,430	12,188,835	12,573,227	12,847,300
Non-current liabilities					
Deferred tax liabilities	*22*	78,971	68,645	62,389	71,067
Lease liabilities	*30*	19,700	13,623	9,343	7,566
Other payables	*28*	10,868	11,527	9,256	9,094
Deferred income	*31*	18,368	12,127	3,323	3,170
Total non-current liabilities		127,907	105,922	84,311	90,897
Net assets		11,829,523	12,082,913	12,488,916	12,756,403
Capital and reserves					
Share capital	*32*	481,570	481,570	482,541	482,541
Reserves	*34*	11,309,653	11,572,355	11,966,317	12,232,946
Equity attributable to owners of the Company		11,791,223	12,053,925	12,448,858	12,715,487
Non-controlling interests		38,300	28,988	40,058	40,916
Total equity		11,829,523	12,082,913	12,488,916	12,756,403

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	Year ended 31 December			As at 31 March
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property, plant and equipment	*15*	29,517	30,708	30,019	29,571
Right-of-use assets	*16*	24,773	24,116	23,458	23,294
Investment properties	*17*	27,939	27,212	26,486	26,304
Intangible assets	*19*	67	30	9	3
Interests in subsidiaries	*1A*	8,812,165	8,851,555	8,885,999	8,960,901
Equity instruments designated at FVTOCI	*21*	389,043	424,418	439,454	521,790
Deferred tax assets	*22*	3,477	7,189	13,613	11,785
Total non-current assets		9,286,981	9,365,228	9,419,038	9,573,648
Current assets					
Inventories	*23*	54,230	77,476	82,535	93,620
Trade and bills receivables	*24*	8,811	9,796	21,419	22,798
Other receivables, deposits and prepayments	*25*	3,830	3,387	25,944	24,466
Tax recoverable		616	231	154	–
Financial assets at FVTPL	*26*	–	–	–	244,968
Bank balances and cash	*27*	250,434	329,724	505,686	197,991
Total current assets		317,921	420,614	635,738	583,843
Current liabilities					
Trade and other payables	*28*	25,743	25,468	26,903	23,672
Contract liabilities	*29*	722	11,490	11,702	10,199
Total current liabilities		26,465	36,958	38,605	33,871
Net current assets		291,456	383,656	597,133	549,972
Total assets less current liabilities		9,578,437	9,748,884	10,016,171	10,123,620
Non-current liabilities					
Deferred tax liabilities	*22*	1,855	–	–	10,416
Deferred income	*31*	846	–	–	–
Total non-current liabilities		2,701	–	–	10,416
Net assets		9,575,736	9,748,884	10,016,171	10,113,204
Equity					
Share capital	*32*	481,570	481,570	482,541	482,541
Reserves	*34*	9,094,166	9,267,314	9,533,630	9,630,663
Total equity		9,575,736	9,748,884	10,016,171	10,113,204

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company									
	Share capital	Capital reserve	Other reserves	Fair value reserve (non-recycling)	Translation reserve	Statutory reserve	Retained profits	Sub-total	Non-controlling interests	Total
	RMB'000	*RMB'000 (Note 34(a))*	*RMB'000 (Note 34(b))*	*RMB'000*	*RMB'000 (Note 34(c))*	*RMB'000 (Note 34(d))*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	481,570	8,844,922	1,085	8,661	(71,088)	51,838	1,906,024	11,223,012	36,009	11,259,021
Profit (loss) for the year	–	–	–	–	–	–	537,254	537,254	(21,530)	515,724
Other comprehensive (expense) income for the year	–	–	(1,084)	1,451	69,117	–	–	69,484	421	69,905
Total comprehensive (expense) income for the year	–	–	(1,084)	1,451	69,117	–	537,254	606,738	(21,109)	585,629
Disposal of equity instruments designated at other comprehensive income	–	–	–	(9)	–	1	8	–	–	–
Appropriation on statutory reserve	–	–	–	–	–	1,702	(1,702)	–	–	–
Dividends recognized as distribution	–	–	–	–	–	–	(38,527)	(38,527)	–	(38,527)
Capital contributions from non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	23,400	23,400
At 31 December 2023	481,570	8,844,922	1	10,103	(1,971)	53,541	2,403,057	11,791,223	38,300	11,829,523

	Attributable to owners of the Company									
	Share capital	Capital reserve	Other reserves	Fair value reserve (non-recycling)	Translation reserve	Statutory reserve	Retained profits	Sub-total	Non-controlling interests	Total
	RMB'000	*RMB'000 (Note 34(a))*	*RMB'000 (Note 34(b))*	*RMB'000*	*RMB'000 (Note 34(c))*	*RMB'000 (Note 34(d))*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	481,570	8,844,922	1	10,103	(1,971)	53,541	2,403,057	11,791,223	38,300	11,829,523
Profit (loss) for the year	–	–	–	–	–	–	366,202	366,202	(2,004)	364,198
Other comprehensive income (expense) for the year	–	–	981	(19,041)	(40,782)	–	–	(58,842)	(780)	(59,622)
Total comprehensive income (expense) for the year	–	–	981	(19,041)	(40,782)	–	366,202	307,360	(2,784)	304,576
Disposal of equity instruments designated at other comprehensive income	–	–	–	(1,852)	–	185	1,667	–	–	–
Equity-settled share-based compensation expense *(Note 33)*	–	45,128	–	–	–	–	–	45,128	–	45,128
Acquisition of interest in a subsidiary	–	6,528	–	–	–	–	–	6,528	(6,528)	–
Appropriation on statutory reserve	–	–	–	–	–	23,689	(23,689)	–	–	–
Dividends recognized as distribution	–	–	–	–	–	–	(96,314)	(96,314)	–	(96,314)
At 31 December 2024	481,570	8,896,578	982	(10,790)	(42,753)	77,415	2,650,923	12,053,925	28,988	12,082,913

	Attributable to owners of the Company									
	Share capital	Capital reserve	Other reserves	Fair value reserve (non-recycling)	Translation reserve	Statutory reserve	Retained profits	Sub-total	Non-controlling interests	Total
	RMB'000	*RMB'000 (Note 34(a))*	*RMB'000 (Note 34(b))*	*RMB'000*	*RMB'000 (Note 34(c))*	*RMB'000 (Note 34(d))*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	481,570	8,896,578	982	(10,790)	(42,753)	77,415	2,650,923	12,053,925	28,988	12,082,913
Profit (loss) for the year	–	–	–	–	–	–	376,226	376,226	(895)	375,331
Other comprehensive expense for the period	–	–	(2,799)	11,420	(54,422)	–	–	(45,801)	139	(45,662)
Total comprehensive (expense) income for the year	–	–	(2,799)	11,420	(54,422)	–	376,226	330,425	(756)	329,669
Disposal of equity instruments designated at other comprehensive income	–	–	–	(345)	–	35	310	–	–	–
Equity-settled share-based compensation expense *(Note 33)*	–	54,553	–	–	–	–	–	54,553	–	54,553
Shares issued *(Note 32)*	971	29,018	–	–	–	–	–	29,989	–	29,989
Capital contribution by non-controlling interest of a subsidiary	–	28,122	–	–	–	–	–	28,122	11,826	39,948
Appropriation on statutory reserve	–	–	–	–	–	23,218	(23,218)	–	–	–
Dividends recognized as distribution	–	–	–	–	–	–	(48,156)	(48,156)	–	(48,156)
At 31 December 2025	482,541	9,008,271	(1,817)	285	(97,175)	100,668	2,956,085	12,448,858	40,058	12,488,916

	Attributable to owners of the Company									
	Share capital	Capital reserve	Other reserves	Fair value reserve (non-recycling)	Translation reserve	Statutory reserve	Retained profits	Sub-total	Non-controlling interests	Total
	RMB'000	*RMB'000 (Note 34(a))*	*RMB'000 (Note 34(b))*	*RMB'000*	*RMB'000 (Note 34(c))*	*RMB'000 (Note 34(d))*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	482,541	9,008,271	(1,817)	285	(97,175)	100,668	2,956,085	12,448,858	40,058	12,488,916
Profit for the period	–	–	–	–	–	–	318,979	318,979	1,369	320,348
Other comprehensive income (expense) for the period	–	–	–	71,095	(130,709)	–	–	(59,614)	(511)	(60,125)
Total comprehensive income (expense) for the period	–	–	–	71,095	(130,709)	–	318,979	259,365	858	260,223
Equity-settled share-based compensation expense *(Note 33)*	–	7,264	–	–	–	–	–	7,264	–	7,264
At 31 March 2026	482,541	9,015,535	(1,817)	71,380	(227,884)	100,668	3,275,064	12,715,487	40,916	12,756,403
At 1 January 2025 (Audited)	481,570	8,896,578	982	(10,790)	(42,753)	77,415	2,650,923	12,053,925	28,988	12,082,913
Profit (loss) for the period	–	–	–	–	–	–	73,905	73,905	(230)	73,675
Other comprehensive expense for the period	–	–	–	(40)	(30,305)	–	–	(30,345)	–	(30,345)
Total comprehensive (expense) income for the period	–	–	–	(40)	(30,305)	–	73,905	43,560	(230)	43,330
Equity-settled share-based compensation expense *(Note 33)*	–	11,892	–	–	–	–	–	11,892	–	11,892
At 31 March 2025 (Unaudited)	481,570	8,908,470	982	(10,830)	(73,058)	77,415	2,724,828	12,109,377	28,758	12,138,135

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
OPERATING ACTIVITIES					
Profit before tax	545,204	409,965	413,680	84,051	363,512
Adjustments for:					
Depreciation of property, plant and equipment	81,211	68,149	67,901	16,782	17,245
Depreciation of right-of-use assets	14,380	12,568	11,490	3,280	2,788
Depreciation of investment properties	1,139	1,871	1,898	473	475
Amortisation of intangible assets	138,397	108,478	103,363	20,440	23,040
Finance costs	142	1,083	866	213	198
Share of results of associates	909	355	(257)	45	22
Loss on disposal of property, plant and equipment	254	29	178	–	3
Write-off of right-of-use assets	–	23	46	–	–
Gain on changes in fair value of financial assets at FVTPL	(2,530)	(2,722)	(2,522)	(139)	(2,506)
Gain on disposal of financial assets at FVTPL	(22,094)	(25,592)	(32,947)	(7,494)	(4,308)
Gain on disposal of intangible assets	–	–	(24,128)	–	–
Share-based payment expenses	–	45,128	54,553	11,892	7,264
Impairment loss on intangible assets	–	–	11,997	–	–
Reversal of write-down of inventories	(98,843)	(31,930)	(47,983)	(1,200)	21
Interest income on finance lease	(6,768)	(2,751)	(200)	(193)	–
Bank interest income	(61,136)	(95,938)	(90,785)	(18,294)	(22,510)
Operating cash flows before movements in working capital	590,265	488,716	467,150	109,856	385,244
(Increase) decrease in inventories	(7,301)	(234,518)	(288,422)	67,127	41,669
Decrease (increase) in trade and bills receivables	113,091	5,905	(72,053)	(36,523)	(171,643)

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Decrease (increase) in other receivables, deposits and prepayments	105,971	84,349	220,107	11,539	(34,112)
(Decrease) increase in trade and other payables	(220,276)	(12,956)	195,074	25,492	49,902
(Decrease) increase in contract liabilities	(52,529)	(8,358)	49,030	(5,577)	(68,962)
Decrease (increase) in restricted bank deposits	60	(2,155)	284	2,216	98
Increase (decrease) in deferred income	5,337	(9,754)	(8,804)	(114)	(153)
Cash generated from operations	534,618	311,229	562,366	174,016	202,043
Interest received	61,136	95,938	90,785	18,294	22,510
Income taxes paid	(37,602)	(43,712)	(30,548)	(17,160)	(7,864)
NET CASH FROM OPERATING ACTIVITIES	558,152	363,455	622,603	175,150	216,689
INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment	106	9	–	–	–
Proceeds from disposal of financial assets at FVTPL	2,886,062	2,230,760	4,078,789	819,648	1,019,078
Proceeds from disposal of financial assets at FVTOCI	9	1,852	7,295	–	–
Proceeds from disposal of intangible assets	–	–	28,647	–	–
Proceeds from settlement on finance lease receivables	204,279	175,015	44,921	43,112	–
Purchases of equity instruments designated at FVTOCI	(100,500)	(144,584)	(100,670)	(65,970)	(12,278)
Purchases of property, plant and equipment	(84,789)	(91,650)	(74,005)	(8,337)	(21,330)
Purchases of intangible assets	(19,236)	(21,457)	(22,861)	(10,828)	(5,456)
Purchases of financial assets at FVTPL	(2,900,144)	(2,563,150)	(4,195,773)	(1,393,842)	(1,712,053)
NET CASH USED IN INVESTING ACTIVITIES	(14,213)	(413,205)	(233,657)	(616,217)	(732,039)

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
FINANCING ACTIVITIES					
Proceeds from issue of shares	–	–	29,989	–	–
Dividend paid	(38,527)	(96,314)	(48,156)	–	–
Payment of listing expenses	–	–	(17,590)	–	(1,361)
Capital contribution by the non-controlling shareholders	23,400	–	39,948	–	–
Interest paid on lease liabilities	(142)	(1,083)	(866)	(213)	(198)
Principal portion of lease payments	(17,501)	(9,409)	(10,573)	(2,633)	(3,014)
NET CASH USED IN FINANCING ACTIVITIES	(32,770)	(106,806)	(7,248)	(2,846)	(4,573)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	511,169	(156,556)	381,698	(443,913)	(519,923)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR/PERIOD	3,398,066	3,924,646	3,711,868	3,711,868	4,087,149
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	15,411	(56,222)	(6,417)	(9,985)	(155,487)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD	3,924,646	3,711,868	4,087,149	3,257,970	3,411,739

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Ingenic Semiconductor Co., Ltd. (the "Company") was incorporated in the People's Republic of China (the "PRC") as a joint stock company with limited liability. The Company's A shares have been listed on Shenzhen Stock Exchange since 31 May 2011. The addresses of the registered office of the Company and principal places of business of the Company are the same as the registered office in the PRC and the headquarters in the PRC as stated in the section headed "Corporate Information" of the Document. In the opinion of the directors, during the Track Record Period and up to the date of this report, the Company is ultimately controlled by Mr. Liu Qiang and Mr. Li Jie who signed an acting in concert agreement.

The Company and its subsidiaries are principally engaged in sales of integrated circuit.

The Company's subsidiaries are as follows:

Name	Place and date of incorporation/ establishment	Nominal value of registered and paid-in capital	Proportion of ownership interest directly and indirectly attributable to the Company				Principal activities
			As at 31 December			As at 31 March 2026	
			2023	2024	2025		
Hefei Ingenic Technology Co., Ltd. *(Note (a))* 合肥君正科技有限公司	The PRC 14 February 2014	RMB247,000,000	100%	100%	100%	100%	Design, research and development and sales of integrated circuit
Shanghai Chengyu Asset Management Partnership (Limited Partnership)* *(Note (a))* 上海承裕資產管理合夥企業(有限合夥)	The PRC 21 July 2015	RMB1,834,080,498	100%	100%	100%	100%	Investment holding
Integrated Silicon Solution, Inc. Beijing* *(Note (a))* 北京矽成半導體有限公司	The PRC 2 November 2014	As at 31 March 2026: RMB 551,905,434 (As at 31 December 2025: RMB 549,910,272; As at 31 December 2023, 2024: RMB 543,195,050)	100%	100%	100%	100%	Design, research and development and sales of integrated circuit
Shanghai Shansheng Integrated Circuit Co., Ltd* *(Note (j))* 上海閃勝集成電路有限公司	The PRC 27 July 2015	RMB960,000,000	100%	100%	100%	100%	Trading
Uphill Technology Inc. *(Note (j))*	Cayman Islands 27 August 2015	US$50,000	100%	100%	100%	100%	Investment holding
Integrated Silicon Solution, Inc. *(Note (j))*	USA 10 June 1993	US$1	100%	100%	100%	100%	Design, research and development and sales of integrated circuit
Integrated Circuit Solution Inc.* *(Note (b))* 矽成積體電路股份有限公司	China Taiwan 10 September 1990	TWD1,348,615,190	98.39%	98.39%	98.39%	98.39%	Trading
Integrated Silicon Solution Inc. (Hong Kong) Limited* *(Note (f))* 芯成積體電路(香港)有限公司	Hong Kong 15 April 1992	–	100%	100%	100%	100%	Trading
ISSI Korea Co., Ltd *(Note (j))*	Korea 22 May 2013	KRW50,000,000	100%	100%	100%	100%	Trading
Integrated Silicon Solution, inc. (Shanghai)* *(Note (c))* 芯成半導體(上海)有限公司	The PRC 15 September 2000	RMB288,510,258	100%	100%	100%	100%	Research and development
Si En Integrated Holdings Limited *(Note (j))*	Cayman Islands 14 December 2004	US$1,521,500	100%	100%	100%	100%	Trading
Lumissil Microsystems (Xiamen) Limited* *(Note (d))* 絡明芯微電子(廈門)有限公司	The PRC 23 March 2005	As at 31 March 2026 and 31 December 2025: RMB153,400,000 (As at 31 December 2023, 2024: RMB135,000,000)	100%	100%	91.02%	91.02%	Research and development

Name	Place and date of incorporation/ establishment	Nominal value of registered and paid-in capital	Proportion of ownership interest directly and indirectly attributable to the Company				Principal activities
			As at 31 December			As at 31 March 2026	
			2023	2024	2025		
Lumissil Microsystems International Limited *(Notes (g) and (k))*	Hong Kong 21 March 2005	HK$1,290	100%	100%	100%	100%	Manufacturing
Lumissil Microsystems (Wuhan) Limited* *(Note (k))* 絡明芯微電子(武漢)有限公司	The PRC 22 April 2002	RMB40,000,000	100%	100%	100%	100%	Design, research and development and sales of integrated circuit
Lumissil Microsystems (Hefei) Limited* *(Note (j))* 絡明芯微電子(合肥)有限公司	The PRC 19 April 2024	RMB5,000,000	N/A	100%	100%	100%	Research and development
Integrated Silicon Solution Israel Ltd. *(Note (i))*	Israel 19 August 1999	US$27,201,598	100%	100%	100%	100%	Research and development
Lumissil Microsystems, Inc. *(Note (j))*	USA 5 July 2023	US$1	100%	100%	100%	100%	Trading
Integrated Silicon Solution (Cayman), Inc. *(Note (j))*	Cayman Islands 3 January 2012	US$50,000	100%	100%	100%	100%	Manufacturing and trading
ISSI Japan Godo Kaisha *(Note (j))*	Japan 1 October 1999	JPY10,000,000	100%	100%	100%	100%	Trading
Integrated Silicon Solution, Inc. (Singapore) Pte. Limited *(Note (e))*	Singapore 28 March 2013	SGD1	100%	100%	100%	100%	Trading
ISSI Hong Kong Holding Limited *(Note (j))*	Hong Kong 5 October 2007	HK$10,000,000	100%	100%	100%	100%	Trading
MMS Integrated Solutions, LLC *(Note (j))*	USA 25 May 2022	–	100%	100%	100%	100%	Trading
Shanghai Xinkai Integrated Circuit Co., Ltd* *(Note (a))* 上海芯楷集成電路有限責任公司	The PRC 27 October 2020	RMB150,000,000	51%	61%	61%	61%	Research and development
Ingenic Semiconductor (Shenzhen) CO., LTD.* *(Note (a))* 深圳君正時代集成電路有限公司	The PRC 14 April 2009	RMB90,000,000	100%	100%	100%	100%	Research and development
INGENIC SEMICONDUCTOR (HONGKONG) GROUP LIMITED* *(Note (h))* 北京君正集成電路(香港)集團有限公司	Hong Kong 14 August 2006	HK$10,000	100%	100%	100%	100%	Research and development
Shanghai Yingzhan Nick Microelectronics Co., Ltd* *(Notes (a))* 上海英瞻尼克微電子有限公司	The PRC 9 April 2020	RMB10,000,000	100%	100%	100%	100%	Research and development
Winston, Inc. *(Note (j))*	USA 17 April 2003	US$1	100%	N/A	N/A	N/A	Dormant
Lumissil Microsystems (Beijing) Limited* *(Note (j))* 絡明芯微電子(北京)有限公司	The PRC 10 August 2023	RMB10,000,000	100%	N/A	N/A	N/A	Research and development

All companies comprising the Group have adopted 31 December as their financial year end date.

* The English names of these subsidiaries represent the best efforts made by the management of the Company to translate their Chinese names because they do not have an official English names registered in the PRC.

Notes:

(a) The statutory financial statements of these companies during the three years ended 31 December 2023, 2024 and 2025 prepared under PRC Generally Accepted Accounting Principles were audited by ShineWing Certified Public Accountants (Special General Partnership) registered in the PRC.

(b) The statutory financial statements of these companies during the three years ended 31 December 2023, 2024 and 2025 prepared under Taiwan Generally Accepted Accounting Principles were audited by Grant Thornton Taiwan registered in the China Taiwan.

(c) The statutory financial statements of these companies during the three years ended 31 December 2023, 2024 and 2025 prepared under PRC Generally Accepted Accounting Principles were audited by Shanghai Huzhong CPA Co., Ltd.* (上海滬中會計師事務所有限公司) registered in the PRC.

(d) The statutory financial statements of these companies during the three years ended 31 December 2023, 2024 and 2025 prepared under PRC Generally Accepted Accounting Principles were audited by Xiamen Anderxin CPA Co., Ltd.* (廈門安德信會計師事務所有限公司) registered in the PRC.

(e) The statutory financial statements of these companies during the three years ended 31 December 2023 and 2024 prepared under International Generally Accepted Accounting Principles were audited by Solaris Assurance PAC registered in the Singapore.

(f) The statutory financial statements of these companies during the three years ended 31 December 2023 and 2024 prepared under Hong Kong Generally Accepted Accounting Principles were audited by CCTH CPA Limited registered in Hong Kong.

(g) The statutory financial statements of these companies during the three years ended 31 December 2023 and 2024 prepared under Hong Kong Generally Accepted Accounting Principles were audited by ShineWing (HK) CPA Limited registered in Hong Kong.

(h) The statutory financial statements of these companies during the three years ended 31 December 2023 and 2024 prepared under Hong Kong Generally Accepted Accounting Principles were audited by Richful CPA Limited registered in Hong Kong.

(i) The statutory financial statements of these companies during the three years ended 31 December 2023 and 2024 prepared under International Generally Accepted Accounting Principles were audited by PricewaterhouseCoopers registered in Israel.

(j) No audited financial statement has been prepared for the company for the three years ended 31 December 2025 as it is not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdictions of incorporation or registration.

(k) No audited statutory report has been issued for the year ended 31 December 2025.

1A. INTERESTS IN SUBSIDIARIES

The Company

	Year ended 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interests in subsidiaries, at cost . . .	8,812,165	8,851,555	8,885,999	8,960,901

* *English name for identification purpose only.*

2. BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which collective term includes all applicable individual IFRS Accounting Standards and Interpretations approved by the International Accounting Standards Board ("IASB"). All IFRS Accounting Standards are effective for the accounting period beginning on 1 January 2026, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Track Record Period.

The material accounting policies that have been used in the preparation of this Historical Financial Information are summarized in Note 4. These policies have been consistently applied to all the reporting periods presented in the Historical Financial Information, unless otherwise stated.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not applied the following new and revised 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 revised IFRS Accounting Standards, if applicable, when they become effective:

IFRS 18	*Presentation and Disclosure in Financial Statements*[1]
IFRS 19	*Subsidiaries without Public Accountability: Disclosure*[1]
IFRS 20	*Regulatory Assets and Regulatory Liabilities*[2]
Amendment to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]

1 Effective for annual periods beginning on or after 1 January 2027

2 Effective for annual periods beginning on or after 1 January 2029

3 Effective for annual periods beginning on or after a date to be determined

The Group is in the process of making an assessment of the impact of the above new and revised IFRS Accounting Standards upon initial application. So far, it has concluded that, except as described below, the adoption of other new and revised IFRS Accounting Standards will not have a material impact on the Group's financial position and financial performance in the foreseeable future.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 "Statement of Cash Flows" and IAS 33 "Earnings per Share" are also made.

IFRS 18, and the consequential amendments to other IFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of IFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows and disclosures in the future financial statements. The Group will continue to assess the impact of IFRS 18 on the consolidated financial statements of the Group.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared on the historical cost basis except for equity instruments designated at FVTOCI and financial assets at FVTPL that are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The material accounting policies are set out below.

Basis of consolidation

The Historical Financial Information incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and cease when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income of subsidiaries are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company 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 entities of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in capital reserve and attributed to owners of the Company.

Business combinations or asset acquisitions

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Business combinations

Acquisition of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs incurred to effect a business combination are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to the acquiree's employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively;

- liabilities or equity instruments related to share-based payment arrangement of the acquiree or the replacement of the acquiree's share-based payment transactions with the share-based payment transactions of the Group are measured in accordance with IFRS 2 Share-based Payment at the acquisition date (see the accounting policy below);

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and

- lease liabilities are recognized and measured at the present value of the remaining lease payments as if the acquired lease was a new lease at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognized and measured at an amount equal to the lease liabilities, adjusted to reflect favorable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests are measured at acquisition-date fair value except for non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured either at fair value or at the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets on a transaction-by-transaction basis.

Goodwill

Goodwill arising from a business combination is carried at cost less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit (or groups of cash-generating units). Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The results and assets and liabilities of associates are incorporated in this Historical Financial Information using the equity method. Under the equity method, investments in associates are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associates. If the Group's share of losses of an associate equals or exceeds its interest in the associate, which includes any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group discontinues recognizing its share of further losses. Additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

If an associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made to make the associate's accounting policies conform to those of the Group when the associate's financial statements are used by the Group in applying the equity method.

The requirements of IAS 36 Impairment of Assets are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the net investment subsequently increases.

Revenue from contracts with customers

Revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The Group recognized revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

- The Group' performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognized at a point in time when the customer obtains control of the distinct goods or service.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer, excludes amounts collected on behalf of third parties, discounts and sales related taxes.

Contract liabilities

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. A contract liability would also be recognized if the Group has an unconditional right to receive consideration before the Group recognizes the related revenue. In such cases, a corresponding receivable would also be recognized.

The Group recognized revenue from the following major sources:

- Sales of memory ICs
- Sales of computing ICs
- Sales of analog ICs
- Others

Sales of goods

Revenue from the sale of ICs is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the ICs. The Group recognizes revenue from the sale of ICs on a gross basis as it is the principal that controls the goods before transferring them to the customers and is liable for storage, damage and loss of goods, assumes the price fluctuation risks of goods and promises to provide the specified goods under the terms of the contract.

Others

Revenue from technical services rendered is recognized upon the delivery or performance of the services.

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.

Leasing

Definition of a lease

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

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

At the commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease liabilities are presented as a separate line in the consolidated statements of financial position.

The lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liabilities (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. They are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group presents right-of-use assets as a separate line in the consolidated statements of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to its investment properties. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognized in profit or loss in the period in which they arise.

For the purposes of presenting the Historical Financial Information, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that period, in which case, the exchange rates prevailing at the date of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Retirement benefits costs and termination benefits

Payments to defined contribution plans, state-managed retirement benefit schemes and Mandatory Provident Fund Scheme are recognized as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statements of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognizes a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized and a deferred tax liability for all taxable temporary differences.

Current and deferred tax are recognized in profit or loss. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment other than construction in progress are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Ownership interests in leasehold land and buildings

When the Group makes payments for ownership interests of properties which include both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statements of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognized so as to allocate the cost of items of property, plant and equipment (other than construction in progress) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including cost of testing whether the related assets are functioning properly and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment or investment properties when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognized so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognized.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss in the period when the asset is derecognized.

Internally-generated intangible assets — research and development expenditure

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

Impairment on property, plant and equipment, right-of-use assets and intangible assets (other than impairment of goodwill set out in accounting policy of goodwill above)

At the end of each reporting period, the Group reviews the carrying amounts of its plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating unit, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are calculated using the weighted average method. Net realizable value of inventories represents the estimated selling price less the estimated costs of completion and costs necessary to make the sale.

Cash and cash equivalents

In the consolidated statements of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents consist of cash and cash equivalents, as defined above.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less accumulated impairment loss in the statement of financial position of the Company.

Financial instruments

Financial assets and financial liabilities are recognized in the consolidated statements of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 Revenue from Contracts with Customers. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVTOCI and FVTPL.

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.

Financial assets at amortized cost (debt instruments)

The Group measures financial assets subsequently at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding the expected credit losses ("ECL"), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets

that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

Financial assets at FVTOCI (debt instruments)

The Group's debt instruments are classified and measured subsequently at FVTOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends from investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'other income, gains and losses, net' line item in profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other income, gains and losses, net" line item.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Impairment of financial assets and other items subject to impairment assessment under IFRS 9 Financial Instruments

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost and lease receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime ECL for trade receivables. The expected credit losses on these financial assets and other items are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, 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. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken in to account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular debtor, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) the debt instrument has a low risk of default, ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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. Equity instruments issued by the group entities are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancelation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is 1) contingent consideration of an acquirer in a business combination to which IFRS 3 Business Combinations applies, 2) held for trading, or 3) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognized in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liabilities and is included in the "other income, gains and losses, net" line item in profit or loss.

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, canceled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Fair value measurement

When measuring fair value except for the Group's leasing transactions, net realizable value of inventories and value in use of property, plant and equipment, right-of-use assets, intangible assets and goodwill for the purpose of impairment assessment, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follow:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

Share-based payment transactions

Equity-settled share-based payment transactions

The fair value of services received determined by reference to the fair value of share options granted at the date of grant is expensed on a straight-line basis over the vesting period/recognized as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (capital reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to capital reserve.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make estimates about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the Historical Financial Information. The estimates are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are 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 resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable pre-tax discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2023, 2024, 2025 and 31 March 2026, the carrying amounts of goodwill were approximately RMB3,007,784,000, RMB3,007,784,000, RMB3,007,784,000 and RMB3,007,784,000 respectively. No impairment loss in respect of goodwill has been recognised for the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2026. Details of the value-in-use calculations are disclosed in note 18.

Impairment of intangible assets

The Group performs assessments on whether there is impairment of intangible assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount of intangible assets is based on value-in-use calculation. The calculation requires the Group to estimate the future cash flows expected to arise from the intangible assets and a suitable pre-tax discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2023, 2024, 2025 and 31 March 2026, the carrying amounts of intangible assets were approximately RMB657,040,000, RMB576,763,000, RMB471,995,000 and RMB449,355,000 respectively. Except for impairment loss on development expenditure of approximately RMB11,997,000 was individually made during the year ended 31 December 2025, no impairment loss in respect of remaining intangible assets has been recognised for the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2026. Details of the value-in-use calculations are disclosed in note 18.

Write-down of inventories

Net realizable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expense. These estimates are based on the current market condition and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of technical innovations, changes in customer taste and competitor actions in response to severe industry cycle. Management reassesses these estimates at each financial year end.

6. REVENUE

An analysis of the Group's revenue for the year/period is as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Types of goods or services					
Sales of goods					
Computing ICs	1,108,371	1,090,104	1,293,411	270,106	402,707
Memory ICs	2,911,558	2,589,492	2,911,254	662,555	1,017,870
Analog ICs	408,918	471,522	505,639	119,269	132,414
Others	91,103	53,851	22,080	6,141	4,879
Revenue from contracts with customers	4,519,950	4,204,969	4,732,384	1,058,071	1,557,870
Property investment – rental income	10,976	7,657	8,624	2,161	1,897
Total	4,530,926	4,212,626	4,741,008	1,060,232	1,559,767
Timing of revenue recognition					
At a point of time	4,519,950	4,204,969	4,732,384	1,058,071	1,557,870
Total revenue from contracts with customers	4,519,950	4,204,969	4,732,384	1,058,071	1,557,870

Performance obligations for contracts with customers

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

Sale of goods

For sales of ICs, the performance obligation is satisfied upon obtaining the delivery receipt after the customer's acceptance. Payment is generally due within one month, extending up to three month for major customers.

Transaction price allocated to the remaining performance obligation for contracts with customers

The sales contracts are with an original expected duration of one year or less. Accordingly, the Group has elected the practical expedient and has not disclosed the amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of each reporting period.

7. SEGMENT INFORMATION

The directors of the Company, being the chief operating decision makers, review the Group's internal reporting in order to assess performance and allocate resource. The Group is principally engaged in the sales of ICs and provision of technical services. Information reported to the chief operating decision makers, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available.

Geographical information

The Group's operations and location of non-current assets are in the PRC and overseas. Information about the Group's revenue from external customers is presented based on destination to which the products are delivered to its customers. Information about the Group's non-current assets is presented based on the geographical location of the assets. All non-current assets are allocated to reportable and operating segments.

Revenue from the external customers, based on the destination to which the products are delivered to its customers, are as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Geographical region					
The PRC	820,452	726,105	821,787	167,465	258,045
Overseas	3,710,474	3,486,521	3,919,221	892,767	1,301,722
Total	4,530,926	4,212,626	4,741,008	1,060,232	1,559,767

Non-current assets based on their locations are as follows:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Geographical region				
The PRC	3,271,985	3,296,248	3,305,212	3,302,563
Overseas	994,772	897,333	779,894	755,852
Total	4,266,757	4,193,581	4,085,106	4,058,415

Note: Non-current assets excluded financial instruments and deferred tax assets.

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group during the Track Record Period are as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Customer A	953,688	817,289	812,542	182,089	243,202
Customer B	514,585	438,986	561,414	125,865	193,153
Customer C	*	443,508	527,837	*	160,995
Customer D	468,267	*	*	*	*

* The corresponding revenue did not exceed 10% of total revenue of the Group during the Track Record Period.

8. OTHER INCOME, GAINS AND LOSSES, NET

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Exchange gains (losses), net	26,245	(20,915)	17,584	1,731	(7,594)
Interest income on finance lease	6,768	2,751	200	193	–
Bank interest income	61,136	95,938	90,785	18,294	22,510
Government grants*	28,060	30,060	17,098	1,015	471
Additional value added tax deductions	2,017	2,043	3,900	460	1,365
Investment return from financial assets at FVTPL:					
– Gain on derecognition of financial assets at FVTPL	22,094	25,592	32,947	7,494	4,308
– Gain (loss) on changes in fair value of financial assets at FVTPL	2,530	2,722	2,522	139	2,506
Loss on disposal of property, plant and equipment	(254)	(29)	(212)	(114)	(2)
Gain on disposal of intangible assets	–	–	24,128	–	–
Impairment loss on intangible assets	–	–	(11,997)	–	–
Others	1,272	1,769	(289)	655	794
Total	149,868	139,931	176,666	29,867	24,358

* During the years ended 31 December 2023, 2024, 2025 and the three months ended 31 March 2025 and 2026, government grants of approximately RMB27,356,000, RMB22,582,000, RMB7,964,000 and RMB901,000, and RMB168,000 respectively represented unconditional cash payments granted by government authorities. There are no unfulfilled conditions and other contingencies attached to the receipts of those subsidies. The remaining government grants are released from deferred income in Note 31.

9. FINANCE COSTS

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Interest on lease liabilities	142	1,083	866	213	198

10. INCOME TAX EXPENSE

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Current tax-The PRC and other jurisdictions					
Charge for the year	38,441	48,607	50,233	12,489	49,070
Over-provision in prior years	(3,261)	(2,145)	(1,834)	(7)	(31)
Deferred tax *(Note 22)*	(5,700)	(695)	(10,050)	(2,106)	(5,875)
Total	29,480	45,767	38,349	10,376	43,164

The PRC

The income tax provision of certain PRC entities of the Group has been calculated at the statutory tax rate of 25% on the estimated assessable profits during the Track Record Period, based on the existing legislation, interpretations and practices in respect thereof.

The Company and certain of its subsidiaries were eligible for a preferential income tax rate of 15% for a qualification of "High and New Technology Enterprise" during the Track Record Period.

According to the relevant laws and regulations promulgated by the State Council of the People's Republic of China that was effective from 2008 onwards, enterprises engaging in research and development activities were entitled to claim 150% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year ("Additional Deduction"). The State Taxation Administration of The People's Republic of China ("STA") further announced in March 2021 that manufacturing enterprises engaging in research and development activities would entitle to claim 200% of their research and development expenses as Additional Deduction since 1 January 2021. The STA further announced in March 2023 that eligible enterprises would entitle to claim 200% of their research and development expenses as Additional Deduction since 1 January 2023. The Group has made its best estimate for the Additional Deduction to be claimed for the Group's entities in ascertaining their assessable profits during the Track Record Period.

Overseas subsidiaries

For ISSI Japan Godo Kaisha, the portion of the annual taxable income exceeding JPY8,000,000 will be paid at the rate of 23.2% but the portion not exceeding JPY8,000,000 will be paid at the rate of 15% during the Track Record Period.

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the statutory rate of 16.5% on any estimated assessable profits arising in Hong Kong. No Hong Kong profits tax was provided for as the Group did not generate any assessable profits arising in Hong Kong during the Track Record Period.

The subsidiary incorporated in Taiwan is subject to income tax at the prevailing rate of 20% during the Track Record Period.

Pursuant to the applicable U.S. federal and state income tax laws, the U.S. subsidiaries have provided income taxes on their federal and state taxable income at the 21% U.S. federal statutory corporate income tax rate and states statutory corporate tax rates of up to 8.84% throughout the Track Record Period.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The income tax expense for the Track Record Period can be reconciled to the profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Profit before tax	545,204	409,965	413,680	84,051	363,512
Tax at the domestic income tax rate of 15%	81,781	61,495	62,052	12,607	54,527
Tax effect of different tax rates of subsidiaries	(81,835)	(53,311)	(55,081)	(15,387)	(30,666)
Losses (profits) attributable to associates	136	53	(39)	(7)	(3)
Tax effect of non-deductible expenses	95	185	137	44	48
Deductible temporary differences and tax losses not recognized	38,640	48,388	43,268	14,862	24,143
Over-provision in prior years	(3,261)	(2,145)	(1,834)	(7)	(31)
Additional deduction for qualified research and development expenses	(6,854)	(8,877)	(10,154)	(1,736)	(4,976)
Others	778	(21)	–	–	122
Income tax expense	29,480	45,767	38,349	10,376	43,164

11. PROFIT FOR THE YEAR/PERIOD

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Profit before tax has been arrived at after charging (crediting):					
Directors' and supervisors' emoluments *(Note 12)*	3,831	4,709	5,269	1,104	764
Other staffs' salaries	712,569	558,604	610,230	139,847	157,765
Other staffs' retirement benefit scheme contributions	45,972	48,436	53,722	13,816	14,552
Equity-settled share-based compensation expense	–	44,524	53,916	11,733	7,186
Total staff costs	762,372	656,273	723,137	166,500	180,267
Listing expenses	–	–	1,193	–	90
Cost of inventories sold	2,847,420	2,662,722	3,120,914	673,351	880,244
Auditor's remuneration	1,509	1,509	1,509	–	–
Depreciation of property, plant and equipment	81,211	68,149	67,901	16,782	17,245
Depreciation of right-of-use assets	14,380	12,568	11,490	3,280	2,788
Depreciation of investment properties	1,139	1,871	1,898	473	475
Amortisation of intangible assets	138,397	108,478	103,363	20,440	23,040
(Reversal of) provision for write-down on inventories (included in cost of sales)	(98,843)	(31,930)	(47,983)	(1,200)	21

12. DIRECTORS' AND SUPERVISORS' EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

(a) Directors' and supervisors' emoluments

Details of the emoluments paid to the directors and supervisors of the Company during the Track Record Period disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance are as follows:

	Fees	Salaries and allowances	Performance related bonus	Retirement benefit scheme contribution	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended 31 December 2023					
Directors:					
Liu Qiang	–	508	113	32	653
Li Jie	–	–	–	–	–
Zhang Jin	–	504	105	–	609
Xian Yonghui	–	472	105	32	609
Pan Jianyue *(Note (i))*	–	–	–	–	–
Xu Wei	–	–	–	–	–
Huang Lei *(Note (iv))*	–	485	105	19	609
Independent directors:					
Ye Jinfu	70	–	–	–	70
Wang Yanhui	70	–	–	–	70
Zhou Ning	70	–	–	–	70
Supervisors:					
Zhang Yanxiang	–	504	105	–	609
Wang Kun	–	296	54	28	378
Zhou Yue	–	120	22	12	154
	210	2,889	609	123	3,831

	Fees	Salaries and allowances	Share-based payment	Performance related bonus	Retirement benefit scheme contribution	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended 31 December 2024						
Directors:						
Liu Qiang	–	507	–	90	33	630
Li Jie	–	–	–	–	–	–
Zhang Jin	–	504	–	84	–	588
Xian Yonghui	–	471	–	84	33	588
Yu Renrong *(Note (iv))*	–	–	–	–	–	–
Huang Lei	–	660	604	116	20	1,400
Xu Wei *(Note (i))*	–	–	–	–	–	–
Zheng Hao *(Note (iv))*	–	–	–	–	–	–
Independent directors:						
Ye Jinfu	87	–	–	–	–	87
Wang Yanhui *(Note (ii))*	84	–	–	–	–	84
Zhou Ning *(Note (ii))*	84	–	–	–	–	84
Xiao Limin *(Note (v))*	62	–	–	–	–	62
Liu Yue *(Note (v))*	3	–	–	–	–	3
Yu Ying *(Note (v))*	3	–	–	–	–	3
Supervisors:						
Zhang Yanxiang	–	504	–	84	–	588
Wang Kun	–	293	–	81	31	405
Zhou Yue	–	146	–	28	13	187
	323	3,085	604	567	130	4,709

	Fees	Salaries and allowances	Share-based payment	Performance related bonus	Retirement benefit scheme contribution	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended 31 December 2025						
Directors:						
Liu Qiang	–	752	–	90	34	876
Li Jie	–	–	–	–	–	–
Zhang Jin	–	504	–	84	–	588
Xian Yonghui	–	590	–	84	34	708
Yu Renrong	–	–	–	–	–	–
Huang Lei	–	675	637	116	21	1,449
Zheng Hao	–	–	–	–	–	–
Zhang Yanxiang *(Note (viii))*	–	504	–	84	–	588
Independent directors:						
Ye Jinfu	96	–	–	–	–	96
Xiao Limin	96	–	–	–	–	96
Liu Yue	67	–	–	–	–	67
Yu Ying	96	–	–	–	–	96
Xiang Zuo *(Note (vii))*	29	–	–	–	–	29
Supervisors:						
Zhang Yanxiang *(Note (viii))*	–	–	–	–	–	–
Wang Kun *(Note (viii))*	–	329	–	120	31	480
Zhou Yue *(Note (viii))*	–	154	–	28	14	196
	384	3,508	637	606	134	5,269

	Fees	Salaries and allowances	Share-based payment	Performance related bonus	Retirement benefit scheme contribution	Total
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*
For the three months ended 31 March 2025						
Directors:						
Liu Qiang	–	127	–	–	8	135
Li Jie	–	–	–	–	–	–
Zhang Jin	–	126	–	–	–	126
Xian Yonghui	–	148	–	–	8	156
Yu Renrong	–	–	–	–	–	–
Huang Lei	–	169	159	–	5	333
Zheng Hao	–	–	–	–	–	–
Independent directors:						
Ye Jinfu	–	24	–	–	–	24
Zhou Ning	–	–	–	–	–	–
Xiao Limin	–	24	–	–	–	24
Liu Yue	–	24	–	–	–	24
Yu Ying	–	24	–	–	–	24
Supervisors:						
Zhang Yanxiang	–	126	–	–	–	126
Wang Kun	–	82	–	–	8	90
Zhou Yue	–	39	–	–	3	42
	–	913	159	–	32	1,104

	Fees	Salaries and allowances	Share-based payment	Performance related bonus	Retirement benefit scheme contribution	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the three months ended 31 March 2026						
Directors:						
Liu Qiang	–	268	–	–	9	277
Li Jie	–	–	–	–	–	–
Zhang Jin	–	75	–	–	–	75
Xian Yonghui	–	78	–	–	9	87
Yu Renrong *(Note (ix))*	–	–	–	–	–	–
Huang Lei	–	82	78	–	5	165
Zheng Hao	–	–	–	–	–	–
Zhang Yanxiang *(Note (viii))*	–	65	–	–	–	65
Independent directors:						
Ye Jinfu	–	24	–	–	–	24
Xiao Limin	–	24	–	–	–	24
Yu Ying	–	24	–	–	–	24
Xiang Zuo *(Note (vii))*	–	24	–	–	–	24
	–	664	78	–	23	765

Notes:

(i) Pan Jianyue resigned as an executive director of the Company on 18 May 2023. Xu Wei resigned as an executive director of the Company on 19 December 2024.

(ii) Wang Yanhui and Zhou Ning resigned as independent non-executive directors of the Company on 19 December 2024.

(iii) Chen Datong resigned as a supervisor of the Company on 22 December 2022.

(iv) Huang Lei was appointed as an executive director of the Company on 19 May 2023. Yu Renrong was appointed as a non-executive director of the Company on 13 May 2024. Zheng Hao was appointed as a non-executive director of the Company on 10 December 2024.

(v) Xiao Limin was appointed as an independent non-executive director of the Company on 13 May 2024. Liu Yue and Yu Ying were appointed as independent non-executive directors of the Company on 20 December 2024. Liu Yue resigned as an independent non-executive director of the Company on 11 September 2025.

(vi) Wang Kun was appointed as a supervisor of the Company on 23 December 2022.

(vii) Xiang Zuo was appointed as an independent non-executive director on 11 September 2025.

(viii) Zhang Yanxiang, Wang Kun and Zhou Yue resigned as supervisors of the Company on 12 May 2025, and Zhang Yanxiang was appointed as an executive director of the Company on that day.

(ix) Yu Renrong resigned as a director of non-executive capacity of the Company on 26 March 2026 for reasons of personal career development. There was no dispute or disagreement between him and the Group.

Performance related bonuses are determined based on the Group's performance and performance of the relevant individual within the Group.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were mainly for their services as independent non-executive directors of the Company.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Track Record Period.

(b) Five highest paid employees

For the five highest paid individuals of the Group, no directors' emoluments for the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026 were included in the disclosure below. The remuneration of the five individuals during the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026, respectively was as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Salaries and other allowances	8,249	9,229	11,940	2,855	2,102
Performance related bonuses	21,601	27,555	22,310	8,366	6,554
Share-based payment	–	2,870	3,314	466	65
Retirement benefit scheme contributions	–	–	–	–	–
	29,850	39,654	37,564	11,687	8,721

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	No. of employees	*No. of employees*	*No. of employees*	*No. of employees (Unaudited)*	*No. of employees*
HKDnil to HKD1,000,000	–	–	–	1	–
HKD1,000,001 to HKD1,500,000	–	–	–	–	2
HKD1,500,001 to HKD2,000,000	–	–	–	–	1
HKD2,000,001 to HKD2,500,000	–	–	–	1	–
HKD2,500,001 to HKD3,000,000	–	–	–	2	2
HKD3,500,001 to HKD4,000,000	1	–	–	1	–
HKD4,000,001 to HKD4,500,000	1	–	–	–	–
HKD5,000,001 to HKD5,500,000	–	1	–	–	–
HKD5,500,001 to HKD6,000,000	1	–	–	–	–
HKD6,000,001 to HKD6,500,000	–	–	1	–	–
HKD6,500,001 to HKD7,000,000	–	1	1	–	–
HKD7,000,001 to HKD7,500,000	1	–	1	–	–
HKD7,500,001 to HKD8,000,000	–	–	1	–	–
HKD8,500,001 to HKD9,000,000	1	1	–	–	–
HKD9,500,001 to HKD10,000,000	–	2	–	–	–
HKD13,000,001 to HKD13,500,000	–	–	1	–	–
	5	5	5	5	5

During the Track Record Period, no emolument was paid by the Group to any of the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

13. DIVIDENDS

The dividends declared by the Company during the Track Record Period and the three months ended 31 March 2025 were as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Dividends declared by the Company	38,527	96,314	48,156	–	–

On 7 April 2023, the Company's shareholders approved the 2022 profit distribution plan at an annual general meeting, pursuant to which an aggregate amount of RMB38,527,000 (inclusive of tax) was subsequently paid in June 2023 to the shareholders of the Company on the record date for determining the shareholders' entitlement to the 2022 profit distribution plan, which amounted to a dividend of RMB0.8 (inclusive of tax) for every 10 shares of the Company.

On 11 April 2024, the Company's shareholders approved the 2023 profit distribution plan at an annual general meeting, pursuant to which an aggregate amount of RMB96,314,000 (inclusive of tax) were subsequently paid in May 2024 to the shareholders of the Company on the record date for determining the shareholders' entitlement to the 2023 profit distribution plan, which amounted to a dividend of RMB2.0 (inclusive of tax) for every 10 shares of the Company.

On 12 May 2025, the Company's shareholders approved the 2024 profit distribution plan at an annual general meeting, pursuant to which an aggregate amount of RMB48,156,000 (inclusive of tax) were subsequently paid in June 2025 to the shareholders of the Company on the record date for determining the shareholders' entitlement to the 2024 profit distribution plan, which amounted to a dividend of RMB1.0 (inclusive of tax) for every 10 shares of the Company.

14. EARNINGS PER SHARE

The calculations of the basic and diluted earnings per share are based on:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Earnings					
Profit for the year/period attributable to owners of the Company for the purpose of basic and diluted earnings per share	537,254	366,202	376,226	73,905	318,979
Number of shares	*'000*	*'000*	*'000*	*'000*	*'000*
Weighted average number of ordinary shares for the purposes of basic earnings per share	481,570	481,570	482,136	481,570	482,541
Effect of dilutive potential ordinary shares	–	758	1,360	1,815	1,845
Weighted average number of ordinary shares for the purposes of diluted earnings per share	481,570	482,328	483,496	483,385	484,386

Basic earnings per share is calculated by dividing the profit for the year/period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the Track Record Period and the three months ended 31 March 2025.

15. PROPERTY, PLANT AND EQUIPMENT

The Group

	Plant and buildings	Machinery and equipment	Furniture and fixtures	Motor vehicles	Leasehold improvement	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
COST							
At 1 January 2023	277,328	791,537	34,742	3,467	7,821	133,476	1,248,371
Additions	11,237	25,402	2,328	725	–	43,351	83,043
Transfer in (out)	109,364	11,154	–	–	–	(120,518)	–
Disposals	–	(20,955)	(425)	(437)	(7,821)	–	(29,638)
Transfer to investment properties *(Note 17)*	–	–	–	–	–	(52,056)	(52,056)
Exchange adjustment	1,972	9,759	470	7	–	(186)	12,022
At 31 December 2023	399,901	816,897	37,115	3,762	–	4,067	1,261,742
Additions	3,862	53,965	1,479	193	–	24,331	83,830
Transfer in (out)	22,991	4,026	36	–	–	(27,053)	–
Disposals	–	(4,827)	(516)	(10)	–	–	(5,353)
Exchange adjustment	(709)	(21,208)	(474)	(39)	–	(18)	(22,448)
At 31 December 2024	426,045	848,853	37,640	3,906	–	1,327	1,317,771
Additions	7,348	50,131	1,864	12	–	14,650	74,005
Transfer in (out)	3,164	1,076	314	–	–	(4,554)	–
Disposals	(2,953)	(24,984)	(2,191)	–	–	–	(30,128)
Transfer to investment properties *(Note 17)*	–	–	–	–	–	(1,584)	(1,584)
Exchange adjustment	(1,912)	5,017	(263)	15	–	(158)	2,699
At 31 December 2025	431,692	880,093	37,364	3,933	–	9,681	1,362,763
Additions	–	20,266	225	–	–	839	21,330
Transfer in (out)	–	9,046	–	–	–	(9,046)	–
Disposals	–	(4,138)	(6)	(276)	–	–	(4,420)
Transfer to investment properties *(Note 17)*	–	–	–	–	–	(225)	(225)
Exchange adjustment	(2,902)	(18,681)	(824)	(27)	–	(126)	(22,560)
At 31 March 2026	428,790	886,586	36,759	3,630	–	1,123	1,356,888
DEPRECIATION							
At 1 January 2023	69,647	636,352	31,128	2,521	4,697	–	744,345
Provided for the year	11,019	65,289	1,422	357	3,124	–	81,211
Written-off upon disposals	–	(20,609)	(425)	(430)	(7,821)	–	(29,285)
Exchange adjustment	637	8,958	444	13	–	–	10,052
At 31 December 2023	81,303	689,990	32,569	2,461	–	–	806,323
Provided for the year	12,159	53,772	1,617	601	–	–	68,149
Written-off upon disposals	–	(4,790)	(515)	(10)	–	–	(5,315)
Exchange adjustment	(104)	(19,659)	(346)	(39)	–	–	(20,148)
At 31 December 2024	93,358	719,313	33,325	3,013	–	–	849,009
Provided for the year	12,253	53,437	1,941	270	–	–	67,901
Written-off upon disposals	(2,953)	(24,807)	(2,190)	–	–	–	(29,950)
Exchange adjustment	(587)	4,691	(267)	15	–	–	3,852
At 31 December 2025	102,071	752,634	32,809	3,298	–	–	890,812
Provided for the period	2,910	13,811	456	68	–	–	17,245
Eliminated on disposals	–	(4,135)	(6)	(276)	–	–	(4,417)
Exchange adjustment	(985)	(16,291)	(712)	(25)	–	–	(18,013)
At 31 March 2026	103,996	746,019	32,547	3,065	–	–	885,627
CARRYING VALUES							
At 31 December 2023	318,598	126,907	4,546	1,301	–	4,067	455,419
At 31 December 2024	332,687	129,540	4,315	893	–	1,327	468,762
At 31 December 2025	329,621	127,459	4,555	635	–	9,681	471,951
At 31 March 2026	324,794	140,567	4,212	565	–	1,123	471,261

The estimated useful lives or the principal annual rates of items of property, plant and equipment are as follows:

	Useful lives
Plant and buildings	25 – 50 years
Machinery and equipment	5 – 12 years
Furniture and fixtures	3 – 5 years
Motor vehicles	5 – 10 years
Leasehold improvement	Shorter of term of lease or 25-50 years

As at 31 December 2023, 2024 and 2025 and 31 March 2026 the Group was still in a process of obtaining the building certificate with the carrying amount of approximately RMB108,325,000, RMB128,583,000, nil and nil respectively.

The Company

	Plant and buildings	Machinery and equipment	Motor vehicles	Leasehold improvement	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
COST					
At 1 January 2023	34,868	19,337	1,178	2,913	58,296
Additions	–	216	–	–	216
Disposals	–	(1,758)	–	(2,913)	(4,671)
At 31 December 2023	34,868	17,795	1,178	–	53,841
Additions	–	2,879	–	–	2,879
Disposals	–	(398)	–	–	(398)
At 31 December 2024	34,868	20,276	1,178	–	56,322
Additions	–	1,180	–	–	1,180
Disposals	–	(778)	–	–	(778)
At 31 December 2025	34,868	20,678	1,178	–	56,724
Additions	–	24	–	–	24
Disposals	–	(43)	–	–	(43)
At 31 March 2026	34,868	20,659	1,178	–	56,705
DEPRECIATION					
At 1 January 2023	6,925	17,198	393	1,699	26,215
Provided for the year	759	495	224	1,214	2,692
Written-off upon disposals	–	(1,670)	–	(2,913)	(4,583)
At 31 December 2023	7,684	16,023	617	–	24,324
Provided for the year	758	545	362	–	1,665
Written-off upon disposals	–	(375)	–	–	(375)
At 31 December 2024	8,442	16,193	979	–	25,614
Provided for the year	760	998	73	–	1,831
Written-off upon disposals	–	(740)	–	–	(740)
At 31 December 2025	9,202	16,451	1,052	–	26,705
Provided for the period	189	263	18	–	470
Written-off upon disposals	–	(41)	–	–	(41)
At 31 March 2026	9,391	16,673	1,070	–	27,134
CARRYING VALUES					
At 31 December 2023	27,184	1,772	561	–	29,517
At 31 December 2024	26,426	4,083	199	–	30,708
At 31 December 2025	25,666	4,227	126	–	30,019
At 31 March 2026	25,477	3,986	108	–	29,571

16. RIGHT-OF-USE ASSETS

The Group as a lessee

The Group has lease contracts for various items of properties. Leases of properties generally have lease terms from 24 months to 72 months.

Land use rights are all located in the PRC with a lease period of 30 to 50 years when granted.

The Group

	Land use right	Buildings	Total
	RMB'000	*RMB'000*	*RMB'000*
COST			
At 1 January 2023	43,501	34,198	77,699
Additions	–	30,224	30,224
Exchange adjustment	–	497	497
At 31 December 2023	43,501	64,919	108,420
Additions	–	3,502	3,502
Write-off *(Note)*	–	(1,864)	(1,864)
Exchange adjustment	–	(1,156)	(1,156)
At 31 December 2024	43,501	65,401	108,902
Additions	–	4,682	4,682
Write-off *(Note)*	–	(27,094)	(27,094)
Exchange adjustment	–	(2)	(2)
At 31 December 2025	43,501	42,987	86,488
Write-off *(Note)*	–	(2,047)	(2,047)
Exchange adjustment	–	(577)	(577)
At 31 March 2026	43,501	40,363	83,864
DEPRECIATION			
At 1 January 2023	8,431	19,463	27,894
Provided for the year	870	13,510	14,380
Exchange adjustment	–	156	156
At 31 December 2023	9,301	33,129	42,430
Provided for the year	869	11,699	12,568
Eliminated on write-off *(Note)*	–	(1,841)	(1,841)
Exchange adjustment	–	(453)	(453)
At 31 December 2024	10,170	42,534	52,704
Provided for the year	870	10,620	11,490
Eliminated on write-off *(Note)*	–	(27,048)	(27,048)
Exchange adjustment	–	(57)	(57)
At 31 December 2025	11,040	26,049	37,089
Provided for the period	218	2,570	2,788
Eliminated on write-off *(Note)*	–	(2,047)	(2,047)
Exchange adjustment	–	(236)	(236)
At 31 March 2026	11,258	26,336	37,594
CARRYING VALUES			
At 31 December 2023	34,200	31,790	65,990
At 31 December 2024	33,331	22,867	56,198
At 31 December 2025	32,461	16,938	49,399
At 31 March 2026	32,243	14,027	46,270

Notes: Right-of-use assets were written off upon the expiry of the respective lease terms.

The Company as a lessee

Land use rights are all located in the PRC with a lease period of 30 to 50 years when granted.

The Company

	Land use right
	RMB'000
COST	
At 1 January 2023, 31 December 2023, 2024 and 2025 and 31 March 2026	32,885
DEPRECIATION	
At 1 January 2023	7,454
Provided for the year	658
At 31 December 2023	8,112
Provided for the year	657
At 31 December 2024	8,769
Provided for the year	658
At 31 December 2025	9,427
Provided for the period	164
At 31 March 2026	9,591
CARRYING VALUES	
At 31 December 2023	24,773
At 31 December 2024	24,116
At 31 December 2025	23,458
At 31 March 2026	23,294

17. INVESTMENT PROPERTIES

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
COST				
At the beginning of the year/period	35,288	87,344	93,120	94,704
Addition	–	5,776	–	–
Transfer from property, plant and equipment *(Note 15)*	52,056	–	1,584	225
At the end of the year/period	87,344	93,120	94,704	94,929
DEPRECIATION				
At the beginning of the year/period	6,622	7,761	9,632	11,530
Provided for the year/period	1,139	1,871	1,898	475
At the end of the year/period	7,761	9,632	11,530	12,005
CARRYING VALUES				
At the beginning of the year/period	28,666	79,583	83,488	83,174
At the end of the year/period	79,583	83,488	83,174	82,924

The fair value of the Group's investment properties as at 31 December 2023, 2024 and 2025 and 31 March 2026 was RMB168,890,000, RMB152,276,000, RMB158,080,000 and RMB134,682,000, respectively. The fair value has been arrived at based on a valuation carried out by the directors of the Company. The valuation was determined by establishing the market value of the properties by using income method. For income method, it estimates the value of the properties on an open market basis by taking into account of the current rent receivables from the existing tenancy agreements and the vacancy rate on potential leasable areas of the investment properties. The fair value of the investment properties measured at the end of the reporting period was categorised into Level 3 valuation, where fair value was measured using significant unobservable inputs, as defined in IFRS 13 Fair Value Measurement. There were no transfers between levels of fair value hierarchy during the Track Record Period.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

As at 31 December 2023, 2024 and 2025 and 31 March 2026, the Group was still in a process of obtaining the building certificate with the carrying amount of approximately RMB51,644,000, RMB56,276,000, nil and nil respectively.

The investment properties are depreciated on a straight-line basis over the shorter of the term of the lease and 45 – 50 years.

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
COST				
At the beginning and the end of the year/period	35,288	35,288	35,288	35,288
DEPRECIATION				
At the beginning of the year/period	6,622	7,349	8,076	8,802
Provided for the year/period	727	727	726	182
At the end of the year/period	7,349	8,076	8,802	8,984
CARRYING VALUES				
At the beginning of the year/period	28,666	27,939	27,212	26,486
At the end of the year/period	27,939	27,212	26,486	26,304

18. GOODWILL

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
COST AND CARRYING VALUES				
At the beginning and the end of the year/period	3,007,784	3,007,784	3,007,784	3,007,784

For the purposes of impairment testing, goodwill and trademarks with indefinite useful lives acquired through business combination of Integrated Silicon Solution, Inc. Beijing 北京矽成半導體有限公司 and its subsidiaries (the "Beijing ISSI Group") is allocated to the cash-generating unit (the "CGU"). Property, plant and equipment, right-of-use assets, intangible assets (including development expenditures) and allocation of corporate assets that generate cash flows together with the related goodwill and trademarks are also included in the CGU.

The calculation of recoverable amounts of the CGU as at 31 December 2023, 2024 and 2025 and 31 March 2026 has been determined by JZ (Shanghai) Assets Appraisal Co., Ltd. * 金證(上海)資產評估有限公司. As at 31 March 2026, the calculation of recoverable amounts of the CGU was performed by the Group's management.

The basis of the recoverable amounts of the above CGU and their major underlying assumptions are summarized below:

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period. The CGU's cash flows beyond the 5-year period are extrapolated using a steady 2% growth rate. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development and the uncertain economic environment, which are subject to higher degree to estimation uncertainties.

* English name for identification purpose only.

The key parameters for the value-in-use calculations, which are based on either the past experience or management's expectation for the market development, are as follows:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
Revenue annual growth rate within 5 years	8.23%-22.08%	8.89%-20.97%	5.10%-40.74%	5.10%-40.72%
Gross margin within 5 years	38.14%-38.40%	38.50%-39.41%	36.48%-39.45%	36.48%-39.45%
Pre-tax discount rate	11.98%	13.13%	13.73%	13.84%

During the years ended 31 December 2023, 2024, 2025 and three months ended 31 March 2026, management of the Group determines that there are no impairments of any of its CGU containing goodwill or trademarks with indefinite useful lives.

Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the CGU to exceed the aggregate recoverable amount of the CGU.

Based on our assessment on the recoverable amounts, the headroom of Beijing ISSI Group was as follows:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Beijing ISSI Group	641,394	569,778	481,554	346,741

For the sensitivity analysis of Beijing ISSI Group conducted during the impairment review, had there been reasonably possible changes with reduction of the revenue annual growth rate of each year during the forecast period by 1%, or a reduction of the gross margin of each year during the forecast period by 1%, or an increase in pre-tax discount rate by 1%, it would cause the reduction of the recoverable amount of Beijing ISSI Group as follows, if one of the key assumptions was to change while other variables were held constant: As at 31 December 2023, the recoverable amount would decrease by RMB277,063,000, RMB220,504,000 and RMB100,318,000 respectively. As at 31 December 2024, the recoverable amount would decrease by RMB294,724,000, RMB201,098,000 and RMB93,267,000 respectively. As at 31 December 2025, the recoverable amount would decrease by RMB302,238,000, RMB196,806,000 and RMB91,374,000 respectively. As at 31 March 2026, the recoverable amount would decrease by RMB304,454,000, RMB179,904,000 and RMB89,952,000 respectively.

19. INTANGIBLE ASSETS

The Group

	Trademark	Software	Non-patent technology	Technology licensing	Development Expenditure	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
COST						
At 1 January 2023	216,738	97,868	1,029,720	221,966	82,689	1,648,981
Additions	–	7,523	–	1,162	9,318	18,003
Transfer in (out)	–	–	46,575	–	(46,575)	–
Disposals	–	(124)	–	–	–	(124)
Exchange adjustment	3,070	1,295	13,169	3,608	1,223	22,365
At 31 December 2023	219,808	106,562	1,089,464	226,736	46,655	1,689,225
Additions	–	9,388	–	–	12,069	21,457
Transfer in (out)	–	–	3,654	–	(3,654)	–
Disposals	–	(672)	–	–	–	(672)
Exchange adjustment	2,748	1,292	12,322	3,242	784	20,388
At 31 December 2024	222,556	116,570	1,105,440	229,978	55,854	1,730,398
At 1 January 2025	222,556	116,570	1,105,440	229,978	55,854	1,730,398
Additions	–	15,315	–	–	7,969	23,284
Transfer in (out)	–	–	13,604	–	(13,604)	–
Disposals	(2,179)	–	(7,872)	–	–	(10,051)
Exchange adjustment	(4,150)	(2,019)	(18,840)	(4,895)	(967)	(30,871)
At 31 December 2025	216,227	129,866	1,092,332	225,083	49,252	1,712,760
Additions	–	761	–	–	5,401	6,162
Exchange adjustment	(2,844)	(1,408)	(12,978)	(3,356)	(611)	(21,197)
At 31 March 2026	213,383	129,219	1,079,354	221,727	54,042	1,697,725
AMORTIZATION AND IMPAIRMENT						
At 1 January 2023	–	83,897	661,036	135,577	–	880,510
Provided for the year	–	11,923	90,704	35,770	–	138,397
Disposals	–	(124)	–	–	–	(124)
Exchange adjustment	–	1,250	9,795	2,357	–	13,402
At 31 December 2023	–	96,946	761,535	173,704	–	1,032,185
Provided for the year	–	8,387	90,474	9,617	–	108,478
Disposals	–	(672)	–	–	–	(672)
Exchange adjustment	–	1,209	9,878	2,557	–	13,644
At 31 December 2024	–	105,870	861,887	185,878	–	1,153,635
Provided for the year	–	5,419	87,597	10,347	–	103,363
Impairment loss recognized	–	–	–	–	11,997	11,997
Disposals	–	–	(6,194)	–	–	(6,194)
Exchange adjustment	–	(1,891)	(16,029)	(4,076)	–	(21,996)
At 31 December 2025	–	109,398	927,261	192,149	11,997	1,240,805
Provided for the period	–	1,345	19,945	1,750	–	23,040
Exchange adjustment	–	(1,339)	(11,283)	(2,853)	–	(15,475)
At 31 March 2026	–	109,404	935,923	191,046	11,997	1,248,370
CARRYING VALUES						
At 31 December 2023	219,808	9,616	327,929	53,032	46,655	657,040
At 31 December 2024	222,556	10,700	243,553	44,100	55,854	576,763
At 31 December 2025	216,227	20,468	165,071	32,934	37,255	471,955
At 31 March 2026	213,383	19,815	143,431	30,681	42,045	449,355

The Company

	Software	Technology licensing	Total
	RMB'000	*RMB'000*	*RMB'000*
COST			
At 31 December 2023, 31 December 2024 and 31 December 2025	2,692	3,078	5,770
Additions	39	–	39
At 31 March 2026	2,731	3,078	5,809
AMORTIZATION			
At 1 January 2023	2,493	2,309	4,802
Provided for the year	132	769	901
At 31 December 2023	2,625	3,078	5,703
Provided for the year	37	–	37
At 31 December 2024	2,662	3,078	5,740
Provided for the year	21	–	21
At 31 December 2025	2,683	3,078	5,761
Provided for the period	45	–	45
At 31 March 2026	2,728	3,078	5,806
CARRYING VALUES			
At 31 December 2023	67	–	67
At 31 December 2024	30	–	30
At 31 December 2025	9	–	9
At 31 March 2026	3	–	3

The useful lives are as follows:

Non-patented technology	7 to 8 years
Technology licensing	5 to 15 years
Software	2 to 6 years
Trademark	Indefinite life

The trademarks have a legal life of 10 to 20 years but can be renewed every at a minimal cost. The directors of the Company are of the opinion that the Group would renew the trademark continuously and has the ability to do so. Various studies including product life cycle studies, market, competitive and environmental trends, and brand extension opportunities have been performed by management of the Group, which supports that the trademark has no foreseeable limit to the period over which the trademarked products are expected to generate net cash flows for the Group.

As a result, the trademark is considered by the management of the Group as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely. The trademark will not be amortized until its useful life is determined to be finite. Both trademark with an indefinite useful life and development expenditure will be tested for impairment annually, irrespective of whether there is any indication that it may be impaired. Particulars of the impairment testing on trademark and development expenditure at CGU level are disclosed in Note 18.

Development expenditure will be tested for impairment annually, irrespective of whether there is any indication that it may be impaired. As at 31 December 2025, the management of the Company concluded that certain projects were not expected to generate future economic benefits, giving rise to impairment indicators due to (i) persistent yield issues during product validation and production testing, which adversely affected the technical feasibility and commercial viability of the relevant projects; and (ii) unfavourable market prospects, since the expected commercialisation could no longer be achieved and no viable alternative commercial opportunities were identified. Accordingly, the Group recognised an impairment loss of approximately RMB11,997,000 in respect of development expenditure that was individually assessed as fully impaired during the year ended 31 December 2025.

20. INTERESTS IN ASSOCIATES

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of net assets	941	586	843	821

Particulars of the Group's associates, which were established and operate in the PRC, are as follows:

Name of entity	Proportion of registered capital/voting rights held by the Group	Registered capital	Principal activities
		RMB'000	
Beijing Juncheng Yiheng Technology Co., Ltd* 北京君誠易恒科技有限公司	40.00%	4,000	Technical services
Beijing Yiming Intelligent Technology Co., Ltd* 北京益鳴智能科技有限公司	25.00%	2,000	Technical services

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Share of the associates' (losses) profits for the year/period	(909)	(355)	258	(45)	(22)
Share of the associates' total comprehensive (expense) income	(909)	(355)	258	(45)	(22)

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount of the Group's investments in the associates	941	586	843	821

* *English name for identification purpose only.*

21. EQUITY INSTRUMENTS DESIGNATED AT FVTOCI

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unlisted equity instruments	427,813	547,523	648,167	742,222

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unlisted equity instruments	389,043	424,418	439,454	521,790

Equity instruments designated at FVTOCI represent the Group's equity interest in unlisted entities established in the PRC. The management of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realizing their performance potential in the long run. For the details of fair value measurement of the above equity instruments, please refer to Note 36(b).

22. DEFERRED TAXATION

The Group

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred tax assets	134,872	129,086	132,530	134,537
Deferred tax liabilities	(78,971)	(68,645)	(62,389)	(71,067)
	55,901	60,441	70,141	63,470

The Company

For the purpose of presentation in the statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred tax assets	3,477	7,189	13,613	11,785
Deferred tax liabilities	(1,855)	–	–	(10,416)
	1,622	7,189	13,613	1,369

The Group

The deferred tax assets/(liabilities) recognized by the Group and movements thereon during the Track Record Period are as follows:

	Tax losses	Impairment on assets	Fair value change	Research and development expenses	Accruals	Fair value adjustments on intangible assets	Undistributable profits of subsidiaries	Share-based payment	Right-of-use assets	Lease liabilities	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	5,329	21,083	(1,529)	24,013	68,830	(38,951)	(28,031)	–	–	–	(425)	50,319
(Charge)/credit to profit or loss for the year	(5,239)	3,076	–	31,597	(18,864)	4,999	(9,904)	–	(4,768)	4,839	(36)	5,700
Charge to reserves	–	–	(118)	–	–	–	–	–	–	–	–	(118)
At 31 December 2023	90	24,159	(1,647)	55,610	49,966	(33,952)	(37,935)	–	(4,768)	4,839	(461)	55,901
Credit/(charge) to profit or loss for the year	1,774	9,541	–	1,512	(23,156)	5,838	1,842	3,839	1,338	(1,286)	(547)	695
Credit to reserves	–	–	3,845	–	–	–	–	–	–	–	–	3,845
At 31 December 2024	1,864	33,700	2,198	57,122	26,810	(28,114)	(36,093)	3,839	(3,430)	3,553	(1,008)	60,441
Credit/(charge) to profit or loss for the year	167	(7,482)	–	(12,377)	17,363	5,121	(372)	6,622	889	(889)	1,008	10,050
Credit to reserves	–	–	(350)	–	–	–	–	–	–	–	–	(350)
At 31 December 2025	2,031	26,218	1,848	44,745	44,173	(22,993)	(36,465)	10,461	(2,541)	2,664	–	70,141
(Charge)/credit to profit or loss for the period	(32)	43	–	(3,058)	197	466	727	7,297	437	(448)	246	5,875
Credit to reserves	–	–	(12,546)	–	–	–	–	–	–	–	–	(12,546)
At 31 March 2026	1,999	26,261	(10,698)	41,687	44,370	(22,527)	(35,738)	17,758	(2,104)	2,216	246	63,470

The Company

The deferred tax assets/(liabilities) recognized by the Company and movements thereon during the Track Record Period are as follows:

	Impairment on assets	Fair value change	Share-based payment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	2,965	(1,528)	–	1,437
Credit to profit or loss for the year	512	–	–	512
Credit to reserves	–	(327)	–	(327)
At 31 December 2023	3,477	(1,855)	–	1,622
(Charge)/credit to profit or loss for the year	(158)	–	2,031	1,873
Credit to reserves	–	3,694	–	3,694
At 31 December 2024	3,319	1,839	2,031	7,189
Credit to profit or loss for the year	(394)	–	6,418	6,204
Credit to reserves	–	400	–	400
At 31 December 2025	2,925	2,239	8,449	13,613
(Charge)/credit to profit or loss for the period	(2)	(12,655)	413	(12,244)
At 31 March 2026	2,923	(10,416)	8,862	1,369

The Group

At the end of each of the reporting period during the Track Record Period, the Group has unused tax losses available for offset against future profits and deductible temporary differences. No deferred tax asset has been recognized due to the unpredictability of future profit streams, as set out below:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deductible temporary differences	114,770	131,200	131,461	89,442

The unrecognized tax losses will expire in the follow years:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
2024	13,404	–	–	–
2025	11,762	11,762	–	–
2026	18,857	18,857	18,857	18,857
2027	26,485	26,485	26,485	26,485
2028	54,800	54,800	54,800	54,800
2029	–	68,277	68,277	68,277
2030 and beyond	–	–	57,318	63,414
	125,308	180,181	225,737	231,833

23. INVENTORIES

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	1,386,299	1,239,533	1,454,993	1,288,980
Work in progress	577,418	863,209	960,795	1,039,164
Finished goods	728,432	818,149	762,883	808,859
	2,692,149	2,920,891	3,178,671	3,137,003
Write-down	(287,368)	(248,871)	(204,024)	(198,972)
	2,404,781	2,672,020	2,974,647	2,938,031

During the years ended 31 December 2023, 2024 and 2025, the reversal of write-down of inventories amounted to approximately RMB98,843,000, RMB31,930,000 and RMB47,983,000 was recognised, respectively. During the three months ended 31 March 2026, the write-down of inventories amounted to approximately RMB21,000 was recognised.

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	310	309	354	401
Work in progress	57,737	68,394	70,646	73,077
Finished goods	18,518	30,899	31,032	39,626
	76,565	99,602	102,032	113,104
Write-down	(22,335)	(22,126)	(19,497)	(19,484)
	54,230	77,476	82,535	93,620

24. TRADE AND BILLS RECEIVABLES

The Group

		As at 31 December			As at 31 March
	Note	2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	*(a)*	403,681	389,059	466,860	638,264
Less: Expected credit losses		(332)	(331)	(328)	(238)
		403,349	388,728	466,532	638,026
Bills receivables		3,983	2,222	4,249	4,398
		407,332	390,950	470,781	642,424

As at 31 December 2023, 2024 and 2025 and 31 March 2026, the gross amount of trade receivables arising from contracts with customers amounted to approximately RMB403,681,000, RMB389,059,000, RMB466,860,000 and RMB638,264,000 respectively.

The Company

	Note	As at 31 December			As at 31 March
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	*(a)*	8,330	9,185	19,845	20,910
Less: Expected credit losses		–	–	–	–
		8,330	9,185	19,845	20,910
Bills receivables		481	611	1,574	1,888
		8,811	9,796	21,419	22,798

As at 31 December 2023, 2024 and 2025 and 31 March 2026, the gross amount of trade receivables arising from contracts with customers amounted to approximately RMB8,330,000, RMB9,185,000, RMB19,845,000 and RMB20,910,000 respectively.

(a) The Group generally allows credit period ranging from 30 to 90 days, depending on the specific payment terms in each contract. The Group seeks to maintain strict control over its outstanding receivables. 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.

The Group

The following is an analysis of trade receivables by age, net of allowance for credit losses, presented based on the date of revenue recognition as at 31 December 2023, 2024 and 2025 and 31 March 2026:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	403,349	388,728	466,532	638,026

The Company

The following is an analysis of trade receivables by age, net of allowance for credit losses, presented based on the date of revenue recognition as at 31 December 2023, 2024 and 2025 and 31 March 2026:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	8,330	9,185	19,845	20,910

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. There has been no change in the estimation techniques or significant assumptions made during the Track Record Period.

The Group

The Group recognized lifetime ECL for trade receivables based on individually significant customer or the aging of customers collectively that are not individually significant as follows:

	Weighted average expected loss rate	Gross carrying amount	Loss allowance
		RMB'000	*RMB'000*
As at 31 December 2023			
Within 1 year[(Note)]	–	403,349	–
More than 3 years	100.00%	332	332
	0.08%	403,681	332

	Weighted average expected loss rate	Gross carrying amount	Loss allowance
		RMB'000	*RMB'000*
As at 31 December 2024			
Within 1 year[(Note)]	–	388,728	–
More than 3 years	100.00%	331	331
	0.09%	389,059	331

	Weighted average expected loss rate	Gross carrying amount	Loss allowance
		RMB'000	*RMB'000*
As at 31 December 2025			
Within 1 year[(Note)]	–	466,532	–
More than 3 years	100.00%	328	328
	0.07%	466,860	328

	Weighted average expected loss rate	Gross carrying amount	Loss allowance
		RMB'000	*RMB'000*
As at 31 March 2026			
Within 1 year[(Note)]	–	638,026	–
More than 3 years	100.00%	238	238
	0.04%	638,264	238

Note:

The management of the Group considered that there is no significant credit risk associated with trade receivables aged within one year as most of them will be settled within credit period. The management of the Group believes that the expected credit loss of trade receivables aged within one year is considered as immaterial.

The Company

The Company recognized lifetime ECL for trade receivables based on individually significant customer or the aging of customers collectively that are not individually significant as follows:

	Weighted average expected loss rate	Gross carrying amount	Loss allowance
		RMB'000	*RMB'000*
As at 31 December 2023			
Within 1 year	–	8,330	–

	Weighted average expected loss rate	Gross carrying amount	Loss allowance
		RMB'000	*RMB'000*
As at 31 December 2024			
Within 1 year	–	9,185	–

	Weighted average expected loss rate	Gross carrying amount	Loss allowance
		RMB'000	*RMB'000*
As at 31 December 2025			
Within 1 year	–	19,845	–

	Weighted average expected loss rate	Gross carrying amount	Loss allowance
		RMB'000	*RMB'000*
As at 31 March 2026			
Within 1 year	–	20,910	–

(c) The movements in the allowance for impairment of trade receivables are set out below:

The Group

	Year ended 31 December			Three months ended 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	678	332	331	328
Write-off	(354)	–	–	(84)
Exchange realignment	8	(1)	(3)	(6)
At the end of the year/period	332	331	328	238

25. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments to suppliers	69,007	89,785	139,946	181,269
Prepaid listing expenses	–	–	17,590	18,951
Prepayment to acquisition of property, plant and equipment	–	–	5,861	5,861
Deposits	391,275	288,992	8,642	8,430
Finance lease receivables	222,039	43,804	–	–
Value-added tax recoverable	80,676	90,685	82,475	75,190
Others	481	4,456	11,808	9,774
	763,478	517,722	266,322	299,475
Analyzed for reporting purposes as:				
– Non-current assets	329,572	8,300	14,044	13,833
– Current assets	433,906	509,422	252,278	285,642
	763,478	517,722	266,322	299,475

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments to suppliers	3,453	2,539	24,913	23,616
Deposits	1	1	1	1
Value-added tax recoverable	376	847	1,030	849
	3,830	3,387	25,944	24,466

Details of impairment assessment are set out in Note 36(b).

26. FINANCIAL ASSETS AT FVTPL

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Wealth management products	368,865	539,737	549,705	615,737
Structured deposits	25,000	218,000	350,000	975,000
	393,865	757,737	899,705	1,590,737

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Wealth management products	–	–	–	69,968
Structured deposits	–	–	–	175,000
	–	–	–	244,968

The structured deposits are classified as current as the management expects to realize these financial assets within twelve months after each reporting period.

Details of the fair value hierarchy and major assumptions used in valuation for the financial assets are set out in Note 36.

27. RESTRICTED BANK DEPOSITS/BANK BALANCES AND CASH

The bank balances and cash and restricted bank deposits are denominated in the following currencies:

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Denominated in RMB	1,809,732	1,181,143	1,437,514	760,837
Denominated in United States Dollar ("USD")	1,844,832	2,289,752	2,465,040	2,467,271
Denominated in New Taiwan Dollar ("TWD")	257,038	227,495	175,095	174,404
Denominated in Hong Kong Dollar ("HKD")	5,412	5,664	1,469	665
Denominated in Japanese Yen ("JPY")	1,968	2,037	2,036	2,410
Denominated in British Pound Sterling ("GBP")	515	98	234	833
Denominated in Israeli New Shekel ("ILS")	7,063	6,509	6,339	5,432
Denominated in Singapore Dollar ("SGD")	95	110	126	95
Denominated in South Korean Won ("KRW")	576	3,802	3,751	4,190
Denominated in Euro ("EUR")	40	38	41	–
	3,927,271	3,716,648	4,091,645	3,416,137

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Denominated in RMB	227,500	322,636	499,785	195,927
Denominated in USD	22,934	7,088	5,901	2,064
	250,434	329,724	505,686	197,991

The RMB is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximate to their fair values.

As at the end of each of the Track Record Period, the internal credit rating of restricted deposits and cash and cash equivalents was regarded as the grade of performing. The Group has assessed that the credit risk of the restricted deposits and cash and cash equivalents and considered its credit risks have not increased significantly since initial recognition. The Group has measured the impairment based on the 12-month ECL, and has assessed that the expected credit losses are immaterial.

28. TRADE AND OTHER PAYABLES

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	422,567	433,743	599,033	608,126
Other deposits	1,763	2,115	2,031	1,991
Other taxes payables	4,347	3,797	4,663	2,594
Payroll and welfare payables	220,711	191,619	208,278	196,302
Other payables	35,832	30,406	39,415	44,870
	685,220	661,680	853,420	853,883
Analyzed for reporting purposes as:				
– Non-current liabilities	10,868	11,527	9,256	9,094
– Current liabilities	674,352	650,153	844,164	844,789
	685,220	661,680	853,420	853,883

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	4,796	4,871	6,405	6,333
Amounts due to subsidiaries *(note)*	11,423	11,423	10,167	10,167
Other taxes payables	1,023	671	1,522	4,592
Payroll and welfare payables	6,453	6,452	7,201	931
Other payables	2,048	2,051	1,608	1,649
	25,743	25,468	26,903	23,672

Note: The balances mainly represented interest-free loans granted by the subsidiaries, which were repayable on demand.

The trade payables are non-interest-bearing and are normally settled ranged from 30 days to 90 days. The fair value of trade payables approximates to their carrying amount.

The following is an aged analysis of trade payables presented based on the date of service provided and date of goods acceptance at the end of the reporting period.

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	422,298	433,460	596,990	605,868
Over 1 years	269	283	2,043	2,258
	422,567	433,743	599,033	608,126

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	4,729	4,802	6,338	6,266
Over 1 years	67	69	67	67
	4,796	4,871	6,405	6,333

29. CONTRACT LIABILITIES

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Sales of ICs	77,154	68,796	117,826	48,864

Contract liabilities include unsatisfied performance obligation for pre-sale of ICs.

Revenue recognised during the years ended 31 December 2023, 2024, 2025 and three months ended 31 March 2026 that were included in the contract liabilities at the beginning of the year are approximately RMB129,683,000, RMB77,154,000, RMB68,796,000 and RMB117,826,000 respectively. There was no revenue recognised in the current year/period that related to performance obligations that were satisfied in prior year/period.

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Sales of ICs	722	11,490	11,702	10,199

30. LEASE LIABILITIES

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities payable:				
Within one year	12,562	10,062	8,414	7,208
Within a period of more than one year but not more than two years	6,806	6,141	6,365	6,135
Within a period of more than two years but not more than three years	5,660	4,765	2,826	1,316
Within a period of more than three years	7,234	2,717	152	115
Total	32,262	23,685	17,757	14,774
Less: Amount due for settlement within 12 months shown under current liabilities	(12,562)	(10,062)	(8,414)	(7,208)
Amount due for settlement after 12 months shown under non-current liabilities	19,700	13,623	9,343	7,566

The weighted average incremental borrowing rates applied to lease liabilities range from 4% to 4.1% per annum during the Track Record Period.

(a) Amounts recognized in profit or loss

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Depreciation expense on right-of-use assets	14,380	12,568	11,490	3,280	2,788
Interest expense on lease liabilities	142	1,083	866	213	198

31. DEFERRED INCOME

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Government grants	18,368	12,127	3,323	3,170

Government grants of approximately RMB4,024,000, RMB1,237,000, RMB330,000 and RMB150,000 respectively have been received during the years ended 31 December 2023, 2024 and 2025 and three months ended 31 March 2026 to support the Group's activities in producing, operating, conducting project research and development. The amounts have been treated as deferred income. The amount is transferred to income when the Group fulfill conditions attached to the government grants or over the useful lives of the relevant assets. This policy has resulted in a credit to income in the current period of approximately RMB704,000, RMB7,478,000, RMB9,134,000, RMB114,000 and RMB303,000 respectively for the years ended 31 December 2023, 2024 and 2025 and three months ended 31 March 2025 and 2026.

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Government grants	846	–	–	–

32. SHARE CAPITAL

	Number of shares	Share capital
		RMB'000
A shares of RMB1 each		
As at 1 January 2023, 31 December 2023 and 2024	481,569,911	481,570
Issue of shares *(Note)*	970,812	971
As at 31 December 2025 and 31 March 2026	482,540,723	482,541

The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Company. All ordinary shares rank equally with regard to the Company's residual net assets.

Note: On 27 May 2025, options were exercised to subscribe for 970,812 shares in the Company at a consideration of approximately RMB29,989,000 in which all the consideration was credited to share capital and share premium of approximately RMB971,000 and RMB29,018,000 respectively.

33. SHARE-BASED PAYMENT TRANSACTIONS

Share option scheme of the Company

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 14 May 2024 for the primary purpose of providing incentives to directors and eligible employees, and will expire on 17 April 2029. Under the Scheme, the Board of Directors of the Company may grant options with performance conditions to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

At 31 December 2024 and 2025 and 31 March 2026, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 3,917,040, 3,190,797 and 3,190,797 respectively, representing 0.81% and 0.66% respectively of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 20% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

(a) Details of the terms and conditions of the grant of share options are as follows:

	Number of share options	Vesting period	Exercise dates	Exercise price	Fair value at grant date
Share options granted to directors and employees:					
– on 14 May 2024	3,917,040	From 14 May 2024 to 13 May 2025: 30%	14 May 2025: 30%	RMB30.89	RMB31.51
		From 14 May 2025 to 13 May 2026: 30%	14 May 2026: 30%	RMB30.89	RMB32.37
		From 14 May 2026 to 13 May 2027: 40%	14 May 2027: 40%	RMB30.89	RMB33.71
– on 18 April 2025	400,000	From 18 April 2025 to 17 April 2026: 30%	18 April 2026: 30%	RMB30.89	RMB37.44
		From 18 April 2026 to 17 April 2027: 30%	18 April 2027: 30%	RMB30.89	RMB38.42
		From 18 April 2027 to 17 April 2028: 40%	18 April 2028: 40%	RMB30.89	RMB39.72
	4,317,040				

The Black-Scholes option pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the best estimate of the directors of the Company. Changes in variables and assumptions may result in changes in the fair value of the options. These fair values and corresponding inputs into the model were as follows:

Option granted	Grant date option fair value per share	Exercise price	Expected volatility	Expected life	Risk-free rate	Expected dividend yield
Options granted on 14 May 2024	RMB31.51 to RMB33.71	RMB30.89	22.71% to 24.75%	1 to 3 years	1.50% to 2.75%	0.00%
Options granted on 18 April 2025	RMB37.44 to RMB39.72	RMB30.89	30.20% to 40.20%	1 to 3 years	1.50% to 2.75%	0.00%

(b) The movement of the grant of share options are as follows:

	Number of share options	Exercisable at the end of the year	Weighted average exercise price
Outstanding as at 1 January 2024	–	–	–
Granted during the year	3,917,040		RMB30.89
Outstanding as at 31 December 2024 and 1 January 2025	3,917,040	–	RMB30.89
Granted during the year	400,000		RMB30.89
Forfeited during the year	(74,871)		RMB30.89
Surrendered during the year	(80,560)		RMB30.89
Exercised during the year	(970,812)		RMB30.89
Outstanding as at 31 December 2025 and 31 March 2026	3,190,797	–	RMB30.89

Equity-settled share-based compensation expenses of nil, approximately RMB45,128,000, RMB54,553,000, RMB11,892,000 and RMB7,264,000 were recognised as staff costs in profit or loss for the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026 respectively and the remaining balance is to be recognised in the future based on the respective vesting periods.

34. RESERVES

The amounts of the Group's reserves and the movements therein during the Track Record Period are presented in the consolidated statements of changes in equity.

(a) Capital reserve

Capital reserve mainly represents i) the difference between the cost of acquisition and the non-controlling interests acquired in the case of acquisition of additional non-controlling interests of subsidiaries, or the difference between the proceeds from disposal and the non-controlling interests disposed of in the case of disposal of partial equity interests in subsidiaries to non-controlling shareholders without loss of control. Details of the movements in the capital reserve are set out in the consolidated statements of changes in equity; and ii) the share-based compensation reserve due to equity-settled share-based payment transactions.

(b) Other reserve

Other reserve mainly represents changes in remeasurement of net defined benefit liability.

(c) Translation reserve

Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

(d) Statutory reserve

In accordance with the PRC Company Law and the articles of association of the subsidiaries established in the PRC, the Group is required to appropriate 10% of its net profit after tax, as determined under the Chinese Accounting Standards, to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital. Subject to certain restrictions set out in the relevant PRC regulations and in the articles of association of the subsidiaries established in the PRC, the statutory surplus reserve may be used either to offset losses, or to be converted to increase share capital provided that the balance after such conversion is not less than 25% of the registered capital of the Group. The reserve cannot be used for purposes other than those for which it is created and is not distributable as cash dividends.

The Company

	Capital reserve	Other reserves	Fair value reserve (non-recycling)	Statutory reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	8,850,613	–	8,661	51,838	202,695	9,113,807
Profit for the year	–	–	–	–	17,026	17,026
Other comprehensive income for the year	–	–	1,860	–	–	1,860
Total comprehensive income for the year	–	–	1,860	–	17,026	18,886
Disposal of equity instruments designated at other comprehensive income	–	–	(9)	1	8	–
Appropriation on statutory reserve	–	–	–	1,702	(1,702)	–
Dividends recognized as distribution	–	–	–	–	(38,527)	(38,527)
At 31 December 2023	8,850,613	–	10,512	53,541	179,500	9,094,166
Profit for the year	–	–	–	–	236,886	236,886
Other comprehensive expense for the year	–	–	(19,080)	–	–	(19,080)
Total comprehensive (expense) income for the year	–	–	(19,080)	–	236,886	217,806
Disposal of equity instruments designated at other comprehensive income	–	–	(1,852)	185	1,667	–
Equity-settled share-based compensation expense *(Note 33)*	45,128	–	–	–	–	45,128
Acquisition of interest in a subsidiary	6,528	–	–	–	–	6,528
Appropriation on statutory reserve	–	–	–	23,689	(23,689)	–
Dividends recognized as distribution	–	–	–	–	(96,314)	(96,314)
At 31 December 2024	8,902,269	–	(10,420)	77,415	298,050	9,267,314

The Company

	Capital reserve	Other reserves	Fair value reserve (non-recycling)	Statutory reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	8,902,269	–	(10,420)	77,415	298,050	9,267,314
Profit for the year	–	–	–	–	232,177	232,177
Other comprehensive expense for the year	–	–	(1,276)	–	–	(1,276)
Total comprehensive (expense) income for the year	–	–	(1,276)	–	232,177	230,901
Disposal of equity instrument designated at other comprehensive income	–	–	(345)	31	314	–
Equity-settled share-based compensation expense *(Note 33)*	54,553	–	–	–	–	54,553
Shares issued *(Note 32)*	29,018	–	–	–	–	29,018
Appropriation on statutory reserve	–	–	–	23,218	(23,218)	–
Dividends recognized as distribution	–	–	–	–	(48,156)	(48,156)
At 31 December 2025	8,985,840	–	(12,041)	100,664	459,167	9,533,630
Profit for the period	–	–	–	–	18,055	18,055
Other comprehensive income for the period	–	–	71,714	–	–	71,714
Total comprehensive income for the period	–	–	71,714	–	18,055	89,769
Equity-settled share-based compensation expense *(Note 33)*	7,264	–	–	–	–	7,264
At 31 March 2026	8,993,104	–	59,673	100,644	477,222	9,630,663

35. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debts, net of cash and cash equivalents and restricted bank deposits, and equity attributable to owners of the Company, comprising share capital and reserves.

The management of the Group reviews the capital structure periodically. As part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital and balance its overall capital structure through the payment of dividends, new share issues and share buy-back as well as the issue of new debts or the redemption of existing debts.

36. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at amortized cost (including cash and cash equivalents)	4,948,293	4,444,754	4,583,204	4,076,765
Equity instruments designated at FVTOCI	427,813	547,523	648,167	742,222
Financial assets at FVTPL	393,865	757,737	899,705	1,590,737
	5,769,971	5,750,014	6,131,076	6,409,724
Financial liabilities				
At amortized cost	685,220	661,680	853,420	853,883

The Company

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Financial assets at amortized cost (including cash and cash equivalents)	259,246	339,521	527,106	220,790
Equity instruments designated at FVTOCI	389,043	424,418	439,454	521,790
Financial assets at FVTPL	–	–	–	244,968
	648,289	763,939	966,560	987,548
Financial liabilities				
At amortized cost	25,743	25,468	26,903	23,672

(b) Financial risk management objectives and policies

The Group's major financial instruments include equity instruments designated at FVTOCI, financial assets at FVTPL, trade and bills receivables, other receivables and deposits, finance lease receivables, restricted bank deposits, bank balances and cash and trade and other payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk and foreign currency risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below.

The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Interest rate risk

The Group is exposed to cash flow interest rate risk related primarily to its variable-rate restricted bank deposits and bank balances.

Sensitivity analysis

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated. It is the Group's policy to keep its deposits at floating rate of interests so as to minimize the fair value interest rate risk. The management of the Group considered that the exposure to cash flow in interest rate risk in relation to restricted bank deposits and bank balances are minimal and no sensitivity analysis is presented accordingly.

(ii) Foreign currency risk

The Group is subject to foreign exchange rate risk arising from the assets and liabilities which are denominated in currencies other than the functional currency of the relevant group entity. The majority of the Group's foreign currency transactions and balances are denominated in USD, TWD, HKD, EUR, JPY, GBP, ILS, SGD and KRW. The management closely monitors foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

The Group's foreign currency denominated monetary assets and monetary liabilities include trade receivables, bank balances and trade and other payables at the end of respective reporting period and the carrying amounts are as follows:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Assets				
USD	2,341,742	2,669,971	2,884,270	3,031,019
TWD	361,061	252,133	212,708	231,302
HKD	5,317	5,664	1,469	665
EUR	40	38	41	–
JPY	1,968	2,037	2,036	2,410
GBP	515	98	234	833
ILS	7,063	6,509	6,339	5,432
SGD	95	110	126	95
KRW	576	3,802	3,751	4,190
Liabilities				
USD	363,978	312,568	329,863	364,587
TWD	101,403	162,190	243,249	261,161
HKD	431	373	422	402
EUR	–	793	18	–
ILS	51	1,140	87	61
JPY	23	22	–	15
SGD	7	30	16	–
KRW	–	–	–	84

The Company's foreign currency denominated monetary assets and monetary liabilities include bank balances at the end of respective reporting period and the carrying amounts are as follows:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Assets				
USD	22,934	7,088	10,378	2,064
Liabilities				
USD	–	112	3,148	–

Sensitivity analysis

The Group

The following table details the Group's sensitivity to a 5%, 5%, and 5% increase and decrease in RMB against the relevant foreign currencies including intra-group balances for the years ended 31 December 2023, 2024 and 2025, respectively. The sensitivity rates used represent management's assessment of the reasonably possible change in foreign exchange rates. A positive number (negative number) below indicates a decrease in post-tax profit (an increase in post-tax profit) where RMB strengthens 5%, 5% and 5% against the relevant foreign currency for the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026, respectively. For a 5%, 5% and 5% weakening of RMB against the relevant foreign currency for the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026 respectively, there would be an equal and opposite impact on the post-tax profit.

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Profit for the year					
USD	92,242	114,488	104,764	91,244	104,859
TWD	12,852	11,375	7,442	7,901	6,300
HKD	266	283	62	37	24
EUR	2	2	2	2	–
JPY	98	102	87	83	87
GBP	26	5	10	8	30
ILS	353	325	269	179	196
SGD	5	5	5	3	3
KRW	29	190	159	156	151

The Company

The following table details the Company's sensitivity to a 5%, 5% and 5% increase and decrease in RMB against the relevant foreign currencies including intra-group balances for the years ended 31 December 2023, 2024 and 2025, respectively. The sensitivity rates used represent management's assessment of the reasonably possible change in foreign exchange rates. A positive number (negative number) below indicates a decrease in post-tax profit (an increase in post-tax profit) where RMB strengthens 5%, 5% and 5% against the relevant foreign currency for the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026, respectively. For a 5%, 5% and 5% weakening of RMB against the relevant foreign currency for the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026, respectively, there would be an equal and opposite impact on the post-tax profit.

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Profit for the year					
USD	1,147	354	251	854	88

Credit risk and impairment assessment

In order to minimise the credit risk of trade and bills receivables, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of these balances individually and/or collectively at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In addition, the Group performs impairment assessment under ECL model in accordance with IFRS 9 on trade balances individually or based on provision matrix. For trade and bills receivables, the Group has applied the simplified approach under IFRS 9 to measure the loss allowance at lifetime ECL. The lifetime ECL provided for trade and bills receivables are RMB332,000, RMB334,000, RMB328,000, RMB331,000 and RMB238,000 (life-time not credit-impaired) for the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026, respectively, based on historical credit loss experience adjusted by forward-looking estimates without undue cost or effort.

The credit risk of bills receivables, finance lease receivables, other receivables and deposits are managed through an internal process. The credit quality of each counterparty is investigated before an advance is made. The Group also actively monitors the outstanding amounts owed by each debtor and identifies any credit risks in a timely manner in order to reduce the risk of a credit related loss. The Group performs impairment assessment under ECL model in accordance with IFRS 9 on these outstanding balances.

For bills receivables, finance lease receivables, other receivables and deposits, the Group measures the loss allowance at 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in likelihood or risk of a default occurring since initial recognition. Certain other receivables and deposits had significant increase in credit risk since initial recognition. The balances are monitored on an ongoing basis and the Group's exposure to credit risk is not significant since the Group only trades with creditworthy third parties, and the Group does not require any collateral from other debtors.

The 12m ECL on the bills receivables, finance lease receivables, other receivables and deposits are considered as insignificant during the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026 as the counterparties involved are considered with limited credit risk and the ECL involved is not material.

The credit risk on liquid funds is low because the counterparties are banks with high credit ratings assigned by international credit-rating agencies or state-owned banks in the PRC. The management of the Company consider the probability of default is negligible on the basis of high credit-rating issuers during the Track Record Period.

There has been no significant changes to estimation techniques or assumptions made during the Track Record Period.

The concentration of credit risk in respect of trade receivables is minimal, as the Group has a large number of customers. The management of the Company continue to monitor and assess the financial status of the counterparties, and they believe the exposure to credit risk on these balances is not significant as the counterparties are of good financial position.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and the flexibility through the use of borrowings. The management of the Company closely monitors the liquidity position and expects to have adequate sources of funding to finance the Group's operations.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities and lease liabilities. For non-derivative financial liabilities and lease liabilities, the tables have been drawn up based on the undiscounted cash flows of financial liabilities and lease liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

The Group

	On demand or within 1 year	1-2 years	2-5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2023					
Trade and other payables	674,352	–	10,868	685,220	685,220
Lease liabilities	12,562	8,493	13,481	34,536	32,262

	On demand or within 1 year	1-2 years	2-5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2024					
Trade and other payables	650,153	–	11,527	661,680	661,680
Lease liabilities	10,062	7,286	7,712	25,060	23,685

	On demand or within 1 year	1-2 years	2-5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2025					
Trade and other payables	844,164	–	9,256	853,420	853,420
Lease liabilities	8,925	6,602	3,011	18,538	17,757

	On demand or within 1 year	1-2 years	2-5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 March 2026					
Trade and other payables	844,789	–	9,094	853,883	853,883
Lease liabilities	7,630	6,303	1,444	15,377	14,774

The Company

	On demand or within 1 year	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*
At 31 December 2023			
Trade and other payables	25,743	25,743	25,743

	On demand or within 1 year	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*
At 31 December 2024			
Trade and other payables	25,468	25,468	25,468

	On demand or within 1 year	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*
At 31 December 2025			
Trade and other payables	26,903	26,903	26,903

	On demand or within 1 year	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*
At 31 March 2026			
Trade and other payables	23,672	23,672	23,672

(b) Fair value measurement of financial instruments

The Group

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (level 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Financial instruments	Fair value as at 31 December			As at 31 March	Fair value hierarchy	Valuation techniques and key inputs
	2023	2024	2025	2026		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*		
Equity instruments designated at FVTOCI						
– Unlisted investments	427,813	547,523	648,167	742,222	Level 3	The fair value was determined with reference to fair value of underlying investments *(Note)*
Financial assets at FVTPL						
– Wealth management products	368,865	539,737	549,705	615,737	Level 2	The fair value was determined with reference to the fair value of underlying investments of the plans which are provided by the counterparty financial institutions
– Structured deposits	250,000	218,000	350,000	975,000	Level 2	The fair value was determined with reference to the fair value of underlying investments of the plans which are provided by the counterparty financial institutions

Note: Should the fair value of underlying investments be increased/decreased by 1%, the fair value of unlisted investments would be decreased/increased by approximately RMB3,928,000, RMB4,560,000, RMB5,003,000 and RMB5,962,000 as at 31 December 2023, 2024 and 2025 and 31 March 2026, respectively.

The Group

The following table presents the reconciliation of Level 3 measurements of financial assets throughout the Track Record Period:

	Equity instruments designated at FVTOCI-unlisted investments
	RMB'000
At 1 January 2023	325,617
Additions	100,500
Disposals	(9)
Fair value gain during the year	1,705
At 31 December 2023	427,813
Additions	144,584
Disposals	(1,852)
Fair value loss during the year	(23,022)
At 31 December 2024	547,523
Additions	100,670
Disposal	(7,295)
Fair value gain during the year	10,777
Exchange realignment	(3,508)
At 31 December 2025	648,167
Additions	12,278
Fair value gain during the period	83,641
Exchange realignment	(1,864)
At 31 March 2026	742,222

Except for equity instruments designated at FVTOCI and financial assets at FVTPL, the management of the Group considers that the carrying amounts of the other financial assets and financial liabilities recorded at amortized costs in the consolidated financial statements approximate their fair values at the end of each reporting period.

The fair values of financial assets and financial liabilities (other than equity instruments designated at FVTOCI, and financial assets at FVTPL) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

There were no transfers between levels of fair value hierarchy during the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2026.

37. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

(i) During the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026, the Group entered into new lease agreements and recognised right-of-use assets for buildings of approximately RMB30,224,000, RMB3,502,000, RMB4,682,000, nil and nil and lease liabilities for buildings of approximately RMB30,224,000, RMB3,502,000, RMB4,682,000, nil and nil, respectively.

(b) Changes in liabilities arising from financing activities

	Lease liabilities
	RMB'000
At 1 January 2023	14,904
Cash flows used in financing activities	(17,643)
Finance cost for the year	142
Non-cash changes	30,224
Exchange realignment	4,635
At 31 December 2023	32,262
Cash flows used in financing activities	(10,492)
Finance cost for the year	1,083
Non-cash changes	3,502
Exchange realignment	(2,670)
At 31 December 2024	23,685
Cash flows used in financing activities	(11,438)
Finance cost for the year	866
Non-cash changes	4,682
Exchange realignment	(38)
At 31 December 2025	17,757
Cash flows used in financing activities	(3,212)
Finance cost for the period	198
Exchange realignment	31
At 31 March 2026	14,774
At 1 January 2025	23,685
Cash flows used in financing activities	(2,846)
Finance cost for the period	213
Exchange realignment	(2,026)
At 31 March 2025 (Unaudited)	19,026

(c) Total cash outflow for leases:

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Within financing activities	17,643	10,492	11,438	2,846	3,212

38. CONTINGENT LIABILITIES

At the end of each of reporting period during the Track Record Period, the Group and the Company did not have any significant contingent liabilities.

39. OPERATING LEASE ARRANGEMENTS

The Group as lessor

During the Track Record Period, the properties held by the Group for rental purposes were leased to tenants for terms ranging from three to five years.

Minimum lease payments receivable on leases are as follows:

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	6,980	6,094	1,638	5,055
In the second year	5,456	638	1,376	5,725
In the third year	–	418	110	4,856
In the fourth year	–	–	–	4,856
In the fifth year	–	–	–	1,214
	12,436	7,150	3,124	21,706

40. RETIREMENT BENEFITS PLANS

According to the relevant laws and regulations in the PRC, the Company's PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated by the local municipal government. The Group's PRC subsidiaries contribute to the scheme amounts calculated at a certain percentage of the average employee salary, as prescribed by the local municipal government, to fund employees' retirement benefits. The principal obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.

The Group also operates a Mandatory Provident Fund Scheme for all qualified employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustee. The Group contributes 5% of relevant payroll costs to the scheme and the same amount is matched by employees.

The Group also operates a number of defined contribution schemes in other overseas locations. Arrangements for these staff retirement benefits vary from country to country and are made in accordance with local regulations and custom.

The Group recognised the retirement benefit contributions of approximately RMB46,054,000, RMB48,523,000, RMB53,856,000, RMB13,882,000 and RMB14,596,000 for the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026 respectively.

41. RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

Name of entity	Relationship
Beijing Huaru Technology Co., Ltd* 北京華如科技股份有限公司	Controlled by the ultimate shareholder of the Company
Beijing Sihai Junxin Co., Ltd* 北京四海君芯有限公司	Controlled by the ultimate shareholder of the Company

The Group had material transactions during the Track Record Period, with related parties as follows:

		Year ended 31 December			Three months ended 31 March	
Related party	Nature of transaction	2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
					(Unaudited)	
Beijing Sihai Junxin Co., Ltd*.	Management fee expense	69	86	91	–	–
Beijing Huaru Technology Co., Ltd*	Rental income	9,335	6,838	6,845	1,733	1,098

* *English name for identification purpose only*

(b) Outstanding balances with related parties:

The Group

Amounts due from related parties included in trade receivables

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts due from related parties	2,676	3,578	3,432	1,987

The balances due from related parties including associates were trade in nature, unsecured, non-interest-bearing and repayable on demand.

Amounts due to related parties included in trade and other payables

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade related	1,611	1,611	1,179	1,179

The balances represented rental deposit due to related parties incurred in ordinary course of business, which were unsecured, non-interest-bearing and repayable when the tenancy agreement expired, and will not be settled prior to listing.

The Company

Amounts due from related parties included in trade and other receivables

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts due from related parties	8,325	9,185	16,413	18,921

The balances due from related parties were unsecured, non-interest-bearing and repayable on demand.

Amounts due to related parties included in trade and other payables

	As at 31 December			As at 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts due to related parties	13,419	13,033	10,167	10,167

The balances due to related parties were unsecured, non-interest-bearing and repayable on demand.

(c) The remuneration of key management personnel during the Track Record Period, is as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Short-term benefits	5,814	5,878	5,955	1,384	902
Retirement benefit scheme contributions	243	256	218	65	54
Share-based payment	–	2,174	2,292	573	279
	6,057	8,308	8,465	2,022	1,235

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

42. COMMITMENTS

At the end of each of the Track Record Periods, the Group did not have any significant contractual commitments.

43. SUBSEQUENT EVENTS

On 7 May 2026, the Company's shareholders approved the 2025 profit distribution plan at an annual general meeting, pursuant to which an aggregate amount of RMB72,381,000 (inclusive of tax) were subsequently paid in May 2026 to the shareholders of the Company on the record date for determining the shareholders' entitlement to the 2025 profit distribution plan, which amounted to a dividend of RMB1.5 (inclusive of tax) for every 10 shares of the Company.

Except for the above, no other significant subsequent events have occurred since the end of the Track Record Period and up to the date of this report.

44. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Group, the Company or any of its subsidiaries in respect of any period subsequent to 31 March 2026.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The information set forth in this Appendix IIA does not form part of the Accountants' Report issued by SHINEWING (HK) CPA Limited, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set forth 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 forth in Appendix I to this prospectus.

A. THE STATEMENT OF UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY

The following statement of unaudited pro forma adjusted consolidated net tangible assets of the Company and its subsidiaries (collectively "the Group") is prepared in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the basis set out below is to illustrate the effect of the proposed offering of the Company's H shares on The Stock Exchange of Hong Kong Limited (the "Global Offering") on the audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2026, as if the Global Offering had taken place on 31 March 2026.

This statement of unaudited pro forma adjusted consolidated net tangible assets 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 attributable to the owners of the Company had the Global Offering been completed as at 31 March 2026 or at any future dates.

	Audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2026	**Estimated net proceeds from the Global Offering**	**Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2026**	**Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per share as at 31 March 2026**	
	RMB'000 (Note 1)	*RMB'000 (Note 2)*	*RMB'000*	*RMB (Note 3)*	*HK$ (Note 4)*
Based on the Offer Price of HK$102.80 per share	9,258,348	2,720,342	11,978,690	23.31	26.93

Notes:

(1) The audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2026 is based on the audited consolidated net assets of the Group attributable to the owners of the Company of approximately RMB12,715,487,000 as at 31 March 2026, as extracted from the Accountants' Report of the Group set out in the Appendix I to this prospectus after deducting the Group's goodwill and intangible assets attributable to owners of the Company of approximately RMB3,007,784,000 and RMB449,355,000 respectively as at 31 March 2026.

(2) The estimated net proceeds from the Global Offering are based on 31,287,300 H shares expected to be issued under the Global Offering ("Offer Shares") and the indicative Offer Price of HK$102.80 per share, after deduction of the underwriting fees and commissions and other related expenses payable by the Group in relation to the Global Offering (excluding the listing expenses charged to profit or loss during the three years ended 31 December 2025 and the three months ended 31 March 2026). The estimated net proceeds from the Global Offering do not take into account any shares which may be allotted and issued by the Company upon the exercise of the over-allotment option.

(3) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per share as at 31 March 2026 is calculated based on 513,828,023 shares in issue, assuming that the Global Offering has been completed on 31 March 2026, but does not take into account of 1,123,644 restricted shares previously granted under the 2024 Restricted Share Incentive Plan which vested on 8 June 2026 and any shares which may be allotted and issued by the Company upon the exercise of the over-allotment option.

(4) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per share as at 31 March 2026 is translated from RMB to HK$ at an exchange rate of HK$1.00 to RMB0.8656, which was the exchange rate published by the People's Bank of China prevailing on the latest practicable date. No representation is made that the RMB amounts have been, could have been or may be converted to HK$, or vice versa, at that rate.

(5) No adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2026.

(6) If the Company had taken into account the approval and payment of 2025 final dividend of approximately RMB72,381,000 as at 31 March 2026, the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per share would be HK$26.77 based on the Offer Price of HK$102.80 per share.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

SHINEWING (HK) CPA Limited
17/F, Chubb Tower, Windsor House,
311 Gloucester Road,
Causeway Bay, Hong Kong

信永中和(香港)會計師事務所有限公司
香港銅鑼灣告士打道311號
皇室大廈安達人壽大樓17樓

To the Directors of Ingenic Semiconductor Co., Ltd.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Ingenic Semiconductor Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 31 March 2026 and related notes as set out on pages IIA-1 to IIA-2 of Appendix IIA to the prospectus (the "Prospectus") dated 17 August 2026 in connection the proposed listing (the "Proposed Listing") of shares of the Company on The Stock Exchange of Hong Kong Limited. The applicable criteria on the basis of which the directors have compiled the unaudited pro forma financial information are described on pages IIA-1 to IIA-2 in Appendix IIA to the Prospectus.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Proposed Listing on the Group's net tangible assets as of 31 March 2026 as if the Proposed Listing had been taken place at 31 March 2026. As part of this process, information about the Group's financial position has been extracted by the directors of the Company from the Group's financial information for three years ended 31 December 2025 and three months ended 31 March 2026, on which an accountants' report has been included in the Appendix I to the Prospectus.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 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 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG7") 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 requirement 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.

The firm applies Hong Kong Standard on Quality Management ("HKSQM") 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 29(7) of Chapter 4 of the Listing Rules, on the unaudited 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 unaudited 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 of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG7 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 unaudited 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 unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of the Proposed Listing on unadjusted financial information of the Group as if the Proposed Listing 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 Proposed Listing at 31 March 2026 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited 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 unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and

- the unaudited 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 event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited 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 unaudited 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 purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Wong Chuen Fai
Practising Certificate Number: P05589

Hong Kong
17 August 2026

A. BASES

The Directors have prepared the estimate of the consolidated profit attributable to owners of the Company for the six months ended June 30, 2026 (the "**Profit Estimate**") based on the audited consolidated results of the Group for the three months ended March 31, 2026 and the unaudited consolidated results based on the management accounts of the Group for the three months ended June 30, 2026.

The Profit Estimate has been prepared on the basis of the accounting policies consistent in all material aspects with those currently adopted by the Group as set out in the Accountants' Report, the text of which is set out in Appendix I to this prospectus.

B. PROFIT ESTIMATE FOR THE SIX MONTHS ENDED JUNE 30, 2026

On the bases set out above, and in the absence of unforeseen circumstances, the Company estimates that its unaudited consolidated profit attributable to owners of the Company for the six months ended June 30, 2026 is as follows:

Estimated consolidated profit attributable to owners of the Company for the six months ended June 30, 2026	Not less than RMB1,078.6 million (equivalent to HK$1,246.1 million)

C. LETTER FROM THE REPORTING ACCOUNTANTS

SHINEWING (HK) CPA Limited
17/F, Chubb Tower, Windsor House,
311 Gloucester Road,
Causeway Bay, Hong Kong

信永中和(香港)會計師事務所有限公司
香港銅鑼灣告士打道311號
皇室大廈安達人壽大樓17樓

The Board of Directors
Ingenic Semiconductor Co., Ltd.
A101-A113, 1/F, Building 14, East Block
10 Xibeiwang East Road
Haidian District
Beijing
The People's Republic of China

Guotai Junan Capital Limited
27/F, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

Dear Sirs,

Ingenic Semiconductor Co., Ltd.
(the "Company") and its subsidiaries, (collectively referred to as "the Group")

Profit Estimate for the Six Months Ended 30 June 2026

We refer to the estimate of the consolidated profit attributable to owners of the Company for the six months ended 30 June 2026 (the "Profit Estimate") set forth in the section headed "Financial Information" in the prospectus of the Company dated 17 August 2026 (the "Prospectus").

Directors' Responsibilities

The Profit Estimate has been prepared by the directors of the Company based on the audited consolidated results of the Group for the three months ended 31 March 2026 and the unaudited consolidated results based on the management accounts of the Group for the remaining three months ended 30 June 2026.

The Company's directors are solely responsible for the Profit Estimate.

Our Independence and Quality Management

We have complied with the independence and other ethical requirement of the "Code of Ethics for Professional Accountants" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management ("HKSQM") 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 Accountant's Responsibilities

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Estimate based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 "Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness" and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company's directors have properly compiled the Profit Estimate in accordance with the bases adopted by the directors of the Company and as to whether the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the directors of the Company as set out in Appendix IIB of the Prospectus and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in our accountants' report dated 17 August 2026, the text of which is set out in Appendix I of the Prospectus.

Yours faithfully,

SHINEWING (HK) CPA Limited
Certified Public Accountants
Wong Chuen Fai
Practising Certificate Number: P05589

Hong Kong
17 August 2026

D. LETTER FROM THE SOLE SPONSOR

The following is the text of a letter, prepared for the inclusion in this prospectus, received from Guotai Junan Capital Limited, the Sole Sponsor, in relation to our Group's profit estimate for the six months ended June 30, 2026.

The Directors

Ingenic Semiconductor Co., Ltd.

August 17, 2026

Dear Sirs and Madams,

We refer to the estimate of the consolidated profit attributable to the equity shareholders of Ingenic Semiconductor Co., Ltd. (the "**Company**") and its subsidiaries (collectively referred as the "**Group**") for the six months ended June 30, 2026 (the "**Profit Estimate**"), for which the directors of the Company (the "**Director**") are solely responsible, as set forth in the section headed "Financial Information — Profit Estimate for the Six Months Ended June 30, 2026" in the prospectus of the Company dated August 17, 2026 (the "**Prospectus**").

The Profit Estimate has been prepared by the Directors and based on the audited consolidated results of the Group for the three months ended March 31, 2026 and the unaudited consolidated results based on the management accounts of the Group for three months ended June 30, 2026.

We have reviewed and discussed with the Directors the bases made by the Directors as set out in Appendix IIB to the Prospectus upon which the Profit Estimate has been made. We have also considered and relied upon the letter dated August 17, 2026 addressed to the Directors and ourselves from the Company's reporting accountant, Shinewing (HK) CPA Limited, regarding the accounting policies and calculations upon which the Profit Estimate has been made.

On the basis of the information comprising the Profit Estimate and on the basis of the accounting policies and calculations adopted by the Directors and reviewed by Shinewing (HK) CPA Limited, we are of the opinion that the Profit Estimate, for which you as Directors are solely responsible, has been made after due and careful enquiry.

Yours faithfully,

For and on behalf of
Guotai Junan Capital Limited

OVERVIEW

This Appendix contains the summary of the principal provisions of the Articles of Association. As the main purpose of this appendix is to provide potential investors with an overview of the Company's Articles of Association, it may not necessarily contain all information that is important for prospective investors. As discussed in the section of Appendix V "Documents Delivered to the Registrar of Companies and Available on Display" to this document, the full document of the Articles of Association in Chinese is available for examination.

GENERAL PROVISIONS

The Company is a joint stock company with perpetual existence.

The Shareholders' liabilities to the Company are limited to the shares subscribed by them. The liabilities of the Company to the Company's debts shall only be limited to all its property.

The Articles of Association shall become a legally binding document governing the organization and conduct of the Company, and the rights and obligations between the Company and its Shareholders and among Shareholders since its effective date, and shall be legally binding on the Company, its Shareholders, Directors, senior management. According to the Articles of Association, Shareholders may sue other Shareholders, Directors, the general manager and other senior management of the Company and the Company. The Company may sue Shareholders, Directors, the general manager and other senior management.

SCOPE OF BUSINESS

The Company's scope of business in accordance with the registration under the laws includes: research and development, design, contract manufacturing, and sales of semiconductor integrated circuit chips; design and development of computer software, hardware, and computer network software and hardware products; sales of computer software, hardware, and related peripheral equipment, electronic components, and communication equipment; technology development, technology transfer, technical consulting, technical services, and technical training; technical testing; import and export of goods, import and export of technology, and import and export agency services; leasing of office and commercial premises.

SHARES

Issuance of Shares

The shares of the Company shall take the form of registered share certificates.

The shares of the Company shall be issued in accordance with the principles of open, fairness and justice. Each share of the same class shall carry the same rights.

Shares of the same class and in the same issue shall be issued on the same conditions and at the same price. Subscribers shall pay the same price for each of the shares it/he/she subscribes for.

Shares with a par value issued by the Company shall be denominated in RMB.

Increase/Reduction and Repurchase of Shares

The Company may, based on its requirements for operation and development and in accordance with applicable laws and regulations and regulations of the securities regulatory authorities in the place where the shares of the Company are listed, increase its share capital by a resolution passed at a general meeting in the following ways:

(1) issuing shares to unspecified investors;

(2) issuing shares to specified investors;

(3) distributing bonus shares to existing Shareholders;

(4) converting capital reserves into share capital;

(5) any other ways permitted by laws, administrative regulations, and as approved by the CSRC and the securities regulatory authorities in the place where the shares of the Company are listed.

The Company may reduce its registered capital. Any reduction of the Company's registered capital shall be carried out in accordance with the procedures stipulated in the Company Law, other applicable regulations, and the provisions of the Articles of Association.

The Company shall not purchase its shares, except in one of the following circumstances:

(1) reduction of the registered capital of the Company;

(2) merging with other company that holds shares of the Company;

(3) using of shares for employee share ownership scheme or equity incentives;

(4) requesting to the Company to acquire its own shares from shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company;

(5) using of shares for conversion of corporate bonds convertible into shares issued by the Company;

(6) safeguarding corporate value and the interests of Shareholders as the Company deems necessary.

The Company may purchase its shares through public centralized trading or other methods permitted by laws, administrative regulations, and as recognized by the CSRC and the securities regulatory authorities in the place where the shares of the Company are listed.

Where the Company purchases its shares under the circumstances specified in Items (3), (5), and (6) above, such purchase shall be conducted through public centralized trading.

When the Company purchases its shares, it shall fulfill its information disclosure obligations in accordance with the provisions of the Securities Law and the securities regulatory rules of the place where the Company's shares are listed.

The acquisition of its own shares by the Company pursuant to the foregoing paragraphs (1) or (2) shall be subject to approval at the general meeting by way of resolution; the acquisition of its own shares by the Company pursuant to the foregoing paragraphs (3), (5) or (6) shall be subject to approval by way of a resolution at a meeting of the Board attended by more than two-thirds of the Directors in accordance with the provisions of the Articles of Association or the mandate of the general meeting.

Where the Company purchases its shares in accordance with the above provisions, under circumstance (1) above, the shares shall be cancelled within ten days from the date of purchase; under circumstances (2) and (4) above, the shares shall be transferred or cancelled within six months; and under circumstances (3), (5) and (6) above, the total number of shares held by the Company shall not exceed 10% of its total issued share capital and shall be transferred or cancelled within three years after the announcement of the repurchase results and share changes. Where laws, regulations and the securities regulatory rules of the place where the Company's shares are listed provide otherwise in respect of the matters related to share repurchases, such provisions shall prevail.

When the Company purchases its own shares, it shall fulfill its information disclosure obligations in accordance with the provisions of the Securities Law, the stock exchange where the Company's shares are listed and other securities regulatory rules.

Transfer of Shares

The shares of the Company may be transferred in accordance with the law.

The Company shall not accept its own shares as the subject of a pledge.

Shares issued before the Company's public issuance of A Shares shall not be transferred within one year from the date when the Company's A Shares are listed and traded on the Shenzhen Stock Exchange.

Directors, senior management of the Company shall report to the Company about their shareholdings and changes thereof, and shares transferred each year during their terms of office as determined at the time of their assumption of office shall not exceed 25% of the total number of shares of the same class they held in the Company; shares they held in the Company shall not be transferred within one year after A Shares of the Company are listed. The aforesaid persons shall not transfer their shares in the Company within half a year after they terminate service with the Company; the proportion of the Company's shares sold through listing on the stock exchange within twelve months after half a year after leaving office shall not exceed 50% of the total shares held in the Company.

Shareholders holding more than 5% of the Company's shares, as well as Directors and senior management, who sell shares or other equity-type securities of the Company within six months after purchase, or repurchase such shares or securities within six months after sale, shall have the gains from such transactions belong to the Company. The Company's Board shall recover such gains. However, this does not apply to securities companies holding more than 5% of shares due to purchasing unsold shares in underwriting, nor to other circumstances stipulated by the CSRC. Where otherwise provided by laws, regulations and the securities regulatory rules of the place where the Company's shares are listed, such provisions shall apply.

The shares or other equity-type securities held by the Directors, senior management, and individual Shareholders mentioned above include those held by their spouses, parents, children, and those held through accounts of others.

If the Board fails to enforce the provisions above, Shareholders have the right to require the Board to enforce it within 30 days. If the Board still fails to enforce it within the specified period, Shareholders have the right, in the interest of the Company, to initiate litigation in their own name directly with the People's Court.

The responsible Directors shall bear joint and several liability in accordance with the law if the Board fails to enforce the provisions above.

SHAREHOLDERS AND GENERAL MEETINGS

Shareholders

The Company shall establish a register of Shareholders in accordance with evidentiary documents provided by the securities registration and settlement authorities. The register of Shareholders is sufficient evidence to prove that the Shareholders hold the Company's shares. A Shareholder shall enjoy rights and bear obligations according to the class of shares held. Shareholders holding the same class of shares shall enjoy the same rights and bear the same obligations.

The original register of Shareholders of H Shares listed in Hong Kong is kept in Hong Kong and is available for inspection by Shareholders, but the Company may suspend the registration of Shareholders in accordance with applicable laws and regulations and the securities regulatory rules of the place where the Company's shares are listed. In the event that any Shareholder whose name is recorded in or any person who requests to have his/her name entered in the register of Shareholders of H Shares loses his/her share certificate(s), he/she may apply to the Company for replacement of new share certificate(s) in respect thereof. Where a holder of overseas-listed foreign shares loses his/her share certificate(s) and applies for replacement, such application shall be dealt with in accordance with the laws, rules of the stock exchange or other relevant regulations of the place where the original register of Shareholders of overseas-listed foreign shares is maintained.

When the Company convenes a general meeting, distributes dividends, undergoes liquidation, or engages in other activities requiring confirmation of Shareholder identity, the Board or the convenor of the general meeting shall determine the record date. Shareholders registered in the register of Shareholders after the close of business on the record date shall be entitled to the relevant rights and interests.

The Shareholders of the Company shall enjoy the following rights:

(1) the right to dividends and other distributions in proportion to the number of shares held;

(2) the right to request to call, convene, preside over, attend or appoint proxies to attend general meeting and to speak up or vote thereat;

(3) the right to supervise the Company's business operations, and the right to present proposals or enquiries;

(4) the right to transfer shares, give by way of gift or pledge shares held in accordance with laws, administrative regulations and provisions of the Articles of Association;

(5) the right to inspect and make copies of the Articles of Association, the register of Shareholders, minutes of general meetings, resolutions of the Board, and financial and accounting reports. Shareholders who individually or in aggregate hold over 3% of the shares of the Company for more than 180 consecutive days may also inspect the Company's accounting books and accounting vouchers;

(6) in the event of the termination or liquidation of the Company, to participate in the distribution of surplus assets of the Company in accordance with the number of shares held;

(7) for the Shareholder who raises an objection to the resolutions of the general meeting regarding the merger or division of the Company, the right to require the Company to purchase his Shares;

(8) other rights stipulated in the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Shareholders who request for access to and copy relevant materials of the Company, he/she shall comply with the requirements of laws, administrative regulations such as the Company Law and the Securities Law, and the securities regulatory rules of the place where the Company's shares are listed, and provide the Company with documents showing the class and number of shares he holds. The Company shall provide such information as requested by the Shareholder after his identification has been verified.

Where the resolutions of a general meeting or a meeting of the Board violate laws or administrative regulations, Shareholders are entitled to make a petition to the people's court to nullify such resolutions.

Where the convening or voting procedures of a general meeting or a meeting of the Board violate laws, administrative regulations or the Articles of Association, or the resolutions of such meeting violate the Articles of Association, Shareholders are entitled to make a petition to the people's court to revoke the resolutions adopted in such meeting within 60 days from the date when such resolutions are adopted. However, this will not apply where there are only minor defects in the procedures for convening or the voting methods of the general meeting or the Board that do not have a substantive impact on the resolution.

If the Board, Shareholders or other relevant parties dispute the validity of a resolution at the general meeting, they shall promptly initiate legal proceedings with the People's Court. Prior to the issuance of a judgment or ruling by the People's Court to revoke such resolution or otherwise, the relevant parties shall implement the resolution of the general meeting, and no party may refuse to execute such resolutions on the grounds of their alleged invalidity. The Company, its Directors and senior management shall practically perform their duties to ensure the normal operation of the Company.

Before the People's Court issues a resolution or ruling to revoke the relevant matter, the Company shall, in accordance with the law, administrative regulations, and the requirements of the CSRC and the stock exchange, fulfil its information disclosure obligations, fully explain the impact, and actively cooperate in enforcement after such judgment or ruling becomes effective. If correction of prior matters is involved, the Company should promptly address them and discharge the corresponding information disclosure obligations.

Resolutions of a general meeting or a Board meeting of the Company shall be invalid in any of the following circumstances:

(1) the resolution was not made by a general meeting or a board meeting;

(2) no voting on the resolution was made on at a general meeting or a Board meeting;

(3) the number of attendees of the meeting or the number of their voting rights does not meet the quorum or the number of voting rights as required by the Company Law, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association;

(4) the number of attendees voting in favor of the resolution or the number of their voting rights do not meet the quorum or the number of voting rights as required by the Company Law, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Shareholders may institute legal proceedings in the People's Court against any Director or senior management who damages the Shareholders' interests by violating any law, administrative regulation or the Articles of Association.

The Shareholders of the Company shall assume the following obligations:

(1) to abide by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;

(2) to pay subscription monies according to the number of shares subscribed and the method of subscription;

(3) not to withdraw their share capital except in circumstances allowed by laws and regulations and the securities regulatory rules of the place where the Company's shares are listed;

(4) not to abuse its/his rights as a Shareholder to infringe the interests of the Company or other Shareholders and not to abuse the independent position of the Company as a legal person or the limited liability status of the Shareholders to infringe the interests of creditors of the Company;

(5) other obligations imposed by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Where a Shareholder's abuse of rights as a Shareholder has caused damages to the Company or other Shareholders, he/it shall be liable for compensation in accordance with laws. Where a Shareholder abuses the independent position of the Company as a legal person, or the limited liability status of Shareholders for the evasion of its debts and such acts have caused serious damages to interests of the Company's creditors, he/it shall bear joint and several liabilities in respect of the debts of the Company.

Controlling Shareholders and Actual Controllers

The controlling Shareholders and the actual controllers of the Company shall exercise their rights and perform their obligations in accordance with the provisions under the law, administrative regulations, the regulations of the CSRC and the Shenzhen Stock Exchange and the securities regulatory rules of the place where the Company's shares are listed, and shall safeguard the interests of the Company.

The controlling Shareholders and the actual controllers of the Company shall comply with the following provisions:

(1) Exercise Shareholder rights in accordance with the law, without abusing control rights or exploiting related-party relationships to harm the lawful rights and interests of the Company or other Shareholders;

(2) Strictly perform any public statements and undertakings made, without unauthorized alteration or waiver;

(3) Fulfil information disclosure obligations in strict accordance with relevant regulations, actively cooperate with the Company in its information disclosure, and promptly inform the Company of any material events that have occurred or are expected to occur;

(4) Shall not occupy corporate funds in any manner;

(5) Shall not compel, instruct, or require the Company or its relevant personnel to provide guarantees in violation of laws or regulations;

(6) Shall not exploit any undisclosed material information of the Company to seek benefits, shall not disclose any undisclosed material information relating to the Company in any manner, and shall not engage in insider trading, short-swing trading, market manipulation or any other unlawful or non-compliant conduct;

(7) Shall not harm the lawful rights and interests of the Company and other Shareholders through any unfair related party transactions, profit distributions, asset restructurings, external investments or any other means;

(8) Shall ensure the integrity of the Company's assets, independence of its personnel, finance, organization and business, and shall not interfere with the Company's independence in any manner;

(9) Comply with other provisions under the laws, administrative regulations, the regulations of the CSRC, business rules of the Shenzhen Stock Exchange, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Where the controlling Shareholders or actual controllers of the Company do not serve as a Director but actually transacts the business of the Company, the provisions of the Articles of Association concerning the fiduciary duties and duties of diligence of Directors shall apply.

Where the controlling Shareholders or actual controllers instruct any Director or senior management to engage in acts that are detrimental to the interests of the Company or its Shareholders, they shall bear joint and several liability with such management.

General Provisions for General Meeting

The general meeting of the Company shall be composed of all Shareholders. The general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with law:

(1) to elect and replace Directors and decide on matters relating to the remuneration of Directors;

(2) to consider and approve reports of the Board;

(3) to consider and approve the Company's profit distribution plans and plans for making up losses;

(4) to resolve on increases or reductions in the Company registered capital;

(5) to resolve on the issue of debentures by the Company;

(6) to resolve on merger, division, dissolution and liquidation of the Company or change in company form;

(7) to amend the Articles of Association;

(8) to resolve on the engagement and dismissal of the Company's accounting firm engaged in the audit work of the Company and the determination of its remuneration;

(9) to consider and approve matters stipulated in the Articles of Association that require approval by the general meeting, including external investments, acquisitions and disposals of assets, asset mortgages and pledges, entrusted asset management, related-party transactions, and debt financing;

(10) to consider the purchases and disposals of significant assets within one year exceeding 30% of the latest audited total assets of the Company;

(11) to consider and approve the change of use of proceeds;

(12) to consider the equity incentive scheme and employee share ownership scheme;

(13) to consider other matters which require resolutions of the Shareholders in the general meeting according to relevant laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or provisions of the Articles of Association.

The Board may be authorized by the general meeting to adopt resolutions on the issuance of corporate bonds.

Unless otherwise provided by law, administrative regulations, the regulations of the CSRC or the rules of the Shenzhen Stock Exchange or the securities regulatory rules of the place where the Company's shares are listed, the above-mentioned functions and powers of the general meeting shall not be exercised by the Board or other bodies and individuals on its behalf by way of delegation.

General meetings include annual general meetings and extraordinary general meetings. Annual general meetings shall be held by the Company once every year and within six months from the close of the preceding fiscal year.

The Company shall convene an extraordinary general meeting within 2 months upon the occurrence of the following events:

(1) the number of Directors is less than the number as stipulated in Company Law or less than two-thirds of the number as specified in the Articles of Association;

(2) the unrecovered losses of the Company amount to one-third of the total amount of its share capital;

(3) on request by the Shareholder(s) individually or collectively holding 10% or more of the shares of the Company;

(4) whenever the Board considers it necessary;

(5) when the Audit Committee proposes to hold such a meeting;

(6) any other circumstances as stipulated in the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Convening of General Meeting

The Board shall convene the general meeting on time within the specified period.

Subject to the consent of more than half of all the independent Directors, an extraordinary general meeting shall be convened with proposal by more than half of the independent Directors to the Board. The Board shall, in accordance with the requirements of the laws, administrative regulations and the Articles of Association, give a written response as to whether or not it agrees to convene an extraordinary general meeting within 10 days upon receipt of such proposal.

If the Board agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days after resolution of the Board is passed; if the Board does not agree to convene the extraordinary general meeting, it shall make announcement with relevant explanations.

The Audit Committee shall have the right to propose to the Board to convene an extraordinary general meeting. Such proposal shall be made in writing. The Board shall give written response as to whether or not it agrees to convene such an extraordinary general meeting within 10 days upon receipt of the proposal in accordance with the requirements of the laws, administrative regulations and the Articles of Association. If the Board agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days after the resolution of the Board is passed. Any change made to the original proposal in the notice shall be approved by the Audit Committee.

If the Board does not agree to convene the extraordinary general meeting, or fails to make a response within 10 days upon receipt of the proposal, it shall be deemed that the Board is unable or fail to fulfil its responsibilities to convene the general meeting. The Audit Committee can then convene and preside over the general meeting by itself.

Shareholder(s) individually or collectively holding 10% or more of the shares of the Company shall request the Board to convene an extraordinary general meeting. Such request shall be made in writing. The Board shall give written response as to whether or not it agrees to convene such an extraordinary general meeting within 10 days upon receipt of the request in accordance with the requirements of the laws, administrative regulations and the Articles of Associations.

If the Board agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within 5 days after the resolution of the Board is passed. Any change made to the original proposal in the notice shall be approved by the relevant Shareholders.

If the Board does not agree to convene the extraordinary general meeting, or fails to make a response within 10 days upon receipt of the request, the Shareholder(s) individually or collectively holding 10% or more of the shares of the Company shall propose to the Audit Committee to convene the extraordinary general meeting. Such request shall be made in writing.

If the Audit Committee agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within 5 days upon receipt of the request. Any change made to the original request in the notice shall be approved by the relevant Shareholders.

If the Audit Committee fails to issue a notice of the general meeting within a specified period, it shall be deemed that the Audit Committee shall not convene and preside over the general meeting, the Shareholder(s) individually or collectively holding 10% or more of the shares of the Company for more than 90 consecutive days may convene and preside over the meeting by himself/herself/themselves.

Proposals and Notices of General Meetings

The contents of a proposal shall be within the scope of the duties and powers of the general meeting, have definite themes and specific matters for resolutions, as well as in compliance with the relevant requirements of the laws, administrative regulations and the Articles of Association.

The Board, the Audit Committee, and Shareholder(s) individually or jointly holding more than 1% of the Company's shares shall have the right to submit to the Company proposed motions at a general meeting of the Company.

The Shareholder(s) individually or jointly holding more than 1% of the Company's shares may propose extra motions in writing to the convenor of a general meeting 10 days prior to the meeting. The convenor shall issue a supplementary notice of the general meeting and announce the contents of such extra proposed motions within 2 days after receipt thereof and submit the temporary proposal to the general meeting for review, except for any proposal that violates the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, or any proposal that falls outside the purview of the general meeting.

Except for the circumstances specified above, the convenor of a general meeting shall not amend the proposed motions set out in the notice of the meeting or add any new proposals subsequent to the issue of the notice of the general meeting.

Proposals which are not specified in the notice of the general meeting or which do not comply with Articles of Association hereof shall not be voted on and resolved at the general meeting.

An announcement of an annual general meeting shall be given by the convenor to all Shareholders 20 days before the meeting is held and an announcement of an extraordinary general meeting shall be given to all Shareholders 15 days before the meeting is held.

Notice of general meeting shall include the following contents:

(1) the time, venue, and duration of the meeting;

(2) matters and proposals to be considered at the meeting;

(3) an express statement that a Shareholder is entitled to attend the general meeting, and to appoint proxy(ies) in writing to attend and vote on his/her behalf at the meeting, and that a proxy need not be a Shareholder of the Company;

(4) the record date on which Shareholders have the right to attend the general meeting;

(5) the names and telephone numbers of permanent contact persons for the affairs of the meeting;

(6) time and procedures of the voting online or by any other means;

(7) other contents that shall be included in the notice stipulated in relevant laws, regulations, rules, normative documents, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

After a notice of general meeting is given, the general meeting shall not be postponed or cancelled, and the proposals set out in the notice of general meeting shall not be cancelled without due reason. In the event that the meeting is postponed or cancelled, the convenor shall make an announcement and explain the reasons at least 2 working days prior to the scheduled meeting date.

Conducting the General Meeting

All Shareholders in the register as at the date of registration of shareholdings or their proxies shall be entitled to attend the general meeting, and to exercise their speaking and voting rights pursuant to the relevant laws, regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, unless individual Shareholders are required to waive their voting rights on certain matters under the securities regulatory rules of the place where the Company's shares are listed.

A Shareholder may attend, speak and vote at the general meeting in person or by proxy.

If the general meeting requests the attendance of Directors and senior management, the Directors and senior management shall attend the meeting and accept the enquiry of Shareholders.

The general meeting shall be presided over by the chairman of the Board. Where the chairman of the Board is unable to discharge the duty or will not discharge the duty, more than one half of the Directors shall jointly designate a Director to preside over the meeting.

If a general meeting is convened by the Audit Committee, the convenor of the Audit Committee shall preside over the meeting. If the convenor of the Audit Committee is unable to discharge the duty or will not discharge the duty, more than one half of the members of the Audit Committee shall jointly designate a member of the Audit Committee to preside over the meeting.

If a general meeting is convened by the Shareholders themselves, the convenor or a representative elected by him/her shall preside over the meeting.

At a general meeting, if the chairman of the meeting contravenes the meeting procedures, making the general meeting impossible to proceed, with consent from more than one half of the attendant Shareholders with voting rights, a person may be nominated at the general meeting to serve as the chairman and continue with the meeting.

Voting and Resolution at the General Meeting

Resolutions of a general meeting are classified as ordinary resolutions and special resolutions.

To adopt an ordinary resolution, more than half of the votes represented by the Shareholders (including proxies) present at the meeting must be cast in favor of the resolution.

To adopt a special resolution, two-thirds or more of the votes represented by the Shareholders (including proxies) present at the meeting must be cast in favor of the resolution.

The following matters shall be resolved by ordinary resolutions at a general meeting:

(1) the work reports of the Board of Directors;

(2) any plans formulated by the Board of Directors for distribution of profits and for making up losses;

(3) any appointment or removal of members of the Board of Directors, and their remuneration and manner of payment thereof;

(4) any matters other than those to be approved by special resolution as required by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The following matters shall be resolved by special resolutions at a general meeting:

(1) an increase in or a reduction of the Company's share capital;

(2) any merger, division, spin-off, change of corporate form, dissolution and liquidation (including voluntary winding-up) of the Company;

(3) any amendment to the Articles of Association;

(4) the purchase or disposal of material assets or provision of guarantee by the Company within a year of a value exceeding 30% of the Company's latest audited total assets;

(5) the equity incentive scheme;

(6) any other matters prescribed by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, and those approved as an ordinary resolution at a general meeting that may have material impact on the Company and are required to be approved by a special resolution.

If the share capital of the Company contains different classes of shares, any alteration made to the rights attached to any shares of such class shall be approved by Shareholders attending general meetings of such class of shares with voting rights by special resolutions unless otherwise required. For the purpose of this matter, A Shares and H Shares of the Company shall be deemed as same class of shares.

Shareholders (including proxies) exercise their voting rights in accordance with the number of shares with voting rights represented by them, and each share entitles the Shareholder one vote.

The resolutions of the general meeting shall be promptly announced. The announcement shall specify the number of Shareholders and proxies who attended, the total number of voting shares held by those Shareholders and the percentage of the Company's total number of voting shares accounted for by those shares, the voting method, the result of the vote on each motion and the details of each resolution passed.

BOARD OF DIRECTORS

Directors

Directors shall be elected or replaced at the general meeting and may be removed from their office by the general meeting prior to expiration of the term of office. A Director shall serve a term of three years and may serve a consecutive term if re-elected upon expiration of their term of office.

A Director's term of service commences from the date he/she takes office, until the current term of service of the Board ends. A Director shall continue to perform his/her duties as a Director in accordance with the laws, administrative regulations, departmental rules and the Articles of Association until a re-elected Director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office.

A Director may serve concurrently as senior management, but the total number of Directors serving concurrently as senior management and employee representative Directors shall not be more than half of the Directors of the Company.

The Board of the Company shall include 1 employee representative Director, who shall be elected by the Company's employees at an employee representative meeting, employee meeting or through other means of democratic election, without requiring consideration and approval at a general meeting.

Directors shall abide by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, bear a fiduciary duty to the Company and take measures to avoid the conflict between their own interests and those of the Company and may not seek any improper interests by taking advantage of their powers.

The Directors shall comply with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association and shall diligently perform their obligations to the Company, and shall fulfill their obligations with reasonable care generally due to managers in the best interests of the Company.

Board of Directors

The Company establishes the Board of Directors, which consists of 12 Directors, including 1 chairman. The chairman shall be elected by the Board with a majority vote of all Directors. Independent Directors shall account for no less than one-third of Board members.

The Board of Directors shall exercise the following functions and powers:

(1) to convene a general meeting and to report on its work to the general meeting;

(2) to implement resolutions of the general meeting;

(3) to decide on the Company's operating plans and investment proposal;

(4) to formulate the Company's profit distribution proposals and loss recovery proposal;

(5) to formulate the Company's proposals for the increase or reduction of the registered capital, or for the issuance of debentures or other securities and listing plan;

(6) to formulate proposals for the Company's material acquisition and purchase of Company's shares, or plans for the merger, division, dissolution of the Company and change of corporate form;

(7) to decide on the Company's internal management structure;

(8) to determine the appointment or dismissal of the general manager, secretary to the Board and other senior management of the Company, and to decide the matters on their remuneration and rewards as well as penalties; to determine the appointment or dismissal of other senior management of the Company according to the nominations by the general manager, and to decide the matters on their remuneration and rewards as well as penalties;

(9) to set up the basic management system of the Company;

(10) to decide on matters such as foreign investment, acquisition and sale of assets, pledge of assets, external guarantee matters, entrusted financial management, connected transactions and external donations within the authorization of the general meeting;

(11) to formulate proposals for any amendment of the Company's Articles of Association;

(12) to manage corporate disclosure matters;

(13) to propose to the general meeting to appoint or replace the accounting firm performing the audit of the Company;

(14) to receive reports on the work of the Company general manager and check the general manager's work;

(15) to decide to purchase Company's shares due to the circumstances specified in the Articles of Association;

(16) to exercise such other authorities as conferred by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association or general meetings.

The functions and powers specified in items (1) to (9) above shall be exercised collectively by the Board, and shall not be delegated to be exercised by others, nor be modified or deprived by means of the Articles of Association or the resolutions of the general meeting.

For other functions and powers of the Board as stipulated in the Articles of Association, major business and matters shall be subject to approval upon collective decision-making, rather than sole decision by one or several delegated Directors.

The Board of Directors may authorize its members to exercise certain functions and powers other than those mentioned above during the intersessional period, but the authorization content must be clear and specific.

The chairman of the Board shall strictly implement the collective decision-making mechanism of the Board of Directors, and shall not substitute personal opinions for the decision-making of the Board of Directors or affect the independent decision-making of other Directors.

Matters exceeding the scope of authorization of the general meeting shall be submitted to the general meeting for consideration.

The Board of Directors shall hold at least four regular meetings each year on a roughly quarterly basis and shall be convened by the chairman. Notice of a regular meeting of the Board of Directors shall be given to all Directors at least 14 days in advance.

Meetings of the Board shall be held in the presence of more than half of the Directors, unless otherwise provided in the Articles of Association.

Except as otherwise provided in the Articles of Association, resolutions made by the Board of Directors must be passed by more than half of all Directors.

Voting on resolutions of the Board of Directors shall be made on a one-person-one-vote basis.

Independent Directors

As members of the Board of Directors, independent Directors shall owe fiduciary duties and duties of diligence to the Company and its Shareholders as a whole, and shall prudently fulfill the following duties:

(1) participate in the decision-making of the Board of Directors and express clear opinions on matters discussed;

(2) supervise potential material conflicts of interest between the Company and its controlling Shareholders, de facto controllers, Directors, and senior management to protect the legitimate rights and interests of minority Shareholders;

(3) provide professional and objective advice on the operations and development of the Company and promote the enhancement of the decision-making level of the Board;

(4) fulfill other duties as stipulated by laws, administrative regulations, CSRC regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

An independent Director shall exercise the following special functions and powers:

(1) independently engage intermediaries to audit, consult, or verify specific matters of the Company;

(2) propose the convening of extraordinary general meetings to the Board of Directors;

(3) propose the convening of Board meetings;

(4) publicly solicit Shareholders' rights from Shareholders in accordance with the law;

(5) express independent opinions on matters that may jeopardize the rights and interests of the Company or minority Shareholders;

(6) exercise other powers as stipulated by laws, administrative regulations, CSRC regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

When an independent Director exercises any of the powers listed in items (1) to (3) above, such exercise shall be approved by a majority of all independent Directors.

The Company shall disclose in a timely manner if an independent Director exercises the powers listed above. If the aforementioned powers cannot be exercised properly, the Company shall disclose the specific circumstances and reasons thereof.

Special Committees of the Board of Directors

The Board of Directors of the Company has established an Audit Committee to exercise the powers and functions of the supervisory committee as stipulated in the Company Law and the securities regulatory rules of the place where the Company's shares are listed.

The Audit Committee consists of at least three non-executive Directors who do not hold senior management positions in the Company, of whom more than half shall be independent Directors, with accounting professionals among the independent Directors serving as conveners. At least one of the independent Directors shall be equipped with appropriate professional stipulated in the securities regulatory rules of the place where the Company's shares are listed, or equivalent expertise in accounting or financial management.

The Audit Committee is responsible for reviewing the Company's financial information and its disclosures, supervising and evaluating the internal and external audits and internal controls. The following matters shall be submitted to the Board of Directors for consideration after the approval by a majority of all members of the Audit Committee:

(1) disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;

(2) appointment or dismissal of the accounting firm that undertakes the Company's auditing business;

(3) appointment or dismissal of the Company's chief financial officer;

(4) changes in accounting policies, accounting estimates or correction of material accounting errors for reasons other than changes in accounting standards;

(5) other matters as provided by laws, administrative regulations, CSRC regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The Audit Committee shall hold at least one meeting every quarter, and may hold an extraordinary meeting when two or more members propose, or when the convenor deems it necessary. The quorum of the meeting of the Audit Committee shall be more than two-thirds of the members are present.

Decisions made by the Audit Committee shall be approved by more than half of the members of the Audit Committee.

The voting on the resolution of the Audit Committee shall be made on a one-person-one-vote basis.

The Audit Committee shall prepare meeting minutes for its resolutions in accordance with the regulations, and the members of the Audit Committee attending the meeting shall sign on the meeting minutes.

The Board of Directors is responsible for formulating the working procedures of the Audit Committee.

The Board of Directors of the Company has established the Strategy and ESG Committee and the Nomination and Remuneration Committee to perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors, and the proposals of these special committees shall be submitted to the Board of Directors for consideration. The Board of Directors shall be responsible for formulating the working procedures of the special committees.

More than half of the members of the Nomination and Remuneration Committee shall be independent Directors, who shall act as the convener. The Nomination and Remuneration Committee shall have at least one Director of a different gender. However, if the relevant competent department of the State Council has, and the securities regulatory rules of the place where the Company's shares are listed have other provisions on the convener of the special committee, such provisions shall prevail.

The Nomination and Remuneration Committee is responsible for formulating the standards and procedures for the selection of Directors and senior management, selecting and reviewing the candidates for Directors and senior management and their qualifications for office, formulating the evaluation criteria for Directors and senior management and conducting the evaluation, preparing and reviewing the remuneration policies and programs for Directors and senior management such as the mechanism for determining the remuneration of Directors and senior management, the decision-making process, and the arrangements for the payment and stoppage of recourse, and making recommendations to the Board of Directors on the following matters:

(1) nominating, appointing or removing of Directors;

(2) appointing or dismissing senior management;

(3) the remuneration of Directors and senior management;

(4) formulating or changing the equity incentive scheme and employee share ownership scheme, granting of rights and benefits to the targets of the incentives and fulfillment of the conditions for exercising the rights and benefits;

(5) arranging share ownership schemes for Directors and senior management in the subsidiaries proposed to be spun off;

(6) other matters as provided by laws, administrative regulations, CSRC regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

If the Board of Directors does not adopt or does not fully adopt the recommendations of the Nomination and Remuneration Committee, it shall record the opinion of the Nomination and Remuneration Committee and the specific reasons for not being adopted in the resolution of the Board of Directors and disclose the same.

The Nomination and Remuneration Committee shall also perform the following responsibilities and exercise the following functions and powers:

(1) review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, assist the Board in maintaining a board skills matrix, and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(2) identify individuals suitably qualified to become Directors and select or make recommendations to the Board on the selection of individuals nominated for directorships;

(3) assess the independence of independent non-executive Directors;

(4) make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive officer;

(5) support the Company's regular evaluation of the Board's performance;

(6) consult the chairman and/or the chief executive officer on remuneration proposals for other executive Directors (the Nomination and Remuneration Committee may seek independent professional advice if necessary);

(7) to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;

(8) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

(9) either of the following:

(i) to formulate remuneration packages for individual executive Directors and senior management in accordance with the delegated responsibilities of the Board; or

(ii) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

Such remuneration packages shall include non-monetary benefits, pension rights and amounts of compensation (including compensation for loss or termination of office or appointment);

(10) to make recommendations to the Board on the remuneration of non-executive Directors;

(11) to consider the salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

(12) to review and approve the compensation payable to executive Directors and senior management for their loss or termination of their office or appointments to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

(13) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;

(14) to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration;

(15) to review and/or approve matters relating to share schemes under Chapter 17 of the Hong Kong Listing Rules;

(16) other matters as provided by laws, administrative regulations, CSRC regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Senior Management

The Company has one general manager, who shall be appointed or dismissed by the Board.

The Company has deputy general managers, whom shall be appointed or dismissed by the Board.

The circumstances of disqualification of Directors and the resignation management system prescribed in the Articles of Association shall also be applicable to senior management.

The fiduciary duties and duties of diligence of the Directors as contained in the Articles of Association shall also be applicable to senior management.

The general manager shall be accountable to the Board and exercise the following functions and powers:

(1) to be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the Board, and to report his/her work to the Board;

(2) to organize the implementation of the Company's annual business plans and investment plans;

(3) to draft plans for the establishment of the Company's internal management organization;

(4) to draft the Company's basic management system;

(5) to formulate the specific rules and regulations of the Company;

(6) to propose to the Board appointment or dismissal of deputy general manager and chief financial officer of the Company;

(7) to decide on the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the Board;

(8) to exercise other functions and powers conferred by the Articles of Association or the Board.

The general manager shall attend the Board meetings.

FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDITING

Financial and Accounting Systems

The Company shall establish financial and accounting systems according to laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the regulations stipulated by the relevant authorities of the state.

The Company shall submit and disclose its annual reports to the relevant branch office of the CSRC and the stock exchange within four months from the end of each fiscal year, and its interim reports to the relevant branch office of the CSRC and the stock exchange within two months from the end of the first half of each fiscal year.

The above-mentioned annual and interim reports shall be prepared in accordance with relevant laws, administrative regulations, regulations of the CSRC and the stock exchange, and the securities regulatory rules of the place where the Company's shares are listed.

The Company will not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

The Company is required to withdraw 10% of its profits into its statutory reserve fund when distributing each year's profit after tax. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further withdrawal is required.

Where the statutory reserve fund of the Company is insufficient to make up for the losses of the Company for the preceding year, profits of the current year shall be applied to make up for the losses before any allocation to the statutory reserve fund in accordance with the provisions in the preceding paragraph.

Subject to a resolution of the general meeting, after withdrawal has been made to the Company's statutory reserve fund from its profit after tax, the Company may set aside funds for the discretionary reserve fund.

After making up of losses and appropriation to reserve funds, balance of the profit after tax shall be distributed to Shareholders in proportion to their shareholdings, unless otherwise stipulated in the Articles of Association.

Where the general meeting distributes profits to Shareholders in violation of the provisions of the Company Law, the Shareholders shall return the profits distributed in violation of the provisions to the Company. If losses are caused to the Company, the Shareholders, as well as the responsible Directors and senior management, shall bear liability for compensation.

No profit shall be distributed in respect of the shares of the Company which are held by the Company.

The reserve fund of the Company shall be used to make up for losses of the Company, expand the production and operation of the Company or increase the registered capital of the Company.

Where the reserve fund of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions.

When the statutory reserve fund is converted to increase registered capital, the balance of the statutory reserve fund shall not be less than 25% of the registered capital before such conversion.

Internal Audit

The Company shall implement an internal audit system, clarifying the leadership system, responsibilities and authority, staffing, financial guarantee, application of audit results and accountability for internal audit work.

The internal audit system of the Company shall be implemented upon the approval of the Board and disclosed to the public.

Appointment of an Accounting Firm

The Company shall engage an accounting firm that complies with the Securities Law and the securities regulatory rules of the place where the Company's shares are listed to audit the financial statements of the Company, verify the net assets and offer other relevant consulting services. The term of service shall be one year, which is renewable upon expiry of the term.

The appointment and removal of an accounting firm by the Company must be passed by the general meeting, and the Board shall not appoint an accounting firm before the decision is made by the general meeting.

The audit fee of an accounting firm shall be decided by the general meeting.

In the event of removal or non-renewal of the appointment of an accounting firm, the Company shall notify the accounting firm 10 days in advance. The accounting firm shall be entitled to make representations when the resolution regarding the removal of the accounting firm is considered at the general meeting of the Company.

Where the accounting firm resigns, it shall make clear to the general meeting whether there is any impropriety on the part of the Company.

Notices and Announcements

A notice of the Company shall be sent by:

(1) hand of designated personnel;

(2) mail or email;

(3) public announcement;

(4) other means specified in the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Notice given by the Company by way of announcement shall be deemed to have been received by all relevant persons once it is published.

Any notice of convening a general meeting shall be given by public announcement.

Any notice of convening a meeting of the Board shall be given by hand, mail, fax or email. Except as otherwise provided for in the Articles of Association, an extraordinary Board meeting shall be convened for emergency reasons.

MERGER, DIVISION, CAPITAL INCREASE AND REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Reduction

The merger of the Company may take the form of either merger by absorption or merger by new establishment.

In case of merger by absorption, a company absorbs any other company and the absorbed company is dissolved. In case of merger by new establishment, two or more companies merge into a new one and the parties to the merger are dissolved.

If the consideration to be paid by the Company for the merger does not exceed 10% of the Company's net assets, it may not be subject to resolution of the general meeting, unless otherwise provided for in the Articles of Association.

If a merger of the Company pursuant to the preceding paragraph is not resolved by the general meeting, it shall be subject to resolution of the Board of Directors.

If the Company is divided, its property shall be divided accordingly.

When the Company is divided, it shall prepare a balance sheet and a property inventory. Within 10 days from the date of adoption of the resolution on the division, the Company shall notify its creditors and within 30 days it shall make an announcement on the information disclosure newspaper designated by the Company or the National Enterprise Credit Information Publicity System.

If the Company reduces its registered capital, it must prepare a balance sheet and a property inventory.

Within 10 days from the date of adoption of the resolution to reduce its registered capital, the Company shall notify its creditors and within 30 days it shall make an announcement on the information disclosure newspaper designated by the Company or the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days of receiving written notice, or within 45 days of the date of the public announcement for those who have not received written notice, be entitled to require the Company to pay its debts in full or to provide a corresponding security.

When the Company reduces its registered capital, it shall reduce the amount of capital contribution or shares in proportion to the Shareholders' capital contribution or shareholding, unless otherwise stipulated by laws or the Articles of Association.

The Company shall, in accordance with law, apply for change in its registration particulars with the Company's registration authority where a change in any item in its registration arises as a result of any merger or division. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with law. Where a new company is established, that company shall apply for registration in accordance with the law.

Where the Company increases or reduces its registered capital, the Company shall, in accordance with law, apply for change in its registration with the Company's registration authority.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

(1) the term of business specified in the Articles of Association has expired or any other cause for dissolution specified in the Articles of Association has occurred;

(2) the general meeting resolves to dissolve the Company;

(3) dissolution is necessary as a result of the merger or division of the Company;

(4) the Company has its business license revoked, is ordered to close down or revoked in accordance with the laws;

(5) serious difficulties arise in the operation and management of the Company and its continued existence would cause material loss to the interests of the Shareholders and such difficulties cannot be resolved through other means, in which case Shareholders holding at least 10 percent of all Shareholders' voting rights may petition the people's court to dissolve the Company.

The Company shall, within ten days of the occurrence of the reasons for dissolution as stipulated in the preceding paragraph, disclose the reasons for dissolution on the National Enterprise Credit Information Publicity System.

The Company may continue to exist by amending the Articles of Association or passing a resolution at the general meeting if the Company falls under the circumstance as set forth in item (1) or item (2) above and has not distributed its property to its Shareholders. The amendment to the Articles of Association according to the preceding article shall be passed by over two-thirds of the voting rights held by Shareholders present at the general meeting.

In the case of dissolution of the Company under items (1), (2), (4) and (5) above, it shall go into liquidation. The liquidation committee shall be composed of persons determined by the Directors or the general meeting. The Directors, being the liquidation obligors of the Company, shall form a liquidation committee to effect liquidation within 15 days from the date of occurrence of events giving rise to dissolution. The liquidation committee shall consist of Directors, unless the Articles of Association provide otherwise or it is resolved at the general meeting to elect another person(s). If the liquidation obligors fail to fulfill their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation.

The liquidation committee shall exercise the following functions and powers during the period of liquidation:

(1) to categorize the Company's property and prepare a balance sheet and a property inventory respectively;

(2) to inform creditors by a notice or public announcement;

(3) to dispose of and liquidate any unfinished businesses of the Company;

(4) to pay all outstanding taxes and the taxes incurred from the process of liquidation;

(5) to settle claims and debts;

(6) to allocate the residual assets remaining after repayment by the Company of its debts;

(7) to represent the Company in any civil proceedings.

Amendment to Articles of Association

Under any one of the following circumstances, the Company shall amend its Articles of Association:

(1) after the amendment of the Companies Law or relevant laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed, the provisions of the Articles of Association are in conflict with the provisions of the amended laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed;

(2) the changes that the Company have undergone are inconsistent with the records made in the Articles of Association;

(3) the general meeting decides that the Article of Association should be amended.

Amendments to the Articles of Association passed by resolutions at the general meeting shall be required to be examined and approved by the competent authorities, and shall be submitted to the competent authorities for approval; where the amendments involve the registered particulars of the Company, procedures for change of registration shall be handled in accordance with the law.

The Board shall amend the Articles of Association according to the resolutions of the general meeting and the opinions of the relevant competent authority.

Any amendments to the Articles of Association that involve information to be disclosed as required by the laws and regulations, shall be publicly announced as required.

FURTHER INFORMATION ABOUT THE GROUP

Incorporation

The Company was established as a limited liability company under the laws of the PRC on July 15, 2005 and was converted into a joint stock company with limited liability on December 24, 2009.

The Company has established a place of business in Hong Kong at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. The Company was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Companies (Non-Hong Kong Companies) Regulation (Chapter 622J of the Laws of Hong Kong) on August 26, 2025, with Ms. Chu Cheuk Ting appointed as the Hong Kong authorized representative of the Company for acceptance of the service of process and any notices required to be served on the Company in Hong Kong.

As the Company was incorporated in the PRC, its operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and the Articles of Association is set out in "Regulatory Overview" and "Appendix III — Summary of the Articles of Association" in this prospectus, respectively.

Changes in the Share Capital of the Company

On June 13, 2025, the total issued share capital of the Company increased from RMB481,569,911 comprising 481,569,911 A Shares to RMB482,540,723 comprising 482,540,723 A Shares upon the vesting of 970,812 restricted shares previously granted under the 2024 Restricted Share Incentive Plan.

On June 8, 2026, the total issued share capital of the Company increased from RMB482,540,723 comprising 482,540,723 A Shares to RMB483,664,367 comprising 483,664,367 A Shares upon the vesting of 1,123,644 restricted shares previously granted under the 2024 Restricted Share Incentive Plan.

Save as disclosed above, there has been no alteration in the share capital of the Company within two years immediately preceding the date of this prospectus.

Resolutions of the Shareholders

At the general meeting of the Shareholders held on September 11, 2025, the following resolutions, among other things, were duly passed:

(i) the issue by the Company of the H Shares with a nominal value of RMB1.00 each and such H Shares be listed on the Stock Exchange;

(ii) the number of the H Shares to be issued shall be no more than 10% of the total issued share capital of the Company as enlarged by the Global Offering (before the exercise of the Over-allotment Option and assuming that all outstanding restricted shares granted under the 2024 Restricted Share Incentive Plan are fully vested), and the grant of the Over-allotment Option in respect of no more than 15% of the number of the H Shares issued pursuant to the Global Offering;

(iii) authorization of the Board or its authorized individuals to handle all matters relating to, among other things, the Global Offering, the issue and listing of the H Shares on the Stock Exchange; and

(iv) 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 the authorization to the Board to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules.

Subsidiaries of the Company

A summary of the corporate information and the particulars of the Company's subsidiaries are set out in Note 1 to the Accountant's Report as set out in Appendix I.

The following sets out the changes in the share capital of the Company's subsidiaries and the Company's subsidiary incorporated within the two years immediately preceding the date of this prospectus:

- On August 1, 2025, the registered capital of Hefei Ingenic decreased from RMB252,800,000 to RMB247,000,000.
- On August 27, 2025, the registered capital of Lumissil Xiamen increased from RMB135,000,000 to RMB148,316,003.
- On September 19, 2025, the registered capital of Xincheng Semiconductor (Shanghai) Co., Ltd. (芯成半導體(上海)有限公司) increased from RMB288,510,258 to RMB524,113,030.
- On September 23, 2025, the registered capital of Beijing ISSI increased from RMB543,195,050.03 to RMB549,910,272.43.
- On December 5, 2025, the registered capital of Lumissil Xiamen increased from RMB148,316,003 to RMB153,400,000.
- On April 2, 2026, the registered capital of Beijing ISSI increased from RMB549,910,272.43 to RMB551,905,433.64.
- On April 21, 2026, the registered capital of Lumissil Xiamen increased from RMB153,400,000 to RMB176,733,333.

Save as disclosed above, there has been no alteration in the share capital of the subsidiaries of the Company within two years immediately preceding the date of this prospectus.

FURTHER INFORMATION ABOUT THE BUSINESS

Summary of Material Contracts

The Group has entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus that are or may be material:

(a) the Hong Kong Underwriting Agreement;

(b) a cornerstone investment agreement dated August 13, 2026 entered into among the Company, Emerald Prime Group Limited, Guotai Junan Capital Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 60,000,000;

(c) a cornerstone investment agreement dated August 13, 2026 entered into among the Company, GF Fund Management Co., Ltd. (廣發基金管理有限公司), Guotai Junan Capital Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 30,000,000;

(d) a cornerstone investment agreement dated August 13, 2026 entered into among the Company, Perseverance Asset Management International (Singapore) Pte. Ltd. (acting in its capacity as an investment advisor or investment manager and on behalf of certain investment funds and separated managed accounts), Guotai Junan Capital Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 9,650,000;

(e) a cornerstone investment agreement dated August 13, 2026 entered into among the Company, Huatai Capital Investment Limited, Guotai Junan Capital Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 10,000,000;

(f) a cornerstone investment agreement dated August 13, 2026 entered into among the Company, HQ TELECOM SINGAPORE PTE. LTD., Guotai Junan Capital Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 15,000,000;

(g) a cornerstone investment agreement dated August 13, 2026 entered into among the Company, ICBC Wealth Management Co., Ltd. (工銀理財有限責任公司), Guotai Junan Capital Limited, Guotai Junan Securities (Hong Kong) Limited and Huatai Financial Holdings (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 15,000,000;

(h) a cornerstone investment agreement dated August 13, 2026 entered into among the Company, Arrow Target Investment L.P., Guotai Junan Capital Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 13,000,000;

(i) a cornerstone investment agreement dated August 13, 2026 entered into among the Company, China Universal Asset Management (Hong Kong) Company Limited (匯添富資產管理(香港)有限公司), Guotai Junan Capital Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 12,000,000;

(j) a cornerstone investment agreement dated August 13, 2026 entered into among the Company, CloudAlpha Capital Management Limited (奇點資產管理有限公司), Guotai Junan Capital Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 12,000,000;

(k) a cornerstone investment agreement dated August 13, 2026 entered into among the Company, Heading Pioneer 10 Fund LPF, Guotai Junan Capital Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 10,000,000; and

(l) a cornerstone investment agreement dated August 13, 2026 entered into among the Company, Dream'ee (Hong Kong) Open-ended Fund Company, Guotai Junan Capital Limited and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US dollar 5,000,000.

Intellectual Property

As of the Latest Practicable Date, the following intellectual property rights are material to the Group's business:

Trademarks

As of the Latest Practicable Date, the Group had registered the following trademarks which are material to its business:

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
1. . . .	君正	9	The Company	PRC	5373860	May 27, 2029
2. . . .	Xburst	9	The Company	PRC	6159093	February 27, 2030
3. . . .	君正	9	The Company	PRC	45511276A	March 20, 2031
4. . . .	ISSI	9	ISSI	The U.S.	6836268	September 6, 2032
5. . . .	ISSI	9	ISSI	Japan	6534146	March 25, 2032
6. . . .	ISSI	9, 40, 42	ISSI	Europe	18343820	November 24, 2030
7. . . .	ISSI	9	ISSI	Hong Kong	305198743	February 24, 2030
8. . . .	ISSI	9, 42	ISSI	Singapore	40202004012X	February 24, 2030
9. . . .	ISSI	40	Integrated Circuit Solution Inc. (矽成積體電路股份有限公司, "**ICSI**")	Taiwan	2109263	December 15, 2030
10. . .	LUMISSIL MICROSYSTEMS	9	Lumissil Xiamen	The U.S.	6494044	September 21, 2031
11. . .	LUMISSIL MICROSYSTEMS	9	Lumissil Xiamen	PRC	44437829	November 20, 2030
12. . .	LUMISSIL Microsystems	9	Lumissil Xiamen	PRC	44437830	November 20, 2030
13. . .	pFlash	9	Integrated Silicon Solution (Cayman), Inc.	PRC	5672356	August 27, 2029
14. . .	矽成	9	ICSI	Taiwan	723534	July 31, 2036

Domain Names

As of the Latest Practicable Date, the Group had registered the following domain names which are material to its business:

No.	Domain Name	Registered Owner	Expiry Date
1. . .	**ingenic.com**	The Company	June 21, 2035
2. . .	**ingenic.cn**	The Company	July 1, 2035
3. . .	**ingenic.net**	Hefei Ingenic	December 26, 2034
4. . .	**ingenic.com.cn**	Hefei Ingenic	April 3, 2035

No.	Domain Name	Registered Owner	Expiry Date
5. . .	**lumissil.com.cn**	Lumissil Xiamen	October 24, 2029
6. . .	**issi.com.cn**	Integrated Silicon Solution (Shanghai) Inc. (芯成半導體(上海)有限公司)	December 31, 2027
7. . .	**lumissil.com**	ISSI	September 19, 2032
8. . .	**issi.com**	ISSI	September 19, 2032

Patents

As of the Latest Practicable Date, the Group had registered the following patents which are material to its business:

No.	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Expiry Date
1. . .	A design method based on 4-bit to 6-bit independent 3×3 convolution (一種基於4bit到6bit的獨立卷積3×3的設計方法)	Invention	The Company	PRC	ZL202110672459.6	June 16, 2041
2. . .	An optimization method based on 4-bit ordinary convolution calculation (一種基於4bit普通卷積計算的優化方法)	Invention	The Company	PRC	ZL202011372384.1	November 29, 2040
3. . .	A method for improving the accuracy of low-bit neural network models through weight preprocessing (一種通過權重預處理提高低比特神經網絡模型精度的方法)	Invention	Hefei Ingenic	PRC	ZL202010497769.4	June 3, 2040
4. . .	A method for reducing the computational complexity of low-bit convolutional neural network inference (一種降低低比特卷積神經網絡推理運算複雜度的方法)	Invention	Hefei Ingenic	PRC	ZL202010497777.9	June 3, 2040
5. . .	An optimization method based on first-layer 4-bit convolution computation (一種基於第一層4bit卷積計算的優化方法)	Invention	The Company	PRC	ZL202011373523.2	November 29, 2040

No.	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Expiry Date
6. . .	An LED driver IC for automotive reading lamps and its state control method (一種汽車閱讀燈的LED驅動芯片及其狀態控制方法)	/	Lumissil Xiamen	The U.S.	9815403	December 4, 2036
7. . .	A Class D audio amplifier featuring low radiated interference, high efficiency, high linearity and robust performance (一種低輻射干擾，高效率，線性度高，魯棒性的D類音頻)	/	Lumissil Xiamen	The U.S.	10666210	June 26, 2038
8. . .	An LED driver IC for automotive reading lamps (一種汽車閱讀燈LED驅動芯片)	/	Lumissil Xiamen	The U.S.	10470265	November 11, 2038
9. . .	A low-power LED constant-current drive circuit (一種低功耗LED恒流驅動電路)	/	Lumissil Xiamen	The U.S.	10993300	May 31, 2040
10. .	A noise reduction circuit for matrix LED drivers (一種用於矩陣LED驅動器的降噪電路)	/	Lumissil Xiamen	The U.S.	11576240	October 14, 2041
11. .	An automatic compensation method based on the temperature characteristics of RGB LEDs (一種基於RGB LED溫度特性的自動補償方法)	/	Lumissil Xiamen	The U.S.	12273973	September 4, 2043
12. .	Spread spectrum clock generation system (展頻時脈產生系統)	/	Lumissil Xiamen	The U.S.	11061430	July 19, 2040
13. .	Switching converter control unit (開關變換器用控制裝置)	/	Lumissil Xiamen	The U.S.	9276459	April 17, 2034
14. .	Memory device implementing reduced ECC overhead	/	ISSI	The U.S.	9280418	July 31, 2033
15. .	Reference current circuit with temperature coefficient correction	/	ISSI	The U.S.	9293215	March 17, 2034

No.	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Expiry Date
16.	Erase algorithm for Flash memory	/	ISSI	The U.S.	9336893	January 12, 2034
17.	High speed sequential read method for Flash memory	/	ISSI	The U.S.	9496046	August 13, 2035
18.	DRAM error correction event notification	/	ISSI	The U.S.	9529667	May 14, 2034
19.	Arbitration control for pseudostatic random access memory device	Invention	ISSI	Taiwan	I754569	March 23, 2041
20.	Sense amplifier circuit for preventing read disturb	/	ISSI	The U.S.	11328771	January 5, 2041
21.	Wafer-bonding structure and method of forming thereof	/	ISSI	The U.S.	12021059	September 28, 2041
22.	Memory interface circuitry and built-in self-testing method	/	ISSI	The U.S.	12183411	February 13, 2043

Copyrights

As of the Latest Practicable Date, the Group had registered the following copyrights which are material to its business:

No.	Copyright Name	Registrant	Registration Number	Date of Initial Publication
1.	USBCloner Burning Tool Software V2.2.0 (USBCloner燒錄工具軟件V2.2.0)	The Company	2017SR621213	November 13, 2017
2.	Ingenic ISP Driver Software V1.0 (君正ISP驅動軟件V1.0)	The Company	2020SR1243284	October 26, 2020
3.	Ingenic SPI Flash Control Driver Software V1.0 (君正SPI Flash控制驅動軟件V1.0)	The Company	2020SR1191653	September 30, 2020
4.	Video Surveillance Main Control CPU Instruction Set Verification IRG System V2.20 (視頻監控主控CPU指令集驗證IRG系統V2.20)	Hefei Ingenic	2016SR090329	April 29, 2016

No.	Copyright Name	Registrant	Registration Number	Date of Initial Publication
5. . .	Video Surveillance Main Control CPU Full Simulator Software V2.20 (視頻監控主控CPU全模擬器軟件V2.20)	Hefei Ingenic	2016SR091294	April 29, 2016
6. . .	Video Surveillance Main Control CPU Simulator Trace System V2.0 (視頻監控主控CPU模擬器Trace系統V2.0)	Hefei Ingenic	2016SR090332	April 29, 2016
7. . .	ISP Debugging Tool 1.0 (ISP調試工具1.0)	Hefei Ingenic	2017SR402319	July 26, 2017
8. . .	Ingenic MagikConvert Software V1.0 (君正MagikConvert軟件V1.0)	Hefei Ingenic	2023SR0447550	April 7, 2023
9. . .	Ingenic Tiny_NPU Task Allocation Program V1.0 (君正Tiny_NPU任務分配程序V1.0)	Hefei Ingenic	2024SR0841862	June 20, 2024
10. .	Ingenic Color Tone Mapping Algorithm Debugging Software V1.0 (君正色調映射算法調試軟件V1.0)	Hefei Ingenic	2024SR0843685	June 20, 2024
11. .	Ingenic Face Tracking Software V1.0 (君正畫面跟隨人臉軟件V1.0)	Hefei Ingenic	2024SR0842610	June 20, 2024

DISCLOSURE OF INTERESTS

Disclosure of Interests of Directors and Chief Executive of the Company

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no additional Shares are issued pursuant to the 2024 Restricted Share Incentive Plan), the interests and/or short positions (as applicable) of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company and any interests and/or short positions (as applicable) in shares, underlying shares or debentures of any of the associated corporations of the Company (within the meaning of Part XV of the SFO) which (1) will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which they are taken or deemed to have under such provisions of the SFO), (2) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (3) 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 the Company and the Stock Exchange, in each case once the H Shares are listed on the Stock Exchange, will be as follows:

Interests in the Company

Name of Director or chief executive	Nature of interest	Number and description of Shares or underlying Shares held	Shareholding in A Shares upon completion of the Global Offering[(1)]	Shareholding in total issued share capital upon completion of the Global Offering[(1)]
Dr. Liu Qiang[(2)(3)] . . .	Beneficial owner Interest in controlled corporation Interest in a section 317 concert party agreement	58,411,378 A Shares	12.08%	11.34%
Mr. Zhang Jin	Beneficial owner	8,725,685 A Shares	1.80%	1.69%
Mr. Xian Yonghui . . .	Beneficial owner	9,928,659 A Shares	2.05%	1.93%
Mr. Huang Lei[(4)]. . . .	Beneficial owner	50,480 A Shares	0.01%	0.01%
Mr. Li Jie[(3)]	Beneficial owner Interest in a section 317 concert party agreement	58,411,378 A Shares	12.08%	11.34%
Ms. Zhang Yanxiang .	Beneficial owner	567,331 A Shares	0.12%	0.11%

Notes:

(1) The calculation is based on the total number of 514,951,667 Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no additional Shares are issued pursuant to the 2024 Restricted Share Incentive Plan).

(2) As of the Latest Practicable Date, Dr. Liu Qiang directly held 40,475,544 A Shares. In addition, Sihai Junxin was controlled by Dr. Liu Qiang. By virtue of the SFO, Dr. Liu Qiang is deemed to be interested in the 2,018,049 A Shares held by Sihai Junxin. For details of the shareholding structure of Sihai Junxin and its interests in the Company, see "History and Corporate Structure — Corporate Structure."

(3) As of the Latest Practicable Date, Mr. Li Jie directly held 15,917,785 A Shares. In addition, Dr. Liu Qiang and Mr. Li Jie have entered into the Acting-in-Concert Agreement, to which section 317(1) of the SFO applies. As such, Dr. Liu Qiang and Mr. Li Jie have aggregated their respective interests with each other.

(4) As of the Latest Practicable Date, Mr. Huang Lei was interested in (i) 30,480 A Shares held by him; and (ii) 20,000 restricted shares granted to him under the 2024 Restricted Share Incentive Plan entitling him to receive 20,000 A Shares subject to vesting.

Save as disclosed above, so far as the Directors are aware, immediately following the completion of the Global Offering, no Directors or the chief executive will, directly or indirectly, be interested in the Shares, underlying Shares and debentures of the Company or the shares, underlying shares or debentures of any of the associated corporations of the Company.

Disclosure of Interests of Substantial Shareholders

(i) Interests in the Company

Save as disclosed in "Substantial Shareholders" in this prospectus and "— Disclosure of Interests of Directors and Chief Executive of the Company — (i) Interests in the Company" in this section, the Directors are not aware of any person who will have an interest or a short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(ii) Interests in other member of the Group

The following table sets out, so far as the Directors are aware, persons who will be, directly or indirectly, interested in 10% or more of the issued voting shares of any other members of the Group:

Member of the Group	Name of substantial shareholder	Percentage of the issued voting shares held by the substantial shareholder
Shanghai Xinkai Integrated Circuits Co., Ltd. (上海芯楷集成電路有限責任公司).	OmniVision Integrated Circuits Group, Inc. (豪威集成電路(集團)股份有限公司)	39%

Save as disclosed above, the Directors are not aware of any person who will be, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group.

FURTHER INFORMATION ABOUT THE DIRECTORS

Particulars of the Service Contracts

Each of the Directors has entered into a service contract with the Company. The principal particulars of these service contracts comprise (a) the term of the service; (b) termination provisions; and (c) dispute resolution provision. The service contracts may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of the Directors has or is proposed to have entered into any service contract with any member of the Group (excluding contracts expiring or determinable by any member of the Group within one year without payment of compensation other than statutory compensation).

Remuneration of Directors

For details of the remuneration of Directors, see "Directors and Senior Management — Remuneration" and Note 12 in "Appendix I — Accountants' Report."

Agency Fees or Commissions Received

The Underwriters will receive an underwriting commission in connection with the Underwriting Agreements, as detailed in "Underwriting — Underwriting Arrangements and Expenses — Total Commission and Expenses." Save in connection with the Underwriting

Agreements, no commissions, discounts, brokerages or other special terms have been granted by the Group to any person (including the Directors, promoters and experts referred to in "— Other Information — Qualifications and Consents of Experts" below) in connection with the issue or sale of any capital or security of the Company or any member of the Group within the two years immediately preceding the date of this prospectus.

Within the two years immediately preceding the date of this prospectus, 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 the Company.

Personal Guarantees

The Directors have not provided personal guarantees in favor of lenders in connection with banking facilities granted to the Group.

Disclaimers

(a) None of the Directors nor any of the experts referred to in "— Other Information — Qualifications and Consents of Experts" below has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

(b) Save in connection with the Underwriting Agreements, none of the Directors nor any of the experts referred to in "— Other Information — Qualifications and Consents of Experts" below, is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of the Group.

(c) No cash, securities or other benefit has been paid, allotted or given within the two years preceding the date of this prospectus to any promoter of the Company nor is any such cash, securities or benefit intended to be paid, allotted or given on the basis of the Global Offering or related transactions as mentioned.

2024 RESTRICTED SHARE INCENTIVE PLAN

The following is a summary of the principal terms of the 2024 Restricted Share Incentive Plan. The terms of the 2024 Restricted Share Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve any grant of restricted shares by the Company after the Listing.

(a) Purpose

The purpose of the 2024 Restricted Share Incentive Plan is to establish and improve the Company's incentive mechanism, to attract and retain talents and to mobilise the enthusiasm of the Company's management and core business and technology backbone personnel, so as to achieve a mutual focus on the long-term development of the Company. The 2024 Restricted Share Incentive Plan is implemented to align the interests of the Shareholders with the interests of the Company and the individuals of its core teams.

(b) Administration

The 2024 Restricted Share Incentive Plan is subject to the approval of the Shareholders' meeting, the administration of the Board and the supervision of the board of supervisors and independent Directors of the Company.

(c) Participants

The participants of the 2024 Restricted Share Incentive Plan include certain Directors, senior management, mid-level and core business and technology backbone personnel of the Company.

The scope of participants of the 2024 Restricted Share Incentive Plan excludes the independent Directors, supervisors, Shareholders or actual controllers who individually or collectively hold more than 5% of the Shares and their spouse, parents and children.

(d) Source and maximum number of restricted shares

The underlying Shares of the 2024 Restricted Share Incentive Plan are the A Shares issued by the Company. Each restricted share granted represents the right to receive one A Share at the exercise price. The restricted shares are subject to a vesting period and will only be vested upon fulfilling the vesting conditions stipulated.

The maximum number of restricted shares that can be granted under the 2024 Restricted Share Incentive Plan is 4,323,468 restricted shares, including 400,000 reserved restricted shares (the "**Reserved Restricted Shares**"), the grantees of which shall be determined within 12 months after the approval of the 2024 Restricted Share Incentive Plan by the Shareholders.

As of the Latest Practicable Date, all of such restricted shares (including the Reserved Restricted Shares) have been granted.

(e) Grant date and term of the 2024 Restricted Share Incentive Plan

The date on which the restricted shares are granted shall be determined by the Board after the approval of the 2024 Restricted Share Incentive Plan by the Shareholders. The grant of the restricted shares (other than the Reserved Restricted Shares) shall be announced within 60 days after the approval of the 2024 Restricted Share Incentive Plan by the Shareholders, while the grant of the Reserved Restricted Shares which shall be completed within 12 months after the approval of the 2024 Restricted Share Incentive Plan by the Shareholders.

The 2024 Restricted Share Incentive Plan shall be effective from the date of the initial grant of the restricted shares and up to the date when all restricted shares granted are vested or void and lapsed, provided that the term of the 2024 Restricted Share Incentive Plan shall not exceed 60 months.

(f) Conditions to the grant of restricted shares

The restricted shares under the 2024 Restricted Share Incentive Plan will only be granted to selected participants if the following conditions are fulfilled:

(i) with respect to the Company, none of the following circumstances having occurred:

(1) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to the accountants' report of the Company for the most recent fiscal year;

(2) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to the internal control of the financial report for the most recent fiscal year;

(3) the Company has not distributed dividends in accordance with the laws and regulations, the Articles of Association or the Company's public commitment within the last 36 months after its listing;

(4) applicable laws and regulations prohibit the implementation of share incentive; or

(5) other circumstances determined by the CSRC; and

(ii) with respect to a grantee, none of the following circumstances having occurred, provided that the occurrence of such circumstances in respect of a grantee shall not affect the eligibility of other grantees under the 2024 Restricted Share Incentive Plan:

(1) the grantee has been regarded as an inappropriate person by the stock exchange within the last 12 months;

(2) the grantee has been regarded as an inappropriate person by the CSRC and its local office within the last 12 months;

(3) the grantee has received administrative penalty or been prohibited from entering into the securities market by the CSRC and its local office due to material non-compliance with applicable laws and regulations within the last 12 months;

(4) the grantee is not qualified to serve as a director or senior management according to the PRC Company Law;

(5) the grantee is prohibited from participating in any share incentive of listed companies according to applicable laws and regulations; or

(6) other circumstances determined by the CSRC.

(g) Vesting of restricted shares

The restricted shares will only be vested when the conditions set out under paragraph (f) above are fulfilled and the annual assessment and performance targets as set out under the 2024 Restricted Share Incentive Plan are achieved.

The restricted shares will be vested in tranches of 30%, 30% and 40% in each of the three vesting periods that occur between the first trading date after 12 months from the grant date and the last trading day up to 48 months from the grant date, respectively.

The number of restricted shares granted and/or vested and/or the vesting prices shall be adjusted upon the occurrence of certain events, including increase in the share capital by way of capitalization of capital reserves, distribution of dividends, subdivision of shares, placing and share reduction. The Company may void the granted but unvested restricted shares upon occurrence of certain events as set out in the 2024 Restricted Share Incentive Plan, including but not limited to the termination of employment of the grantees with the Company.

(h) Outstanding restricted shares

As of the Latest Practicable Date, the number of outstanding restricted shares granted under the 2024 Restricted Share Incentive Plan was 1,792,934, representing approximately 0.35% of the total issued Shares immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised and no additional Shares are issued

pursuant to the 2024 Restricted Share Incentive Plan). Assuming full vesting of all outstanding restricted shares granted under the 2024 Restricted Share Incentive Plan, the shareholding of the Shareholders and the earning per Share immediately following completion of the Global Offering will be diluted by approximately 0.35% (assuming the Over-allotment Option is not exercised). All outstanding restricted shares were granted at nil consideration. The following table sets forth the details of outstanding restricted shares granted to the Directors, senior management, connected persons of the Company and one other grantee who has been granted restricted shares to receive 16,836 A Shares subject to vesting under the 2024 Restricted Share Incentive Plan as of the Latest Practicable Date:

Name	Position in the Group	Address	Grant date	Vesting period	Exercise price (per Share)	Number of outstanding restricted shares	As an approximate percentage of total issued share capital upon completion of the Global Offering[1]
Mr. Huang Lei	Executive Director and deputy general manager	Room 108, Building E, Ingenic Technology Park, 1855 Dalongshan Road, Shushan District, Hefei, Anhui Province, PRC	May 14, 2024	Note 2	RMB30.6402[3]	20,000	0.004%
Mr. Zhou Shenglei	Deputy general manager	2203, Building 16, Fuli Taoyuan, Jiancaicheng Road East, Haidian District, Beijing, PRC	May 14, 2024	Note 2	RMB30.6402[3]	16,000	0.003%
Mr. Ye Fei	Deputy general manager and finance director	501, Unit 2, Building 208, Phase II, Nanhu Zhongyuan, Wangjing Road West, Chaoyang District, Beijing, PRC	May 14, 2024	Note 2	RMB30.6402[3]	20,000	0.004%
Mr. Liu Jiang	Deputy general manager	2B22B, Dongcheng International, Pingshan District, Shenzhen, Guangdong Province, PRC	May 14, 2024	Note 2	RMB30.6402[3]	16,000	0.003%
Mr. Han Kong-Yeu	Director of ISSI, Shanghai Shansheng Integrated Circuit Co., Ltd. (上海閃勝集成電路有限公司), Uphill Technology Inc. and Integrated Silicon Solution (Cayman), Inc.	20846 Dunbar Dr, Cupertino, CA 95014, the U.S.	May 14, 2024	Note 2	RMB30.6402[3]	58,564	0.01%
Mr. Lee Shueh-Mien Jimmy	Director of ISSI	18930 Hargrave Way, Saratoga, CA 95070, the U.S.	May 14, 2024	Note 2	RMB30.6402[3]	45,549	0.01%
Mr. Bagchi Anandarup	Vice president of Flash marketing	1623 Buckeye Drive, Milpitas, CA 95035, the U.S.	May 14, 2024	Note 2	RMB30.6402[3]	16,836	0.003%

Notes:

(1) The calculation is based on the assumption that the Over-allotment Option is not exercised and no additional Shares are issued pursuant to the 2024 Restricted Share Incentive Plan.

(2) 30%, 30% and 40% of the restricted shares are vested in each of the three vesting periods that occur between the first trading date after 12 months from the grant date and the last trading day up to 48 months from the grant date, respectively.

(3) The exercise price has taken into account the adjustment due to (i) the Company's distribution of cash dividends of RMB2.00 (tax inclusive) per 10 Shares to the Company's then existing Shareholders on May 28, 2024; (ii) the Company's distribution of cash dividends of RMB0.997988 (tax inclusive) per 10 Shares to the Company's then existing Shareholders on June 24, 2025; and (iii) the Company's distribution of cash dividends of RMB1.50 (tax inclusive) per 10 Shares to the Company's then existing Shareholders on May 20, 2026.

The table below sets forth the details of outstanding restricted shares granted to other grantees (excluding Directors, senior management, connected persons of the Company and one other grantee as disclosed above) under the 2024 Restricted Share Incentive Plan as of the Latest Practicable Date:

Range of A Shares underlying the outstanding restricted shares	Initial grant or grant of the Reserved Restricted Shares	Number of grantees	Grant date	Vesting period	Exercise price (per Share)	Number of outstanding restricted shares	As an approximate percentage of total issued share capital upon completion of the Global Offering[1]
1 to 3,000	Initial grant	100	May 14, 2024	Note 2	RMB30.6402[3]	196,062	0.04%
3,001 to 6,000. . .	Initial grant	190	May 14, 2024	Note 2	RMB30.6402[3]	858,555	0.17%
	Grant of the Reserved Restricted Shares	36	April 18, 2025	Note 2	RMB30.6402[3]	137,900	0.03%
6,001 to 9,000. . .	Initial grant	15	May 14, 2024	Note 2	RMB30.6402[3]	116,929	0.02%
	Grant of the Reserved Restricted Shares	21	April 18, 2025	Note 2	RMB30.6402[3]	142,100	0.03%
9,001 to 12,000 . .	Initial grant	9	May 14, 2024	Note 2	RMB30.6402[3]	91,754	0.02%
12,001 to 15,372 .	Initial grant	4	May 14, 2024	Note 2	RMB30.6402[3]	56,685	0.01%

Notes:

(1)-(3) See notes to the table above.

OTHER INFORMATION

Estate Duty

The Directors have been advised that no material liability for estate duty is likely to fall on the Group.

Litigation

As of the Latest Practicable Date, the Company was not engaged in any outstanding litigation or arbitration which may have material adverse effect on the Global Offering and, so far as the Directors are aware, no material litigation or claim was pending or threatened by or against the Company.

Sole Sponsor

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The Sole Sponsor will receive a fee of HK$1,000,000 for acting as the sponsor for the Listing.

Preliminary Expenses

The Company has not incurred any material preliminary expenses.

Promoters

The promoters of the Company are Dr. Liu Qiang, Mr. Li Jie, Infotech Venture Capital Co., Ltd., Mr. Zhang Jin, Mr. Xian Yonghui, Jiang Jun (姜君), Liu Fei (劉飛), Xu Zhipeng (許志鵬), Yan Xiaojing (晏曉京), Zhao Mingyi (趙明漪), Lu Liangli (鹿良禮), Ms. Zhang Yanxiang and Ms. Zhang Min.

Within the two years immediately preceding the date of this prospectus, no cash, securities, or other benefit has been paid, allotted or given, or has been proposed to be paid, allotted or given, to any of the promoters named above in connection with the Global Offering or the related transactions described in this prospectus.

Qualifications and Consents of Experts

The qualifications of the experts which have given opinions or advice which are contained in, or referred to in, this prospectus are as follows:

Name of Expert	Qualifications
Guotai Junan Capital Limited	A licensed corporation under the SFO for carrying on type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
SHINEWING (HK) CPA Limited	Certified Public Accountants, and Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Zhong Lun Law Firm	PRC legal advisor
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant
Sheppard, Mullin, Richter & Hampton LLP	Legal advisor as to international sanctions and U.S. outbound investment laws
ShineWing Certified Tax Agents	Transfer pricing consultant

Each of the experts listed 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 references to its name and qualifications included herein in the form and context in which they respectively appear.

Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided in Section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

(a) save as disclosed in "— Further Information about the Group" of this section and pursuant to the 2024 Restricted Share Incentive Plan, within the two years preceding the date of this prospectus, no share or loan capital of the Company or any of its subsidiaries has been issued or has been agreed to be issued fully or partly paid either for cash or for a consideration other than cash;

(b) no share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(c) no founder, management or deferred shares of the Company or any of its subsidiaries have been issued or have been agreed to be issued;

(d) save for the A Shares that are listed on the ChiNext of the Shenzhen Stock Exchange and the H Shares to be issued in connection with the Global Offering, none of the equity and debt securities of the Company or its subsidiary is presently listed or dealt in on any other stock exchange nor is any listing or permission to deal being or proposed to be sought;

(e) there is no arrangement under which future dividends are waived or agreed to be waived;

(f) the Company has no outstanding convertible debt securities or debentures; and

(g) none of the experts listed under "— Qualifications and Consents of Experts":

  (i) is interested beneficially or non-beneficially in any shares in any member of the Group; or

  (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group save in connection with the Underwriting Agreements.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of each of the material contracts referred to in "Appendix IV — Statutory and General Information — Further Information about the Business — Summary of Material Contracts"; and

(b) the written consents referred to in "Appendix IV — Statutory and General Information — Other Information – Qualifications and Consents of Experts."

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at **www.hkexnews.hk** and the Company's website at **www.ingenic.com.cn** during a period of 14 days from the date of this prospectus:

(a) the Articles of Association;

(b) the Accountants' Report and the report on the unaudited pro forma financial information prepared by SHINEWING (HK) CPA Limited, the texts of which are set out in "Appendix I — Accountants' Report" and "Appendix IIA — Unaudited Pro Forma Financial Information," respectively;

(c) the letters in respect of the profit estimate of the Group from SHINEWING (HK) CPA Limited, the Reporting Accountants, and Guotai Junan Capital Limited, the Sole Sponsor, the texts of which are set out in Appendix IIB;

(d) the audited consolidated financial statements of the Group for the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026;

(e) the legal opinion from Zhong Lun Law Firm, the Company's PRC Legal Advisor, in respect of the Group under the PRC laws;

(f) the industry report prepared by Frost & Sullivan referred to in the section headed "Industry Overview" in this prospectus;

(g) the legal memorandum prepared by Sheppard, Mullin, Richter & Hampton LLP, the legal advisor as to international sanctions and U.S. outbound investment laws to the Company;

(h) the transfer pricing analysis report issued by ShineWing Certified Tax Agents, the transfer pricing consultant of the Company;

(i) the PRC Company Law, the PRC Securities Law, the Overseas Listing Trial Measures and the Guidelines for the Articles of Association of Listed Companies issued by the CSRC together with their unofficial English translations;

(j) the service contracts between each of the Directors and the Company referred to in "Appendix IV — Statutory and General Information — Further Information about the Directors — Particulars of the Service Contracts";

(k) the material contracts referred to in "Appendix IV — Statutory and General Information — Further Information about the Business — Summary of Material Contracts";

(l) the written consents referred to in "Appendix IV — Statutory and General Information — Other Information — Qualifications and Consents of Experts"; and

(m) the terms of the 2024 Restricted Share Incentive Plan.

DOCUMENT AVAILABLE FOR INSPECTION

A copy of full list of all the grantees under the 2024 Restricted Share Incentive Plan will be made available for public inspection at the office of Freshfields at 55th Floor, One Island East, Taikoo Place, Quarry Bay, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this prospectus.

Ingenic 君正

北京君正集成電路股份有限公司

Ingenic Semiconductor Co., Ltd.