深圳宏芯宇電子股份有限公司
HOSIN Electronics Co., LTD.

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

Stock Code : 2681

GLOBAL OFFERING

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

中信建投國際
CHINA SECURITIES INTERNATIONAL

IMPORTANT

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

HOSIN Electronics Co., LTD.
深圳宏芯宇電子股份有限公司

(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	**:**	**14,717,200 H Shares (subject to the Offer Size Adjustment Option and the Over-allotment Option)**
Number of Hong Kong Offer Shares	**:**	**1,471,800 H Shares (subject to reallocation)**
Number of International Offer Shares	**:**	**13,245,400 H Shares (subject to reallocation, the Offer Size Adjustment Option and the Over-allotment Option)**
Maximum Offer Price	**:**	**HK$82.90 per H Share, plus brokerage of 1.0%, AFRC transaction levy of 0.00015%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB1.00 per H Share**
Stock code	**:**	**2681**

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

中信建投國際 CHINA SECURITIES INTERNATIONAL

Joint Bookrunners and Joint Lead Managers

中銀國際 BOCI　DBS 星展集團　富途證券 FUTU Securities International　老虎證券 TIGER BROKERS

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

A copy of this prospectus, having attached thereto the documents specified in "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display" in Appendix VII, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility 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 Sole Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and our Company on the Price Determination Date. The Price Determination Date is expected to be on or around Tuesday, November 10, 2026 (Hong Kong time), and in any event, not later than 12:00 noon on Tuesday, November 10, 2026 (Hong Kong time). The Offer Price will not be more than HK$82.90 per Offer Share and is currently expected to be not less than HK$72.29 per Offer Share. Applicants for Hong Kong Offer Shares may be required to pay, on application (subject to application channels), the maximum Offer Price of HK$82.90 for each Hong Kong Offer Share together with brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%, subject to refund if the Offer Price as finally determined is less than HK$82.90. If, for any reason, the Offer Price is not agreed by 12:00 noon on Tuesday, November 10, 2026 (Hong Kong time) between the Sole Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and our Company, the Global Offering will not proceed and will lapse.

The Sole Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) may, where considered appropriate and with our consent, reduce the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range below that 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, notices of the reduction in the number of Offer Shares and/or the indicative Offer Price range will be published on the websites of the Stock Exchange at www.hkexnews.hk and our Company at www.hosinglobal.com as soon as practicable following such decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. For more information, see "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares."

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Sole Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) if certain events occur prior to 8:00 a.m. on the Listing Date. For more information, see "Underwriting."

Prior to making an investment decision, prospective investors should carefully consider all the information set out in this prospectus, including the risk factors set out in "Risk Factors."

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 not be offered, sold, pledged or transferred within the United States or to or for the account or benefit of U.S. persons (as defined in Regulation S), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S.

ATTENTION

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

This prospectus is available on the websites of the Stock Exchange (**www.hkexnews.hk**) and our Company (**www.hosinglobal.com**). If you require a printed copy of this prospectus, you may download and print from the website addresses above.

October 30, 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 in relation to the Hong Kong Public Offering.

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

To apply for the Hong Kong Offer Shares, you may:

(1) apply online via the **HK eIPO White Form** service at **www.hkeipo.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 an HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf.

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

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

See "How to Apply for Hong Kong Offer Shares" for further details of the procedures through which you can apply for the Hong Kong Offer Shares electronically.

Your application through the **HK eIPO White Form** service or the **HKSCC EIPO** channel must be made for a minimum of 100 Hong Kong Offer Shares and in multiples of that number of Hong Kong Offer Shares as set out in the table below. No application for any other number of Hong Kong Offer Shares will be considered and such an application is liable to be rejected.

If you are applying through the **HK eIPO White Form** 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, you are required to pre-fund your application based on the amount specified by your **broker** or **custodian**, as determined based on the applicable laws and regulations in Hong Kong.

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	8,373.60	2,500	209,340.12	30,000	2,512,081.40	600,000	50,241,627.90
200	16,747.21	3,000	251,208.13	40,000	3,349,441.85	700,000	58,615,232.56
300	25,120.82	3,500	293,076.16	50,000	4,186,802.33	735,900[1]	61,621,356.62
400	33,494.42	4,000	334,944.19	60,000	5,024,162.79		
500	41,868.02	4,500	376,812.21	70,000	5,861,523.25		
600	50,241.62	5,000	418,680.23	80,000	6,698,883.72		
700	58,615.24	6,000	502,416.28	90,000	7,536,244.19		
800	66,988.84	7,000	586,152.33	100,000	8,373,604.66		
900	75,362.44	8,000	669,888.37	200,000	16,747,209.30		
1,000	83,736.04	9,000	753,624.41	300,000	25,120,813.96		
1,500	125,604.08	10,000	837,360.46	400,000	33,494,418.60		
2,000	167,472.10	20,000	1,674,720.94	500,000	41,868,023.26		

(1) Maximum number of Hong Kong Offer Shares you may apply for and this is 50% of the Hong Kong Offer Shares initially offered.

(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) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

*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 at **www.hosinglobal.com**.*

Hong Kong Public Offering commences . . . . . 9:00 a.m. on Friday, October 30, 2026

Latest time to complete electronic applications under the **HK eIPO White Form** service through the designated website at **www.hkeipo.hk**[(2)] . . . . . 11:30 a.m. on Monday, November 9, 2026

Application lists open[(3)] . . . . . 11:45 a.m. on Monday, November 9, 2026

Latest time to (a) complete payment of **HK eIPO White Form** applications by effecting internet banking transfer(s) or PPS payment transfer(s) and (b) give **electronic application instructions** to HKSCC[(4)] . . . . . 12:00 noon on Monday, November 9, 2026

If you are instructing your **broker** or **custodian** who is an HKSCC Participant and will submit an **EIPO application** 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 Monday, November 9, 2026

Expected Price Determination Date[(5)] . . . . . by 12:00 noon on Tuesday, November 10, 2026

Announcement of the final Offer Price, an indication of the level of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares to be published on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.hosinglobal.com**[(6)] at or before . . . . . 11:00 p.m. on Wednesday, November 11, 2026

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

- in the announcement to be posted on our website and the website of the Hong Kong Stock Exchange at **www.hosinglobal.com** and **www.hkexnews.hk**, respectively at or before . . . . . 11:00 p.m. on Wednesday, November 11, 2026

- from the designated results of allocations website at **www.hkeipo.hk/IPOResult** (alternatively: **www.tricor.com.hk/ipo/result**) with a "search by ID" function from . . . . . 11:00 p.m. on Wednesday, November 11, 2026 to 12:00 midnight on Tuesday, November 17, 2026

- from the allocation results telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from . . . . . Thursday, November 12, 2026, to Tuesday, November 17, 2026 on a business day

H Share certificates in respect of wholly or partially successful applications to be despatched or deposited into CCASS on or before[7][9] . . . . . Wednesday, November 11, 2026

HK eIPO White Form e-Auto Refund payment instructions/refund cheques 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 despatched on or before[8][9] . . . . . Thursday, November 12, 2026

Dealings in H Shares on the Stock Exchange expected to commence at 9:00 a.m. on . . . . . Thursday, November 12, 2026

The application for the Hong Kong Offer Shares will commence on Friday, October 30, 2026 through Monday, November 9, 2026, being longer than normal market practice of three and a half days. Investors should be aware that the dealings in the H Shares on the Stock Exchange are expected to commence on Thursday, November 12, 2026.

Notes:

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

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

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

(4) Applicants who apply for Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC via HKSCC's FINI system should refer to the section headed "How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares".

(5) The Price Determination Date is expected to be on or around Tuesday, November 10, 2026. If, for any reason, the Offer Price is not agreed between the Sole Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and our Company by 12:00 noon on Tuesday, November 10, 2026 or such other date as agreed between parties, the Global Offering will not proceed and will lapse.

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

(7) H Share certificates will only become valid at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional in all respects and neither of the Underwriting Agreements has been terminated in accordance with its terms, which is scheduled to be around that time. Investors who trade H Shares on the basis of publicly available allocation details before the receipt of H Share certificates and before they become valid do so entirely at their own risk.

(8) **HK eIPO White Form** e-Auto Refund payment instructions/refund cheques (if applicable) will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and in respect of wholly or partially successful applications if the final Offer Price is less than the price per Offer Share payable 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 cheque, if any. Such data will 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 cheque. Inaccurate completion of an applicant's identification document number may invalidate or delay encashment of the refund cheque.

(9) Applicants who have applied through the **HK eIPO White Form** service for 500,000 or more Hong Kong Offer Shares may collect any H Share certificates in person from our H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong from 9:00 a.m. to 1:00 p.m. on Thursday, November 12, 2026 or such other date as notified by us as the date of collection of H Share certificates. 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 authorisation 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.

Applicants who have applied for Hong Kong Offer Shares through the **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".

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

H Share certificates and/or refund cheque (if applicable) for applicants who have applied for less than 500,000 Hong Kong Offer Shares and any uncollected H Share certificates will be despatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications.

Further information is set out in the section headed "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 read carefully the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" for details relating to the structure of the Global Offering, including its conditions, and procedures on the applications for 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 case, our Company will make an announcement as soon as practicable thereafter.

CONTENTS

IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

This prospectus is issued by our Company solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of making, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Hong Kong Offer Shares in any jurisdiction other than Hong Kong and no action has been taken to permit the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus for purposes of a public offering and the offering and sale of the Hong Kong 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 Hong Kong Public Offering is made solely on the basis of the information contained and the representations made in this prospectus. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not contained nor made in this prospectus must not be relied on by you as having been authorized by our Company, the Sole Sponsor, the Sole Sponsor-Overall Coordinator, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of our or their respective directors, officers, employees, agents, or representatives of any of them or any other parties involved in the Global Offering. Information contained on our website (**www.hosinglobal.com**) does not form part of this prospectus.*

	Page
Expected Timetable	i
Contents	iv
Summary	1
Definitions	17
Glossary of Technical Terms	26
Forward-Looking Statements	32
Risk Factors	33
Waivers from Strict Compliance with the Listing Rules	61
Information about this Prospectus and the Global Offering	67
Directors and Parties Involved in the Global Offering	71
Corporate Information	75
History, Development and Corporate Structure	77
Industry Overview	103
Regulatory Overview	115
Business	132

CONTENTS

Page

Relationship with Our Controlling Shareholders 200

Connected Transaction 203

Directors and Senior Management 206

Share Capital 217

Substantial Shareholders 219

Financial Information 222

Cornerstone Investors 257

Future Plans and Use of Proceeds 265

Underwriting 268

Structure of the Global Offering 279

How to Apply for Hong Kong Offer Shares 288

Appendix I — Accountants' Report I-1

Appendix II — Unaudited Pro Forma Financial Information II-1

Appendix III — Taxation and Foreign Exchange III-1

Appendix IV — Summary of Principal Legal and Regulatory Provisions IV-1

Appendix V — Summary of the Articles of Association V-1

Appendix VI — Statutory and General Information VI-1

Appendix VII — Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display VII-1

This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read 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 forth in the section headed "Risk Factors" in this Prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

Who We Are

We are a memory product[(1)] enterprise. According to Frost & Sullivan, in 2025, we held a market share of 0.6% by revenue in the entire global memory product market and ranked 12th globally among all memory product enterprises.

We develop, manufacture (primarily through outsourcing wafer processing to third-party foundries and assembly, packaging and testing to third-party OSAT providers) and sell memory solutions by leveraging our technology platform spanning (1) controller chip design and development, (2) firmware algorithm development, (3) testing system development and (4) storage medium characteristic analysis, enabling us to provide memory products to customers across multiple application scenarios.

Our product offerings mainly comprise (1) embedded storage, including eMMC, UFS, ePOP and uMCP, used in consumer devices such as smartphones, tablets and wearables as well as certain automotive applications, (2) SSD products across SATA and PCIe lines for PCs, servers and data-center/automotive-related use cases, (3) DRAM products, including DDR and LPDDR products used in smartphones and PCs, (4) mobile storage products such as USB flash drives and SD/microSD cards, and (5) memory IC products, including NAND Flash and DRAM wafers and dies.

We were established in December 2018. In 2023, our revenue exceeded US$1.0 billion. We turned around from a net loss of RMB117.5 million in 2023 to net profit of RMB482.9 million in 2024 and RMB1,363.9 million in 2025, representing a 182.5% increase from 2024 to 2025, and further recorded a 3,020.8% increase in net profit from RMB123.1 million for the four months ended April 30, 2025 to RMB3,840.6 million for the same period in 2026. We supply memory products to a number of consumer electronics customers and brands in consumer-grade application scenarios. We have developed competitive strengths in the consumer-grade application scenarios, including (i) understanding of customer needs, (ii) technological expertise in transforming customer needs into product features and (iii) ability to commercialize new memory products. These competitive strengths allow us to replicate our success in diverse application scenarios. We began to provide memory products for automotive-grade application scenarios in 2023 and successfully entered into the supply chains of tier 1 suppliers for automotive manufacturers ("**Tier 1 Suppliers**")[(2)]. We have begun mass production of memory products used in enterprise-grade application scenarios.

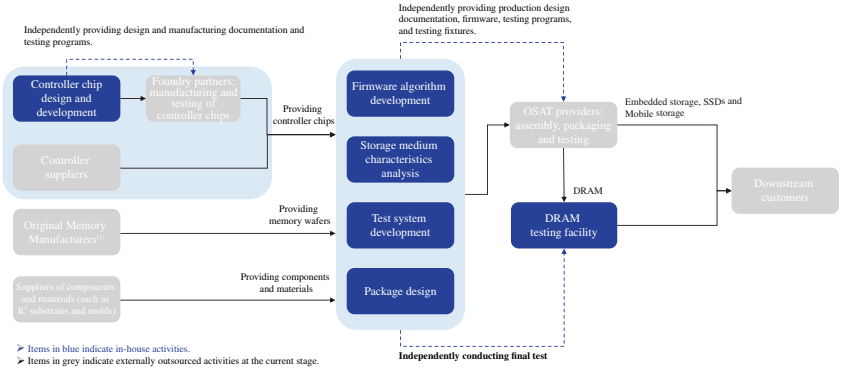
The AI technology is entering a phase of accelerated adoption. The total data generated globally in 2025 has approached 200ZB. This surge in data generation has been a key driver of rapid growth in the semiconductor market. The core infrastructure of AI technology comprises (i) storage power, (ii) computing power and (iii) interconnect power. Storage power supports the management, storage and

(1) For purposes of this prospectus, memory products generally refer to hardware components or integrated products used to achieve temporary or permanent data storage and access in electronic devices and systems. They serve as key carriers for data storage, reading and transmission and include, among others, embedded storage products such as eMMC, UFS, eMCP/uMCP and ePOP, SSD products such as SATA SSDs, PCIe SSDs and portable SSDs, DRAM products such as DDR modules and LPDDR, mobile storage products such as USB flash drives and SD/microSD cards, memory IC products, and other memory products. Controller chips do not fall within the category of memory products because they do not serve as storage media or standalone storage devices. Rather, controller chips are logic and control ICs and key components used in certain memory products to manage data interaction between the host and the storage medium.

(2) According to Frost & Sullivan, Tier 1 Supplier is an industry term commonly used in the automotive supply chain and generally refers to a supplier that directly provides components, modules, systems or solutions to automotive manufacturers, typically under a direct supply or contractual relationship and subject to the relevant qualification, validation, quality control and delivery requirements of such automotive manufacturers.

orchestration of the vast datasets used in AI training, and as a key component of storage power, memory products contribute to the deployment efficiency, operational reliability and scalability of AI technology. By leveraging our customer network, we will continue to expand the application scenarios of our memory products and connect to more customers in the AI era.

The following diagram illustrates our fabless business model and our role within the industrial chain of memory products:



(1) According to Frost & Sullivan, Original Memory Manufacturer is an industry term in the memory product industry and generally refers to a memory manufacturer with original memory wafer or chip design, research and development and manufacturing capabilities, typically covering the development, production and supply of core memory wafers or chips such as NAND Flash and/or DRAM.

Our Customer Base and Supply Chain

Customer structure: Our customer base primarily comprises industry-leading enterprises. Our customer portfolio is concentrated on major application fields for memory products, such as smartphones, tablets, PCs, smart imaging devices, and in-vehicle central control systems. These fields not only serve as critical drivers of the digital economy but also represent key areas underpinning the rapid expansion of AI-driven demands. These customers have large-scale, stable demand and a consistent need for technological innovation, which propels the ongoing advancement and iteration of our products to address their diverse and evolving requirements.

Customer collaboration: We place emphasis on deep collaboration with leading customers. Leveraging our expertise in key technologies, we collaborate with customers to align with their technical requirements and conduct joint validation. This enables us to optimize memory products across dimensions such as capacity, speed, and power consumption, tailored to the specific needs of various application scenarios. For example, we have established joint validation laboratories in collaboration with smartphone providers, allowing us to anticipate industry trends in memory product technology.

Supply chain support: We have established a globalized supply chain system. We have established deep collaboration with industry-leading companies across our supply chain, including (i) globally leading memory manufacturers and controller suppliers for our raw material supply, (ii) foundries such as USC for the wafer processing and (iii) OSAT providers such as OSE and PTN for (a) assembly and testing, and (b) SMT and testing. Such collaborations enhance our ability to secure production capacity because we generally enter into multi-year framework agreements with our foundry and OSAT service providers and, based on our production planning and customer order schedule, place work orders in advance to allow them to arrange production schedules and processing resources. In 2023, 2024, 2025 and the four months ended April 30, 2026, we engaged 37, 40, 49 and 32 foundry and OSAT service providers, respectively. In addition, we implement supplier management and quality control measures (including rigorous qualification, regular performance reviews focusing on delivery reliability and quality assurance, and our own product inspections with contractual return rights for products that fail inspection), which supports the scalability and reliability of our outsourced manufacturing and packaging and helps us fulfill large-scale orders. In addition, we have established long-term strategic

relationships of over three years with a number of memory manufacturers and controller suppliers. We enter into annual procurement agreements with such memory manufacturers and controller suppliers and conduct quarterly and monthly technical exchanges on topics such as next-generation storage media, process advancements and architectural upgrades. This supply chain foundation strengthens our ability to integrate resources and support the sustainable growth of our ecosystem.

We operate an asset-light fabless model under which we primarily outsource wafer processing, packaging and testing to third-party foundries and OSAT service providers, rather than making substantial capital investments in in-house packaging and testing facilities. The packaging and testing of memory products are supported by a relatively mature industry chain, and there are numerous foundry and OSAT service providers in the market, which gives us flexibility in selecting service providers and, as of the Latest Practicable Date, we had not experienced any material production capacity constraints in our cooperation with such partners. We believe this model is commercially and strategically beneficial because it reduces upfront capital expenditure and fixed costs, allows us to access the technology, scale and process capabilities of established foundry and OSAT partners, enhances production flexibility and scalability across different product categories and customer requirements, and enables us to focus our resources on our core competencies in controller chip design and development, firmware algorithm development, testing system development and storage medium characteristic analysis. At the same time, compared with peers that conduct packaging and testing in-house, our asset-light model may provide us with less direct control over certain packaging and testing processes, and we may be more exposed to third-party capacity allocation, lead-time fluctuations, quality control coordination and supply chain disruptions.

Our Market Opportunities

Market Demand Driven by Data-intensive Applications, including AI-related Applications

AI-related and other data-intensive applications may contribute to demand for memory products with higher capacity, performance and reliability requirements. According to Frost & Sullivan, the global memory product market is expected to grow from US$377.5 billion in 2026 to US$723.8 billion in 2030, representing a CAGR of 17.7%. We believe these market trends may create opportunities for memory product enterprises. However, such forecasts relate to the overall memory product market, and there is no assurance that the anticipated growth in AI-related or other data-intensive applications will translate into sustained demand for our products. Our ability to benefit from these trends remains subject to industry cyclicality, supply-demand conditions, product adoption and other market factors.

- ***Consumer-grade application scenarios***: AI-powered upgrades in consumer applications are increasingly aligned with user-centric demands. This shift encompasses the continued iteration of AI phones, AI tablets and AI PCs (meaning smartphones, tablets and personal computers that incorporate dedicated AI processing capabilities to run certain AI features locally, including functions such as image enhancement, voice recognition, real-time translation, summarization and other on-device intelligent assistance), as well as the expansion of AI capabilities in intelligent imaging and wearable devices. Consumer grade was the largest group of application scenarios in the global memory product market in 2025. The global market size of consumer-grade application scenarios was US$87.4 billion in 2025 and is expected to further grow from 2026 to 2030.

- ***Enterprise-grade application scenarios***: The expansion of large-model training, cloud computing services and enterprise data volumes has increased demand for higher-capacity and higher-performance memory products used in servers and data centers. The market size of enterprise-grade application scenario is expected to grow from US$104.2 billion in 2026 to US$196.1 billion in 2030, representing a CAGR of 17.1%. Furthermore, enterprise grade was the second largest group of application scenarios in the global memory product market in 2025.

- ***Automotive-grade application scenarios***: Memory products used in automotive-grade application scenarios shall adhere to rigorous standards for temperature tolerance, shock resistance and reliability, and the mass production requires complex certification processes.

The automotive-grade application scenarios accelerated transition towards electrification, intelligence and IoT. The market size of automotive-grade application scenarios is expected to grow from US$87.7 billion in 2026 to US$179.5 billion in 2030, representing a CAGR of 19.6%.

Industry Cycle and Demand from Data-intensive Applications

According to Frost & Sullivan, demand from AI-related and other data-intensive applications, together with changes in supply structure, contributed to upward price movements in certain memory products in 2025. However, the memory product industry has historically been cyclical and may continue to experience price volatility, inventory adjustments and supply-demand imbalances. Such demand and pricing trends may be temporary and remain subject to the cyclical nature of the memory product industry. We cannot assure you that AI-related or other data-intensive demand will translate into sustained demand for our products, or support our future selling prices, revenue, gross profit margin or profitability.

OUR STRENGTHS AND STRATEGIES

We believe the following strengths position us well to capitalize on future opportunities and deliver continued growth: (i) our market position as a memory product enterprise; (ii) continuous technological innovation; (iii) product portfolio with strong performance and designed for diverse application scenario; (iv) supplier-and-customer ecosystem covering industry-leading enterprises; and (v) experienced management team. We intend to implement the following strategies: (i) continuously investing in technology capabilities and product development; (ii) continuously developing memory products, expanding diverse application scenarios; (iii) deepening our global presence; and (iv) building multi-level talent development framework.

OUR PRODUCTS

Our products primarily include the following:

- ***Embedded storage:*** Embedded storage is our core product. Embedded storage refers to memory module integrated into the main system of an electronic product. Leveraging years of technological accumulation, we have built a diversified embedded storage product lineup encompassing eMMC, UFS, ePOP and uMCP. Our embedded storage products can be used in fields such as smartphones, tablets, AI cameras, drones, AI glasses, smart watches, cameras, in-vehicle central control systems, intelligent cockpit systems and T-boxes.

- ***SSDs:*** SSD refers to an internal storage component installed within a computer or server, providing enhanced performance and reliability over traditional hard disk drives. Across SATA and PCIe product lines, we support multiple interface generations such as SATA 3.0, PCIe3.0 and PCIe4.0. The application scenario coverage of our SSDs is extending from consumer grade to automotive grade and enterprise grade. Our SSDs products can be used in fields such as PCs, data centers and in-vehicle central control systems.

- ***DRAM:*** DRAM refers to 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. Our DRAM portfolio covers multiple product categories, including DDR4 and DDR5, LPDDR4X and LPDDR5X low-power memory, as well as DDR4 and DDR5 DRAM modules. Our DRAM products can be used in fields such as smartphones and PCs.

- ***Mobile Storage:*** Mobile storage refers to portable storage devices. Our mobile storage products include USB flash drives and microSD memory cards.

- ***Memory IC:*** Our memory IC products mainly include (i) NAND Flash wafer and dies, and (ii) DRAM wafer and dies. Our memory IC are used to produce embedded storage, SSDs, DRAM and mobile storage.

OUR MEMORY TECHNOLOGY PLATFORM

Our memory technology platform primarily include the following key technologies:

- ***Controller chip design and development.*** We have developed the ability to independently design and develop controller chips. Through proprietary chip architecture and circuit design, we transform key generic firmware algorithms into hardware-accelerated native functions for high read/write speeds and low power consumption. Meanwhile, we optimize chip size to achieve an effective balance between performance and cost within a limited footprint. Our self-design and development of controller chips form a key source of our competitive advantage in the market.

  We plan the design and development of controller chips from a commercialization perspective, guided by the mainstream demand of the storage product market. As of the Latest Practicable Date, in addition to controller chips that had entered into mass production phase, we had eight models of self-designed and developed controller chips at different R&D stages, including sample delivery as well as tape-out, back-end and front-end design, forming our controller chip R&D capability characterized by high efficiency, a diversified product portfolio, and a tiered development pipeline.

  As the application of our self-designed and developed controller chips in our memory products further deepens, we expect our R&D capabilities to further strengthen our competitiveness, reduce our cost of sales and enhance our gross profit margin.

- ***Firmware algorithm development.*** We independently develop core firmware algorithms, including advanced flash translation layers, garbage collection mechanisms, wear-leveling algorithms and dynamic low-power balancing algorithms, enabling precise scheduling and optimization of storage medium based on hardware capabilities. These technologies not only elevate read/write speeds to industry-leading levels but also significantly reduce latency and dynamic power consumption, achieving an optimal balance between high performance and low power usage to deliver a smoother and more enduring user experience.

- ***Testing system development.*** We have established a self-developed testing development spanning from the chip level to the system level. At the chip level, leveraging our self-developed MBIST/LBIST frameworks, we conduct automated unit testing, simulated aging and extreme-condition verification. At the system level, we deploy full-platform stress testing and extensive compatibility tests to build a quality assurance barrier. This system enables effective identification and resolution of design defects and potential failures, significantly enhancing product quality and reliability. In addition, we have developed a fully autonomous mass-production testing system that employs highly automated testing programs, simulation-based test methodologies and advanced diagnostic tools to rapidly complete assessments of product performance, reliability, compatibility and aging behavior.

- ***Storage medium characteristic analysis.*** For storage medium sourced from different suppliers, such as NAND Flash, we conduct in-depth characterization at the intrinsic properties, precisely analyzing electrical characteristics and degradation patterns trend under varying process nodes, voltages and temperatures. By thoroughly understanding the characteristics of media from various suppliers, we can accurately match customers with the most suitable components for their application scenarios, delivering optimized and cost-effective products. This research also forms the technical foundation for firmware algorithm development and controller chip design and development, supporting precise sorting and grading of components, maximizing medium performance and predicting and mitigating potential risks associated with medium usage. As a result, this capability ensures exceptional reliability and long-term stability of our products throughout their entire lifecycle.

OUR CUSTOMERS AND SUPPLIERS

Our sales channels consist of both direct sales and distributorship. Our customers include, among others, smartphone and tablet manufacturers, wearable device manufacturers, module manufacturers, Tier 1 Suppliers, automobile manufacturers and computer manufacturers. During the Track Record Period, the majority of our products were sold through direct sales, while the rest were sold through distributorship. In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, revenue generated from direct sales was RMB5,072.6 million, RMB6,410.6 million, RMB7,388.2 million, RMB1,797.7 million and RMB4,348.1 million, respectively, representing 57.8%, 73.5%, 65.7%, 64.1% and 54.3% of our total revenue for the same periods, while revenue generated from distributorship was RMB3,708.1 million, RMB2,307.8 million, RMB3,849.4 million, RMB1,006.8 million and RMB3,664.2 million, respectively, representing 42.2%, 26.5%, 34.3%, 35.9% and 45.7% of our total revenue for the same periods. In 2023, 2024, 2025 and the four months ended April 30, 2026, revenue generated from our five largest customers amounted to RMB5,210.6 million, RMB5,740.0 million, RMB5,226.5 million and RMB3,273.9 million, respectively, accounting for 59.4%, 65.7%, 46.6% and 40.8% of our total revenue in the same periods, respectively. Revenue from our largest customer in each period of the Track Record Period accounted for 20.9%, 33.4%, 15.4% and 15.6% of our total revenue, respectively.

During the Track Record Period, our major suppliers primarily consisted of raw material suppliers and service providers, including original memory manufacturers ("**Original Memory Manufacturers**")[(1)], controller suppliers, foundries and OSAT providers. In 2023, 2024, 2025 and the four months ended April 30, 2026, purchases from our five largest suppliers amounted to RMB3,808.5 million, RMB4,182.5 million, RMB6,616.4 million and RMB4,310.2 million, respectively, representing 43.5%, 49.4%, 55.5% and 63.0% of our total purchases, respectively. In addition, purchases from our largest supplier accounted for 12.6%, 11.6%, 15.7% and 19.8% of our total purchases for the same periods, respectively.

COMPETITION

The global memory product industry is a tremendous market space. The global memory product market size was US$289.0 billion in 2025. The market size is expected to increase continuously from US$377.5 billion in 2026 to US$723.8 billion in 2030, with a CAGR of 17.7% during the period. We primarily compete with global and local independent memory product enterprises. The principal competitive factors in our markets include technological expertise and innovative R&D capabilities, product development capabilities and supply chain partnerships. For more information on the competitive landscape of our industry, see "Industry Overview."

ENTITY LIST DESIGNATION OF HEFEI CORE STORAGE

On December 16, 2022, the U.S. Department of Commerce Bureau of Industry and Security ("**BIS**") designated our wholly-owned subsidiary Hefei Core Storage Electronic Limited (合肥兆芯電子有限公司) ("**Hefei Core Storage**") on the Entity List. BIS stated that the designation was based on information indicating that certain companies including Hefei Core Storage presented a significant risk of diversion of items to Entity List parties, i.e., Huawei Technologies Co., Ltd. and Hangzhou Hikvision Digital Technology Co., Ltd. Following an internal review of our Group's sales records, we confirmed that our Group (including Hefei Core Storage) has not conducted any business transactions with Huawei or Hikvision and has not sold any products to Huawei or Hikvision since our establishment. The Entity List designation means that exports, reexports or transfers (in-country) to Hefei Core Storage of items that are subject to the U.S. Export Administration Regulations (the "**EAR**") including certain U.S.-origin items and certain non-U.S.-origin items subject to U.S. Export Administration Regulations may require a BIS license, and may restrict Hefei Core Storage's ability to procure or obtain certain goods, software and technology that are subject to the EAR. The designation

(1) According to Frost & Sullivan, Original Memory Manufacturer is an industry term in the memory product industry and generally refers to a memory manufacturer with original memory wafer or chip design, research and development and manufacturing capabilities, typically covering the development, production and supply of core memory wafers or chips such as NAND Flash and/or DRAM. Compared with independent memory product enterprises, Original Memory Manufacturers generally have stronger upstream capabilities in chip design, process technology, wafer fabrication and large-scale production and may provide memory products through vertically integrated operations.

does not, by itself, directly restrict Hefei Core Storage's external sales activities, external services or after-sales activities, or its own financial activities or research and development activities, but may affect such activities in practice to the extent they depend on access to items, software or technology that are subject to the EAR. The restrictions imposed by BIS on Hefei Core Storage do not apply to other members of our Group, except that Hefei Yichao, which is wholly owned by Hefei Core Storage, would become subject to the Entity List licensing requirement if implementation of the Affiliates Rule resumes in the future.

Following the designation, Hefei Core Storage has gradually reduced its sales activities and currently sells only existing inventory; based on our assessment of Hefei Core Storage's existing inventory and market demand, we expect Hefei Core Storage to cease its sales activities by the end of 2026.

During the Track Record Period, Hefei Core Storage's revenue contribution remained immaterial to our Group. Hefei Core Storage's revenue contribution represented 3.0%, 0.2%, 0.1% and less than 0.1% of our total revenue in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively. Hefei Core Storage had approximately 155, 22, 14 and 9 employees in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, accounting for approximately 19.8%, 1.9%, 1.0%, and 0.7% of our Group's total headcount for the respective years. We have implemented operational segregation and compliance measures to mitigate related risks, including segregation of research and development, procurement, sales, personnel roles and IT systems between Hefei Core Storage and other members of our Group. As advised by our international sanctions legal adviser, the restrictions imposed by BIS on Hefei Core Storage do not apply to other members of our Group, except that Hefei Yichao, which is wholly owned by Hefei Core Storage, would become subject to the Entity List licensing requirement if implementation of the Affiliates Rule resumes in the future. Based on the assessment conducted by us and our international sanctions legal adviser, our business activities during the Track Record Period and up to the Latest Practicable Date should not be subject to any material export control or sanctions risks, and the designation of Hefei Core Storage on the Entity List should not have any material impact on our supply chain, business operations, financial performance, research and development capabilities, and product and service offerings. For details, see "Business — U.S. Export Controls, Sanctions and Entity List Designation of Hefei Core Storage" and "Risk Factors — Risks Relating to Our Business and Industry — We may be subject to the risks associated with international trade policies, geopolitics and trade protection measures, including imposition of trade restrictions and sanctions, and our reputation, business, results of operations and financial condition could be adversely affected."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Summary of Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss during the Track Record Period:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Revenue	**8,780,699**	**100.0**	**8,718,412**	**100.0**	**11,237,576**	**100.0**	**2,804,510**	**100.0**	**8,012,275**	**100.0**
Cost of sales	(8,363,547)	(95.2)	(7,318,805)	(83.9)	(8,791,188)	(78.2)	(2,417,918)	(86.2)	(3,043,467)	(38.0)
Gross profit	**417,152**	**4.8**	**1,399,607**	**16.1**	**2,446,388**	**21.8**	**386,592**	**13.8**	**4,968,808**	**62.0**
Other income and gains	51,585	0.6	38,926	0.4	44,615	0.4	19,441	0.7	6,267	0.1
Selling and distribution expenses	(41,924)	(0.5)	(52,916)	(0.6)	(65,934)	(0.6)	(20,011)	(0.7)	(28,436)	(0.4)
Administrative expenses	(161,960)	(1.9)	(148,063)	(1.7)	(191,085)	(1.7)	(52,992)	(2.0)	(80,785)	(1.1)
Research and development expenses	(282,563)	(3.2)	(392,182)	(4.5)	(493,180)	(4.4)	(151,400)	(5.4)	(199,632)	(2.5)
Impairment losses on financial assets, net	(19,938)	(0.2)	(13,868)	(0.2)	23,693	0.2	7,088	0.3	(9,484)	(0.1)
Other expenses	(8,480)	(0.1)	(96,658)	(1.1)	(37,685)	(0.3)	(6)	(0.0)	(90,734)	(1.1)
Finance costs	(72,342)	(0.9)	(154,607)	(1.8)	(137,844)	(1.2)	(44,545)	(1.6)	(42,558)	(0.5)

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* *(Unaudited)*	*%*	*RMB'000*	*%*
Share of losses of an associate	(13,059)	(0.1)	(11,654)	(0.1)	(14,054)	(0.2)	(3,577)	(0.1)	5,058	0.1
(Loss)/profit before tax	(131,529)	(1.5)	568,585	6.5	1,574,914	14.0	140,590	5.0	4,528,504	56.5
Income tax credit/(expense)	14,079	0.2	(85,712)	(1.0)	(211,029)	(1.9)	(17,522)	(0.6)	(687,858)	(8.6)
(Loss)/profit for the year/period	**(117,450)**	**(1.3)**	**482,873**	**5.5**	**1,363,885**	**12.1**	**123,068**	**4.4**	**3,840,646**	**47.9**

Non-IFRS Measures

To supplement our consolidated financial statements presented in accordance with IFRSs, we use adjusted profit/(loss) (non-IFRS measures) for the period and adjusted EBITDA (non-IFRS measures) 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 and company to company by eliminating potential impacts of certain items. We believe that these measures provide useful information to investors in understanding and evaluating our consolidated results of operations in the same manner as they help management. However, presentation of adjusted profit/(loss) (non-IFRS measures) for the period and adjusted EBITDA (non-IFRS measures) may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and investors should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRSs. The following table presents our non-IFRS financial measures for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Reconciliation of profit/(loss) for the year/period to adjusted profit/(loss) (non-IFRS measures) and adjusted EBITDA (non-IFRS measures)					
(Loss)/Profit for the year/period	**(117,450)**	**482,873**	**1,363,885**	**123,068**	**3,840,646**
Add:					
Share-based payment expenses[(1)]	85,765	67,742	81,584	28,541	55,030
Adjusted net (loss)/profit (non-IFRS measures)	**(31,685)**	**550,615**	**1,445,469**	**151,609**	**3,895,676**
Add:					
Depreciation and amortization	125,556	161,911	169,248	53,848	59,741
Net finance costs	71,491	154,047	137,191	44,412	39,693
Income tax expenses/(credit)	(14,079)	85,712	211,029	17,522	687,858
Adjusted EBITDA (non-IFRS measures)	**151,283**	**952,285**	**1,962,937**	**267,391**	**4,682,968**

(1) Share-based payment expenses are non-cash expenses.

Revenue

The following table sets forth a breakdown of our revenue by product type during the Track Record Period:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Embedded storage	3,732,376	42.5	5,687,730	65.2	5,369,884	47.8	1,333,001	47.5	5,432,943	67.8
SSDs	1,932,012	22.0	776,110	8.9	963,989	8.6	290,391	10.4	335,604	4.2
DRAM	112,087	1.3	1,062,748	12.2	2,784,062	24.8	755,854	27.0	1,088,245	13.6
Mobile storage	321,041	3.7	227,486	2.6	345,603	3.1	100,569	3.6	213,546	2.7
Memory IC	2,360,469	26.9	784,166	9.0	1,719,397	15.2	298,874	10.6	927,309	11.5
Others[1]	322,714	3.6	180,172	2.1	54,641	0.5	25,821	0.9	14,628	0.2
Total	**8,780,699**	**100.0**	**8,718,412**	**100.0**	**11,237,576**	**100.0**	**2,804,510**	**100.0**	**8,012,275**	**100.0**

(1) Primarily include (i) controller chips, sold as separate units, which are chips used to standardize communication between the host and the NAND storage medium and are primarily responsible for logical-to-physical address mapping and optimization of NAND endurance and performance based on NAND characteristics; (ii) technical services, primarily comprising customized firmware development services provided to customers; and (iii) servers, primarily comprising high-performance servers, including integrated computing appliances and TPU 2U servers, which integrate CPUs/GPUs, memory, high-speed storage, network interface cards, heat dissipation and power supply systems and are designed for high-density parallel computing and large-scale AI model computing scenarios.

Price Trends of Key Memory Products and Impact on Our Financial Performance

According to Frost & Sullivan, market prices of key memory products, including DRAM and NAND Flash-based products, experienced phased fluctuations from 2021 to early 2026. Prices remained relatively high in 2021, mainly due to global supply chain constraints and strong demand arising from remote working, online learning, cloud services and digital infrastructure. Prices declined significantly in 2022 as demand from terminal consumer electronics weakened and the industry entered an inventory destocking cycle, and remained at relatively low levels from 2023 to mid-2025 due to earlier capacity expansion, high inventory levels of consumer-grade products, relatively loose supply-demand conditions and insufficient demand growth. From mid-to-late 2025 to early 2026, prices increased significantly, mainly due to increased demand for high-performance memory products from AI-related applications and the reallocation of production capacity by leading Original Memory Manufacturers toward higher-end and higher-margin products, which tightened the supply of certain traditional memory products.

The following table sets forth the sales volume in GB and average selling price per GB of our main products during the Track Record Period:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	(million GB)	*(RMB per GB)*	*(million GB)*	*(RMB per GB)*	*(million GB)*	*(RMB per GB)*	*(million GB)*	*(RMB per GB)*	*(million GB)*	*(RMB per GB)*
Embedded storage	12,410.7	0.30	15,462.7	0.37	26,307.0	0.20	5,694.6	0.23	10,684.5	0.51
SSDs	9,458.7	0.20	2,366.0	0.33	2,957.0	0.33	1,040.0	0.28	362.8	0.93
DRAM	11.6	9.64	75.7	14.05	197.3	14.11	61.8	12.24	31.1	34.98
Mobile storage	1,285.0	0.25	788.1	0.29	1,253.4	0.28	411.9	0.24	311.7	0.68
Memory IC	14,058.8	0.17	2,387.5	0.33	4,308.2	0.40	901.1	0.33	2,827.0	0.33

Our average selling prices are affected by market price trends, but may not move in line with such trends due to changes in product specifications, customers, our pricing strategies and, in the case of embedded storage, the accounting presentation under the Customer Supply Arrangement.

- ***2024 compared with 2023.*** In 2024, the memory product market was in an early and uneven recovery phase following the industry downturn in 2022 and 2023. Inventory levels across smartphones, PCs and other consumer electronics gradually normalized, supporting a recovery in downstream procurement and replenishment, while continued inventory digestion and more controlled supply by leading Original Memory Manufacturers gradually reduced excess supply. However, end-market demand remained moderate and the impact of production capacity added during the previous upcycle had not been fully absorbed, and therefore the market had not yet entered a full industry upturn. Against this backdrop, from 2023 to 2024, the average selling prices of our embedded storage, SSDs, DRAM, mobile storage and memory IC products increased from RMB0.30 to RMB0.37 per GB, RMB0.20 to RMB0.33 per GB, RMB9.64 to RMB14.05 per GB, RMB0.25 to RMB0.29 per GB and RMB0.17 to RMB0.33 per GB, respectively. The increase in average selling prices primarily reflected the recovery in market prices. For our DRAM products, the increase was also attributable to the launch of our DDR5 products, which had higher average selling prices. The increases in average selling prices contributed to the increase in our overall gross profit margin from 4.8% in 2023 to 16.1% in 2024 and supported our turnaround from net loss to net profit in 2024.

- ***2025 compared with 2024.*** During the first half of 2025, market prices of DRAM and NAND Flash-based products generally remained at relatively low levels. From mid-to-late 2025, however, market prices increased significantly, primarily due to increased demand for high-performance memory products and the reallocation of production capacity by leading Original Memory Manufacturers toward HBM, DDR5 and other higher-end products, which tightened the supply of certain conventional memory products. Notwithstanding the late-2025 market price increases, from 2024 to 2025, the average selling price trends of our products were mixed. The average selling price of embedded storage decreased from RMB0.37 to RMB0.20 per GB, primarily due to the accounting presentation under the Customer Supply Arrangement; excluding such arrangement, the average selling price remained relatively stable at RMB0.48 and RMB0.47 per GB in 2024 and 2025, respectively. The average selling price of SSDs remained stable at RMB0.33 per GB, while the average selling prices of DRAM and memory IC increased from RMB14.05 to RMB14.11 per GB and from RMB0.33 to RMB0.40 per GB, respectively. The average selling price of mobile storage decreased slightly from RMB0.29 to RMB0.28 per GB. Accordingly, the increase in our overall gross profit margin from 16.1% in 2024 to 21.8% in 2025 reflected not only product price movements, but also changes in product mix, enhanced economies of scale and reductions in unit costs resulting from improved utilization of raw materials.

- ***Four months ended April 30, 2026 compared with the corresponding period in 2025.*** The significant industry price increases that began in mid-to-late 2025 continued into the four months ended April 30, 2026, supported by strong demand for high-performance memory products and continued supply constraints arising from the allocation of production capacity toward HBM, DDR5 and other higher-end products. In light of these market conditions, from the four months ended April 30, 2025 to the four months ended April 30, 2026, the average selling prices of most of our major product categories significantly increased. The average selling prices of embedded storage, SSDs, DRAM and mobile storage products increased from RMB0.23 to RMB0.51 per GB, RMB0.28 to RMB0.93 per GB, RMB12.24 to RMB34.98 per GB and RMB0.24 to RMB0.68 per GB, respectively. The average selling price of embedded storage continued to be affected by the accounting presentation under the Customer Supply Arrangement; excluding such arrangement, the average selling price of embedded storage increased from RMB0.40 to RMB1.75 per GB. The average selling price of memory IC remained stable as the significant increase in the average selling price of regular memory IC products from RMB0.33 to RMB1.30 per GB was offset by the increased sales contribution from downgraded memory IC products, which had substantially lower average selling prices. As a result, our overall gross profit margin increased from 13.8% in

the four months ended April 30, 2025 to 62.0% in the four months ended April 30, 2026, reflecting increases in market prices of memory products, partially offset by increases in unit cost of sales for certain products due to increases in raw material prices.

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by product during the Track Record Period:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Embedded storage	25,724	0.7	1,175,670	20.7	821,431	15.3	147,234	11.0	3,346,545	61.6
SSDs	122,792	6.4	79,116	10.2	320,796	33.3	43,266	14.9	248,556	74.1
DRAM	(22,480)	(20.1)	(93,623)	(8.8)	614,909	22.1	105,419	13.9	619,214	56.9
Mobile storage	47,786	14.9	75,690	33.3	176,232	51.0	50,461	50.2	165,842	77.7
Memory IC	130,093	5.5	145,200	18.5	497,737	28.9	30,750	10.3	583,552	62.9
Others[(1)]	113,237	35.1	17,554	9.7	15,283	28.0	9,462	36.6	5,099	34.9
Total	**417,152**	**4.8**	**1,399,607**	**16.1**	**2,446,388**	**21.8**	**386,592**	**13.8**	**4,968,808**	**62.0**

(1) Primarily include (i) controller chips, (ii) technical services and (iii) servers.

During the Track Record Period, we recorded a net loss of RMB117.5 million for 2023, and a net profit of RMB482.9 million, RMB1,363.9 million, RMB123.1 million and RMB3,840.6 million in 2024, 2025 and the four months ended April 30, 2025 and 2026. Our net profit/(loss) improved primarily due to changes in our gross profit and gross profit margin. Specifically, our gross profit increased from RMB417.2 million (gross profit margin of 4.8%) in 2023 to RMB1,399.6 million (gross profit margin of 16.1%) in 2024, which supported our turnaround to profit for the year in 2024. Our gross profit margin increased from 4.8% in 2023 to 16.1% in 2024, primarily due to (1) an increase in the gross profit margin of embedded storage, primarily due to the increase in the average selling price of the embedded storage, as a result of an increase in the market price of embedded storage, according to Frost and Sullivan; and (2) a decrease in the gross loss margin of DRAM, primarily due to an increase in the average selling price of the DRAM, as a result of the launch of our new DDR5 product, which has a higher average selling price and lower gross loss margin. Our gross profit further increased to RMB2,446.4 million (gross profit margin of 21.8%) in 2025. Our gross profit margin increased from 16.1% in 2024 to 21.8% in 2025, primarily attributable to (i) the turnaround of our DRAM products from a gross loss margin of 8.8% to a gross profit margin of 22.1%, driven by our enhanced economies of scale as a result of increased purchases from our existing customers, and (ii) an improvement in the gross profit margin of our SSD products and memory IC products from 10.2% to 33.3% and 18.5% to 28.9%, respectively, primarily due to a decrease in the unit cost of sales for our SSD products as a result of our improved technology, leading to better utilization of raw materials, and the increase in average selling price for our memory IC products, respectively. Our gross profit further increased from RMB386.6 million in the four months ended April 30, 2025 to RMB4,968.8 million in the four months ended April 30, 2026. Our gross profit margin increased from 13.8% in the four months ended April 30, 2025 to 62.0% in the four months ended April 30, 2026, primarily attributable to increases in the gross profit margins of our major product categories, mainly driven by increases in market prices of memory products.

Summary of Selected Items of Financial Positions

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current Assets	1,100,973	975,372	862,592	949,863
Current Assets	4,767,861	6,654,798	9,541,050	17,716,693
Total Assets	**5,868,834**	**7,630,170**	**10,403,642**	**18,666,556**
Non-current Liabilities	119,396	123,716	868,303	1,351,031
Current Liabilities	3,755,904	4,915,795	5,189,172	9,133,542
Total Liabilities	**3,875,300**	**5,039,511**	**6,057,475**	**10,484,573**
Net Current Assets	1,011,957	1,739,003	4,351,878	8,583,151
Net Assets	**1,993,534**	**2,590,659**	**4,346,167**	**8,181,983**
Share capital	442,650	449,354	467,814	467,814
Reserves	1,550,884	2,141,305	3,878,353	7,714,169
Total Equity	**1,993,534**	**2,590,659**	**4,346,167**	**8,181,983**

Our net assets increased from RMB1,993.5 million as of December 31, 2023 to RMB2,590.7 million as of December 31, 2024, primarily due to total comprehensive income for the year of RMB492.7 million, equity-settled share-based payments of RMB67.7 million and issue of shares of RMB54.2 million, partially offset by the recognition of redemption liabilities on ordinary shares of RMB30.0 million. Our net assets further increased to RMB4,346.2 million as of December 31, 2025, primarily due to total comprehensive income for the year of RMB1,316.7 million, issue of shares of RMB338.5 million and equity-settled share-based payments of RMB81.6 million. Our net assets further increased to RMB8,182.0 million as of April 30, 2026, primarily due to total comprehensive income for the period of RMB3,779.8 million and equity-settled share-based payments of RMB55.0 million. See the consolidated statements of changes in equity in Appendix I for details.

Summary of Consolidated Statements of Cash Flows

The following table sets forth selected cash flow statement information during the Track Record Period:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Net cash flows (used in)/from operating activities	(1,048,244)	(1,122,025)	716,701	(430,187)	(2,691,062)
Net cash flows used in investing activities	(8,370)	(127,643)	(120,875)	(31,704)	(28,779)
Net cash flows from/(used in) financing activities	1,245,558	1,269,111	(247,600)	401,055	2,846,459
Net increase/(decrease) in cash and cash equivalents	**188,944**	**19,443**	**348,226**	**(60,836)**	**126,618**
Cash and cash equivalents at the beginning of the year/period	91,148	254,714	275,790	275,790	562,614
Cash and cash equivalents at the end of the year/period	**254,714**	**275,790**	**562,614**	**211,751**	**624,593**

We recorded net cash flows used in operating activities of RMB1,048.2 million, RMB1,122.0 million and RMB2,691.1 million in 2023, 2024 and the four months ended April 30, 2026, respectively, primarily due to working capital requirements associated with the development and expansion of our business, and recorded net cash flows generated from operating activities of RMB716.7 million in 2025. In 2023, our operating cash outflow was primarily attributable to loss before tax of RMB131.5 million and working capital movements, including an increase in trade receivables of RMB1,375.3 million and an increase in inventories of RMB547.5 million, partially offset by an increase in trade payables of RMB589.8 million and non-cash and non-operating items. In 2024, our operating cash outflow was primarily attributable to working capital movements, including an increase in inventories of RMB1,900.6 million, an increase in trade receivables of RMB326.1 million and a decrease in trade payables of RMB279.4 million, partially offset by profit before tax of RMB568.6 million and non-cash and non-operating items. We recorded net cash flows generated from operating activities of RMB716.7 million in 2025, primarily due to profit before tax of RMB1,574.9 million, an increase in trade payables of RMB1,268.1 million and a decrease in trade receivables of RMB1,058.2 million, partially offset by an increase in inventories of RMB3,214.2 million. For the four months ended April 30, 2026, we recorded net cash flows used in operating activities of RMB2,691.1 million, primarily due to working capital movements, including an increase in inventories of RMB3,759.6 million, an increase in prepayments, other receivables and other assets of RMB3,128.5 million and an increase in trade receivables of RMB1,279.4 million, as well as income tax paid of RMB330.4 million, partially offset by profit before tax of RMB4,528.5 million, an increase in contract liabilities of RMB568.0 million, an increase in trade payables of RMB530.0 million and non-cash and non-operating items.

KEY FINANCIAL RATIOS

The following table sets out our key financial ratios for the periods indicated:

	As of or for the year ended December 31,			As of or for the four months ended April 30,	
	2023	2024	2025	2025	2026
				(Unaudited)	
Net (loss)/profit margin	(1.3)%	5.5%	12.1%	4.4%	47.9%
Current ratio	1.3	1.4	1.8	1.4	1.9
Adjusted EBITDA *('000)* (non-IFRS measure)	151,283	952,285	1,962,937	267,391	4,682,968
(Loss)/return on equity	(6.4)%	21.1%	39.3%	4.3%	61.3%

RISK FACTORS

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. Some of the major risk factors that we face include: (1) failure to continuously develop and innovate our products to meet customers' evolving needs in terms of functionality, performance, reliability, design and security, which could prevent us from retaining existing customers, attracting new customers or increasing sales; (2) the highly competitive nature of the industry in which we operate, and our failure to compete effectively against other market participants, which could materially and adversely affect our business, results of operations and financial condition; (3) new scientific and technological outcomes or trends that could render our products uncompetitive or obsolete; (4) the historically cyclical nature of the markets in which we compete, including downturns and declines in average selling prices that have materially adversely affected, and may in the future materially adversely affect, our business, results of operations and financial condition; (5) failure to manage our growth and expansion effectively, which could materially and adversely affect our business, financial condition and results of operations; (6) failure to effectively manage the introduction of new products, which could impair our competitiveness or our ability to stimulate customer demand; (7) failure to obtain or maintain adequate intellectual property rights protection for our products, or the possibility that the scope of such protection may not be sufficiently broad; (8) third-party claims alleging infringement of their intellectual property rights and potential intellectual property negotiations and disputes, including those relating to standard-essential patents, which could be prolonged and could result in liabilities, penalties, license fees, royalties, settlement payments, product redesign or

suspension of sales of the products involved; (9) risks associated with international trade policies, geopolitics and trade protection measures, including the imposition of trade restrictions and sanctions and our limited ability to control onward sales by downstream customers to restricted parties or for restricted end uses, which could adversely affect our reputation, business, results of operations and financial condition; and (10) inability to retain our senior management team, key employees and qualified staff, or to attract and compete for talent, which could adversely affect our business, financial condition and results of operations.

OUR CONTROLLING SHAREHOLDERS

Mr. Wu, our executive Director, chairperson of the Board and general manager, through (i) Xinruilai, which is owned as to approximately 71.76% by Mr. Wu; (ii) Shenzhen Jubang, which is owned as to approximately 0.22% by Mr. Wu as the general and executive partner and as to approximately 22.22% by Ms. Wu Jiamin, Mr. Wu's daughter and an executive Director, as a limited partner; and (iii) Hongxin Micro, Hongxin Chuang, Hongxintai No. 2, Hosintai, Ningbo Zhaohan, Ningbo Zhaoxin and Hangzhou Feisuan, in each of which Mr. Wu serves as the general and executive partner, was entitled to exercise approximately 36.68% of the voting rights at the general meetings of our Company as of the Latest Practicable Date and will be entitled to control approximately 35.56% of the voting rights in our Company immediately following the completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised and no additional Shares are issued pursuant to the Pre-IPO Share Option Scheme).

Accordingly, Mr. Wu, Ms. Wu Jiamin, Xinruilai, Shenzhen Jubang, Hongxin Micro, Hongxin Chuang, Hongxintai No. 2, Hosintai, Ningbo Zhaohan, Ningbo Zhaoxin and Hangzhou Feisuan will together constitute a group of our Controlling Shareholders under the Listing Rules. For more details about our corporate structure and the shareholding of our Controlling Shareholders, please refer to the paragraphs headed "History, Development and Corporate Structure — Corporate Structure" and the section headed "Relationship with Our Controlling Shareholders" in this prospectus.

PRE-IPO INVESTMENTS

We have engaged in the Pre-IPO Investments with our Pre-IPO Investors, including, among others, Kunqiao Capital, Juyuan Xinchuang, Shenzhen HTI and Hefei Industry Investment. For further details of the identities and background of our Pre-IPO Investors and the principal terms of the Pre-IPO Investments, please refer to the paragraphs headed "History, Development and Corporate Structure — Pre-IPO Investments" in this prospectus.

CONTINUING CONNECTED TRANSACTION

We have entered into, and are expected to continue with, certain transaction after the Listing which will constitute non-exempt continuing connected transaction under Chapter 14A of the Listing Rules. We have applied for, and the Stock Exchange has granted us, a waiver in relation to certain continuing connected transaction between us and our connected person under Chapter 14A of the Listing Rules. For more details about the continuing connected transaction and the waiver, please refer to the section headed "Connected Transaction" in this prospectus.

PRE-IPO SHARE OPTION SCHEME

We adopted the Pre-IPO Share Option Scheme on December 18, 2025. For details, please refer to the paragraphs headed "Statutory and General Information — Employee Incentive Plans — Pre-IPO Share Option Scheme" set out in Appendix VI to this prospectus. As of the Latest Practicable Date, the number of underlying Shares pursuant to the outstanding Options amounted to 6,095,000 Shares, representing approximately 1.26% of the issued Shares immediately following the completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised and no additional Shares are issued pursuant to the Pre-IPO Share Option Scheme). Assuming full exercise of all outstanding options granted under the Pre-IPO Share Option Scheme, and the Offer

Size Adjustment Option and the Over-allotment Option are not exercised, the issued and outstanding shareholding of our Shareholders immediately following completion of the Global Offering will be diluted by approximately 1.25%.

GLOBAL OFFERING STATISTICS

	Based on the Offer Price of HK$72.29 per Share	Based on the Offer Price of HK$82.90 per Share
Market capitalization of our Shares[(1)]	HK$34,882.2 million	HK$40,001.8 million
Unaudited pro forma adjusted consolidated net tangible assets per Share[(2)]	HK$20.55	HK$20.87

(1) The calculation of the market capitalization is based on 482,531,284 Shares expected to be in issue immediately after completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised and no additional Shares are issued pursuant to the Pre-IPO Share Option Scheme).

(2) The unaudited pro forma adjusted consolidated net tangible assets per Share is calculated after making the adjustments referred to in the section headed "Appendix II — Unaudited Pro Forma Financial Information" to this prospectus.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Hong Kong Stock Exchange for the granting of the listing of, and permission to deal in, the H Shares to be issued by us pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option), any H Shares which may be issued pursuant to the options granted under the Pre-IPO Share Option Scheme and the H Shares to be converted from the Unlisted Shares, on the basis that we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules.

DIVIDENDS AND DIVIDEND POLICY

No dividend was paid or declared by us during the Track Record Period. As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend distribution ratio. PRC laws require that dividends be paid only out of our distributable profits. Distributable profits refer to our after-tax profits, after making up for previous years' losses (if any) and appropriating statutory reserves (we are required to set aside 10% of the after-tax profits as statutory reserves, and the appropriation may be suspended when the accumulated amount of statutory reserves reaches 50% of the registered capital) and other reserves as required. Pursuant to our Articles of Association, our Board may formulate profit distribution proposals 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, applicable PRC laws and approval by our Shareholders at the general meeting of shareholders. As advised by our PRC Legal Advisor, no dividend shall be declared or payable, unless we have profits and reserves lawfully available for distribution.

FUTURE PLANS AND USE OF PROCEEDS

We estimate that we will receive net proceeds of HK$1,054.2 million after deducting underwriting fees and commissions and estimated offering expenses paid and payable by us in the Global Offering, assuming no Offer Size Adjustment Option or Over-allotment Option is exercised, no additional Shares are issued pursuant to the Pre-IPO Share Option Scheme and an Offer Price of HK$77.60 per Offer Share (being the mid-point of the Offer Price range stated in this Prospectus). We intend to use the proceeds from the Global Offering for these purposes: (1) approximately 40.0% of the net proceeds, or HK$421.7 million, is expected to be used for the development and commercialization of memory products; (2) approximately 35.0% of the net proceeds, or HK$369.0 million, is expected to be used for development and iteration of the controller chips; (3) approximately 15.0% of the net proceeds, or HK$158.1 million, is expected to be used for enhancing our wafer and controller chip validation and testing capabilities; and (4) approximately 10.0% of the net proceeds, or HK$105.4 million, is expected to be used for working capital and for general corporate purposes.

LISTING EXPENSES

Our listing expenses mainly include (i) underwriting-related expenses, such as underwriting fees and commissions, and (ii) non-underwriting-related expenses, comprising professional fees paid to our legal advisors and Reporting Accountants for their services rendered in relation to the Listing and the Global Offering, and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total listing expenses (based on the mid-point of the Offer Price Range and assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised and no additional Shares are issued pursuant to the Pre-IPO Share Option Scheme) for the Global Offering are approximately HK$87.9 million, accounting for approximately 7.69% of our gross proceeds. Among such estimated total listing expenses, we expect to pay underwriting-related expenses of HK$42.3 million, professional fees for our legal advisors and Reporting Accountants of HK$30.5 million and other fees and expenses of HK$15.1 million. An estimated amount of HK$43.5 million for our listing expenses, accounting for approximately 3.80% of our gross proceeds, was or is expected to be expensed through the statement of profit or loss and the remaining amount of HK$44.4 million is expected to be recognized directly as a deduction from equity upon the Listing. We did not recognize any listing expenses in 2023 and 2024. We recognized listing expenses of RMB13.5 million in 2025 and RMB1.6 million in the four months ended April 30, 2026 in our consolidated statements of profit or loss and other comprehensive income.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

In January 2024, we received a letter from Shenzhen Longsys Electronics Co., Ltd. (深圳市江波龍電子股份有限公司) ("**Shenzhen Longsys**"), a company listed on ChiNext of the Shenzhen Stock Exchange (Stock Code: 301308) and the Main Board of the Stock Exchange (Stock Code: 9976), regarding a portfolio of patents which Shenzhen Longsys claimed to be standard-essential patents ("**SEPs**") in relation to certain storage-related standards. During the ensuing licensing negotiations, MTL Memory Technologies (Shenzhen) Co., Ltd. (埃姆梯爾存儲技術(深圳)有限公司) ("**Shenzhen MTL**"), in which Shenzhen Longsys held a 49.0% equity interest, progressively acquired ownership of, or obtained the authority to license, all patents in the relevant portfolio. In September 2026, we entered into strategic cooperation arrangements with Shenzhen Longsys, Shenzhen MTL and other counterparties to resolve the patent-licensing dispute in respect of the covered patents and activities. As part of this commercial resolution, we paid the entire patent-licensing consideration under these arrangements, amounting to tens of millions of Renminbi, to Shenzhen MTL as the ultimate authorizing party for the patent license and related protection for historical activities.

The definitive agreement grants us and our subsidiaries a worldwide, non-exclusive, non-transferable and non-sublicensable license to specified storage-related patents for qualifying products within the agreed scope. The license covers relevant historical activities and continues until expiry of the last licensed patent, subject to specified termination and change-of-control provisions. Its terms were negotiated having regard to the parties' commercial circumstances, cooperation history and the business scale of the covered products. The licensors warrant their authority to grant the license and provide an indemnity for breach of that warranty. The agreement contains confidentiality obligations and contractual remedies for specified breaches. Certain equity changes that do not affect our substantive business activities are exempt from the change-of-control provisions.

Our Directors have confirmed that, up to the date of this Prospectus, there has been no material adverse change in our financial or trading position or prospects since April 30, 2026, being the end date of our latest consolidated financial statements, and there has been no event since April 30, 2026 that would materially affect the information shown in the Accountants' Report set out 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."

"Accountants' Report"	the accountants' report of our Company, the text of which is set out in Appendix I to this prospectus
"affiliate(s)"	with respect to any specified person, or 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 of Hong Kong
"Articles of Association" or "Articles"	the articles of association of our Company conditionally adopted on December 1, 2025 with effect from the Listing Date, as amended, supplemented or otherwise modified from time to time, a summary of which is set out in "Appendix V — Summary of Articles of Association"
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of our Board
"Board" or "Board of Directors"	the board of directors of our Company
"Business Day" or "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 as set out in "Directors and Parties Involved in the Global Offering"
"CCASS"	Central Clearing and Settlement System established and operated by HKSCC
"Changliansheng"	Shenzhen Changlian Sheng Technology Co., Ltd. (深圳市暢聯盛科技有限公司), a limited liability company established in the PRC on January 3, 2023, our wholly-owned subsidiary
"China", "Chinese Mainland" or "PRC"	the People's Republic of China and for the purpose of this prospectus only and for geographical reference only, except where the context requires, references in this prospectus to "China", "Chinese Mainland" or the "PRC" do not apply to Hong Kong SAR, Macau Special Administrative Region and Taiwan
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Companies Ordinance"	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"	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", "our Company" or "HOSIN Electronics"	HOSIN Electronics Co., LTD. (深圳宏芯宇電子股份有限公司), a joint stock company with limited liability incorporated under the laws of the PRC on December 18, 2018

"Compliance Adviser"	has the meaning ascribed thereto under the Listing Rules
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder(s)" or "Controlling Shareholders Group"	has the meaning ascribed thereto under the Listing Rules and, unless the context otherwise requires, refers to Mr. Wu, Ms. Wu Jiamin (吳嘉敏), Xinruilai, Hongxin Micro, Shenzhen Jubang, Hongxin Chuang, Hongxintai No. 2, Hosintai, Ningbo Zhaohan, Ningbo Zhaoxin, and Hangzhou Feisuan, as further detailed in the section headed "Relationship with Our Controlling Shareholders" in this prospectus
"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Core Storage"	Core Storage Electronic (Samoa) Limited, a company incorporated under the laws of Samoa on March 19, 2015, which was indirectly wholly owned by Phison Electronics, one of our substantial Shareholders
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"CSDC"	China Securities Depositary and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company
"EIT"	enterprise income tax
"EIT Law"	Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), as amended, supplemented or otherwise modified from time to time
"Exchange Participant"	a person (a) who, in accordance with the Rules of the Stock Exchange, 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"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outages or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
"FINI"	"Fast Interface for New Issuance", an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listings
"FlySlice"	FlySlice Technologies Co., Ltd. (杭州菲數科技有限公司), a limited liability company established in the PRC on May 14, 2015, our wholly-owned subsidiary
"Frost & Sullivan" or "Industry Consultant"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant, an independent market research and consulting company

"General Rules of HKSCC"	General Rules of HKSCC published by the Stock Exchange, as amended from time to time
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group," "we" or "us"	our Company and its subsidiaries from time to time
"Guide"	the Guide for New Listing Applicants issued by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"H Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which will be subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
"H Share Registrar"	Tricor Investor Services Limited
"Hangzhou Feisuan"	Hangzhou Feisuan Investment Management Partnership (Limited Partnership) (杭州菲算投資管理合夥企業(有限合夥)), a limited partnership established in the PRC on March 21, 2017 with Mr. Wu as its general and executive partner, one of our employee shareholding platforms and Controlling Shareholders
"Hefei Feishu"	Hefei Feishu Information Technology Co., Ltd. (合肥菲數信息科技有限公司), a limited liability company established in the PRC on March 2, 2020, our wholly-owned subsidiary
"Hefei Kaimeng"	Hefei Kaimeng Technology Co., Ltd. (合肥開夢科技有限責任公司), a limited liability company established in the PRC on February 24, 2023, our wholly-owned subsidiary
"HK$" or "Hong Kong dollars" or "HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"HK eIPO White Form"	the application for Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website at **www.hkeipo.hk**
"HK eIPO White Form Service Provider"	the **HK eIPO White Form** service provider designated by our Company as specified on the designated website at **www.hkeipo.hk**
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"HKSCC EIPO"	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS, to be credited to your designated HKSCC Participant's stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is a HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"HKSCC Operational Procedures"	the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC's services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force

"HKSCC Participant(s)"	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"Hong Kong", "HK" or "Hong Kong SAR"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Offer Shares"	1,471,800 H Shares (subject to reallocation as set out in "Structure of the Global Offering") initially offered by our 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 of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%), on and subject to the terms and conditions as set out in "Structure of the Global Offering — The Hong Kong Public Offering"
"Hong Kong Underwriters"	the underwriters as set out in "Underwriting — Hong Kong Underwriters"
"Hong Kong Underwriting Agreement"	the underwriting agreement dated October 28, 2026 relating to the Hong Kong Public Offering entered into by, our Company, our Controlling Shareholders, the Sole Sponsor, the Sole Sponsor-Overall Coordinator and the Hong Kong Underwriters, as set out in "Underwriting — Underwriting Arrangements and Expenses"
"HOSIN Global Storage"	Shenzhen HOSIN Global Storage Technology Co., Ltd. (深圳宏芯宇存儲技術有限公司), a limited liability company established in the PRC on October 31, 2022, our wholly-owned subsidiary
"Hongxin Chuang"	Shenzhen Hongxin Chuang Enterprise Management Partnership (Limited Partnership) (深圳宏芯創企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on November 26, 2019, with Mr. Wu as its general and executive partner, one of our Controlling Shareholders
"Hosin HK"	HOSIN Global (HK) Electronics Co., Limited (宏芯宇電子有限公司), a company incorporated in Hong Kong with limited liability on January 11, 2019, our wholly-owned subsidiary
"Hosintai"	Hosintai Enterprise Management Partnership (L.P.) (深圳宏芯泰企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on November 6, 2019, with Mr. Wu as its general and executive partner, one of our Controlling Shareholders
"Hongxintai No.2"	Shenzhen Hongxintai No.2 Enterprise Management Partnership (Limited Partnership) (深圳宏芯泰貳號企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on January 9, 2023, with Mr. Wu as its general and executive partner, one of our Controlling Shareholders
"Hongxin Micro"	Shenzhen Hongxin Micro Enterprise Management Partnership (Limited Partnership) (深圳宏芯微企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on June 23, 2020, with Mr. Wu as its general and executive partner, one of our Controlling Shareholders

"IFRS"	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board
"Independent Third Party(ies)"	entity(ies) or person(s) which, to the best of the Directors' knowledge, information, and belief, having made all reasonable enquiries, is/are not a connected person(s) of our Company within the meaning of the Listing Rules
"International Offer Shares"	13,245,400 H Shares (subject to reallocation and the exercise of the Over-allotment Option and the Offer Size Adjustment Option as set out in "Structure of the Global Offering") initially offered by our Company pursuant to the International Offering
"International Offering"	the conditional placing of the International Offer Shares at the Offer Price in offshore transactions outside the United States in reliance on Regulation S or any other available exemption from the registration requirement under the U.S. Securities Act, as set out in "Structure of the Global Offering"
"International Underwriters"	the 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 around the Price Determination Date by, our Company, the Controlling Shareholders, the Sole Sponsor, the Sole Sponsor-Overall Coordinator and the International Underwriters, as set out in "Underwriting — Underwriting Arrangements and Expenses"
"Joint Bookrunners"	the Joint Bookrunners as named in "Directors and Parties Involved in the Global Offering" in this prospectus
"Joint Lead Managers"	the Joint Lead Managers as named in "Directors and Parties Involved in the Global Offering" in this prospectus
"Latest Practicable Date"	October 20, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
"Listing"	the listing of the H Shares on the Main Board of the Stock Exchange
"Listing Date"	the date, expected to be on or about Thursday, November 12, 2026, on which the H Shares are listed and from which dealings therein are first permitted to take place on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from, and operated in parallel with, GEM of the Stock Exchange
"Mr. Wu"	Mr. Wu Yisheng (吳奕盛), our executive Director, chairperson of our Board, general manager and one of our Controlling Shareholders

"NDRC"	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Ningbo Zhaohan"	Ningbo Meishan Bonded Port Area Zhaohan Investment Limited Partnership (Limited Partnership) (寧波梅山保税港區兆瀚投資合夥企業(有限合夥)), a limited partnership established in the PRC on June 23, 2017 with Mr. Wu as its general and executive partner, one of our employee shareholding platforms and Controlling Shareholders
"Ningbo Zhaoxin"	Ningbo Meishan Bonded Port Area Zhaoxin Investment Limited Partnership (Limited Partnership) (寧波梅山保税港區兆信投資合夥企業(有限合夥)), a limited partnership established in the PRC on June 23, 2017 with Mr. Wu as its general and executive partner, one of our employee shareholding platforms and Controlling Shareholders
"Nomination Committee"	the nomination committee of our Board
"Offer Price"	the final price per Offer Share in Hong Kong dollars (exclusive of brokerage of 1.0%, AFRC transaction levy of 0.00015%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.00565%) at which the Offer Shares are to be subscribed for or purchased pursuant to the Global Offering, to be determined as set out in "Structure of the Global Offering — Pricing"
"Offer Share(s)"	the Hong Kong Offer Share(s) and/or the International Offer Share(s), as the context may require
"Offer Size Adjustment Option"	the option exercisable by the Company, pursuant to which the Company may allot and issue up to an aggregate of 2,207,500 additional H Shares (representing in aggregate approximately 15.0% of the Offer Shares initially being offered under the Global Offering assuming the Overallotment Option is not exercised) at the Offer Price, to cover any excess market demand in the International Offering (without being subject to any re-allocation mechanism), as described in "Structure of the Global Offering — Offer Size Adjustment Option"
"Over-allotment Option"	the option granted by our Company to the International Underwriters, exercisable by the Sole Sponsor-Overall Coordinator (for itself and on behalf of the International Underwriters) pursuant to the International Underwriting Agreement to require our Company to allot and issue up to an aggregate of 2,207,500 additional H Shares (assuming the Offer Size Adjustment Option is not exercised at all) or up to 2,538,700 additional H Shares (assuming the Offer Size Adjustment Option is exercised in full) at the Offer Price, to cover, among other things, over-allocations in the International Offering, if any, the details of which are set out in "Structure of the Global Offering — Over-allotment Option"
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"Phison Electronics"	Phison Electronics Corporation (群聯電子股份有限公司), a joint stock company incorporated under the laws of Taiwan on November 8, 2000, whose shares are listed on the Taipei Exchange (stock code: 8299) and one of our substantial Shareholders

"PRC Company Law"	Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
"PRC Government"	the central government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities
"PRC Legal Advisor"	AllBright Law Offices, our legal advisor as to PRC law
"Pre-IPO Investment(s)"	the investment(s) in our Company undertaken by the Pre-IPO Investors prior to the Global Offering, the details of which are set out in "History, Development and Corporate Structure"
"Pre-IPO Investor(s)"	the investor(s) who participated in our Pre-IPO Investment(s) as set out in "History, Development and Corporate Structure"
"Pre-IPO Share Option Scheme"	the pre-IPO share option scheme adopted by our Company on December 18, 2025, the details of which are set out in "Statutory and General Information — Employee Incentive Plans — Pre-IPO Share Option Scheme"
"Price Determination Agreement"	the agreement to be entered into by the Sole Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and our Company on the Price Determination Date to record and fix the Offer Price
"Price Determination Date"	the date on which the Offer Price is to be determined
"prospectus"	this prospectus being issued in connection with the Hong Kong Public Offering
"RealYou Investment"	RealYou Investment Limited (瑞元投資有限公司), a company incorporated under the laws of Hong Kong with limited liability on February 15, 2018, which was indirectly wholly owned by Phison Electronics, one of our substantial Shareholders
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of our Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SFC"	Securities and Futures Commission of Hong Kong
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shanghai HOSIN Global"	Shanghai HOSIN Global Microelectronics Technology Co., Ltd. (上海宏芯宇微電子技術有限公司), a limited liability company established in the PRC on March 23, 2022, and our wholly-owned subsidiary
"Shanghai Stock Exchange"	the Shanghai Stock Exchange (上海證券交易所)
"Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, comprising Unlisted Share(s) and H Share(s)

"Shareholder(s)"	holder(s) of the Share(s)
"Shenzhen Jubang"	Shenzhen Jubang Enterprise Management Partnership (Limited Partnership) (深圳聚邦企業管理合夥企業(有限合夥)) (formerly known as Shenzhen Bairuilai Enterprise Management Partnership (Limited Partnership) (深圳百瑞萊企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on September 10, 2018 with Mr. Wu as its general and executive partner, one of our Controlling Shareholders
"Shenzhen Stock Exchange"	the Shenzhen Stock Exchange (深圳證券交易所)
"Sole Global Coordinator"	the sole global coordinator as named in "Directors and Parties Involved in the Global Offering"
"Sole Overall Coordinator"	the sole overall coordinator as named in "Directors and Parties Involved in the Global Offering"
"Sole Sponsor"	the sole sponsor as named in "Directors and Parties Involved in the Global Offering"
"Sole Sponsor-Overall Coordinator"	the sole sponsor-overall coordinator as named in "Directors and Parties Involved in the Global Offering"
"Stabilizing Manager"	China Securities (International) Corporate Finance Company Limited
"State Council"	State Council of the PRC (中華人民共和國國務院)
"STAR Market"	The Science and Technology Innovation Board of the Shanghai Stock Exchange
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Strategy and ESG Committee"	the strategy and ESG committee of our Board
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"substantial Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"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
"Track Record Period"	the financial years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026
"treasury shares"	has the meaning ascribed to it under the Listing Rules
"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
"U.S." or "United States"	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
"U.S. dollar" or "US$"	United States dollar, the lawful currency of the United States

"U.S. Securities Act"	United States Securities Act of 1933 and the rules and regulations promulgated thereunder, as amended, supplemented or otherwise modified from time to time
"Underwriter(s)"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"Unlisted Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are not listed on any stock exchange
"VAT"	value-added tax
"Xiamen Hongxinchuang"	Xiamen Hongxinchuang Electronics Co., Ltd. (廈門宏芯創電子有限公司), a limited liability company established in the PRC on September 9, 2021, and our wholly-owned subsidiary
"Xinruilai"	Shenzhen Xinruilai Technology Co., Ltd. (深圳芯瑞來科技有限公司), a limited liability company established in the PRC on September 18, 2018, which was majority-controlled by Mr. Wu, one of our controlling Shareholders
"%"	per cent

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our 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.

For the purpose of this prospectus, references to "provinces" of China include provinces, municipalities under direct administration of the central government and provincial-level autonomous regions.

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

In this document, unless the context otherwise requires, explanations and definitions of certain terms used in this document in connection with our Company and our business shall have the meanings set out below. The terms and their meanings may not always correspond to standard industry meaning or usage of these terms.

"A2"	application performance class 2, a performance classification defined by the SD Association for microSD and SD memory cards that guarantees minimum sustained random read/write speeds and a baseline sequential write speed optimized for running applications and handling frequent random file access in devices such as smartphones and tablets
"AEC-Q100 Grade 2/3"	a set of qualification standards established by the Automotive Electronics Council to ensure the reliability of electronic components in automotive applications. Devices are qualified to operate reliably at ambient temperatures from –40°C to +105°C under Grade 2 and from –40°C to +85°C under Grade 3
"AI"	artificial intelligence
"AI PCs"	AI-powered personal computer, referring to computing devices — including advanced laptops and emerging AI-centric smartphones — that integrate specialized AI hardware and software to execute AI models locally, providing enhanced intelligence, responsiveness, and user-centric AI functionalities without reliance solely on cloud processing
"BGA"	ball grid array, a type of integrated circuit package where the electrical connections are made through an array of solder balls on the underside of the package, allowing for a higher number of input/output (I/O) connections compared to traditional packages
"CAGR"	compound annual growth rate
"chip"	a miniature electronic device or component that interconnects essential circuit elements, such as transistors, diodes, resistors, capacitors and inductors, through specific wiring methods with semiconductor fabrication processes into a complete electronic circuit, which are formed on one or several small semiconductor wafers or dielectric substrates and encapsulated in a package
"controller chip"	a specialized microprocessor that provides drive and high-speed data transfer for Flash memory storage medium, with specific external interfaces and protocol processing modules responsible for communication with the host, determining the form and category of the memory product
"CPU"	central processing unit, serving as the computational and control core of an electronic product
"DDR"	double data rate, an industry standard for synchronous dynamic random-access memory products introduced by JEDEC
"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

"DRAM module"	a module whose memory chips use DRAM technology — i.e. a board containing DRAM chips arranged in a standard form factor, ready to plug into a system
"embedded storage"	memory products that are integrated into the main system of an electronic product, featuring high-capacity embedded NAND Flash solutions or compounded NAND and DRAM solutions, and are primarily used in devices such as smartphones and tablets
"eMCP"	embedded multi-chip package, a semiconductor packaging technique where eMMC and LPDDR are enclosed within a single package, allowing for increased functionality and performance while minimizing space and enhancing connectivity between the chips
"eMMC"	embedded multi-media card, an integrated non-volatile memory system consisting of Flash memory and a Flash memory controller, used primarily in portable devices for reliable and efficient data storage and management
"ePOP"	embedded package on package, a semiconductor packaging technique where eMMC and LPDDR are integrated within a package, and stacked directly on top of the CPU surface
"ERP System"	enterprise resource planning system, a system consolidating the finance, supply chain, and customer management into a unified system for streamlined operations and data consistency with real-time data
"eSSD"	enterprise solid state drive, a high-performance, high-endurance solid-state storage device designed specifically for data center and enterprise computing environments
"firmware"	a pre-installed program code in memory, running within the Flash memory controller, responsible for core tasks such as protocol processing, data management and hardware driving in the memory
"Flash"	a type of non-volatile semiconductor memory chip, 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
"Flash Translation Layer"	a layer below the file system that maps host side or file system logical block addresses to the physical address of the flash memory (logical-to-physical mapping)
"foundry"	a semiconductor manufacturer that provides integrated circuits on silicon wafers based on designs provided by customers, without engaging in IC design or branded chip sales
"full-stack"	a comprehensive approach to engineering or software development that involves mastering all the layers of a system, from the hardware and low-level firmware to the high-level software and user interface, to create an integrated and cohesive solution
"GB"	gigabyte, a unit of digital information storage equal to approximately one billion bytes, commonly used to quantify data storage capacity in computers and other electronic devices

"Integrated Circuit" or "IC"	integrated circuit, a type of miniature electronic device or component, manufactured using semiconductor techniques, integrating all the necessary transistors, resistors, capacitors, inductors and their connecting wires for a circuit onto a small semiconductor wafer (such as a silicon chip or substrate)
"Intelligent JBOF"	Intelligent Just a Bunch of Flash, a high-performance all-flash storage array designed for disaggregated compute — storage and diskless data center architectures. Building upon the traditional "pure disk enclosure" JBOF, it incorporates near-storage computing techniques by integrating intelligent control and acceleration units, enabling pooled management of flash resources and providing low-latency, high-bandwidth data access services to external hosts. This architecture is well suited for large-scale, data-intensive, and highly concurrent application scenarios in AI, HPC, and cloud data centers
"IoT"	internet of things, a network of interconnected devices that communicate and exchange data with each other over the internet
"ISO 14001"	an international standard that specifies the requirements for an effective environmental management system, helping organizations to improve their environmental performance and reduce their environmental impact
"ISO 26262"	an international standard for functional safety of electrical and/or electronic systems that are installed in serial production road vehicles (excluding mopeds)
"ISO 9001"	an international standard that sets out the requirements for a quality management system, helping organizations to consistently provide products and services that meet customer and regulatory requirements, and to demonstrate their ability to do so
"JEDEC"	Joint Electron Device Engineering Council
"JIRA System"	a system that tracks R&D project progress for efficient task assignment, issue tracking and collaboration across teams throughout the product development process
"Latency"	the time delay between the initiation of an action or request and the desired outcome or response, a critical factor in the performance and responsiveness of various electronic systems and communication networks
"LBIST"	logic built-in self-test, a form of self-test (part of the broader built-in self-test, BIST) where test logic is embedded directly into an integrated circuit, allowing the IC to test its own internal digital logic circuits without requiring external automated test equipment
"LPDDR"	low power double data rate, an industry standard for low-power SDRAM products introduced by the JEDEC
"MB"	megabyte, a unit of digital information storage equal to approximately one million bytes, frequently used to describe the size of files or the capacity of storage devices
"MBIST"	memory built-in self-test, an embedded hardware mechanism that enables a chip to test its own internal memories for defects

"Mbps"	megabits per second, a unit of measurement for data transfer rates, typically used to describe the bandwidth or speed of communication networks and internet connections
"memory products"	hardware components or integrated products used to achieve temporary or permanent data storage and access in electronic devices and systems, including embedded storage, SSDs, DRAM, mobile storage, memory IC products and other memory products; for the avoidance of doubt, controller chips do not fall within this category
"memory module"	circuit boards equipped with memory chips that provide solutions for temporary data processing and program execution, and are used in a wide range of computing and other application scenarios, including personal computers, educational systems and industrial automation
"memory wafer"	wafer used for manufacturing memory products
"microSD"	a smaller version of the SD card, used in mobile phones and other compact electronic devices for additional storage capacity
"microSDHC"	micro secure digital high capacity, a flash memory card format standardized by the SD Association, using the same compact microSD physical format but supports larger storage capacities — specifically greater than 2 GB and up to 32 GB — as defined in the SD specification
"microSDXC"	micro secure digital extended capacity, a flash memory card format defined by the SD Association that supports storage capacities greater than 32 GB and up to 2 TB
"mobile storage"	portable storage devices such as USB Flash drives and memory cards; mobile storage products primarily serve as tools for data transfer and backup in applications such as security cameras, automotive systems and high-definition photography
"NAND Flash"	a type of non-volatile Flash memory technology and the products based on this technology, typically used for data storage
"Original Memory Manufacturers"	memory manufacturers with original memory wafer or chip design, research and development and manufacturing capabilities, typically covering the development, production and supply of core memory wafers or chips such as NAND Flash and/or DRAM; according to Frost & Sullivan, Original Memory Manufacturer is an industry term in the memory product industry
"OSAT"	outsourced semiconductor assembly and test, critical stages of the production process of semiconductor products outsourced to third-party services providers to handle the assembly and testing of semiconductor devices
"packaging"	the process of encapsulating the bare die into a finished chip product with external shell and leads, which is electrically connected to external pins through wires or other interconnection methods and then securely closed
"PB"	petabyte, a unit of digital information storage equal to approximately 1,000 terabytes, commonly used to quantify data storage capacity in computers and other electronic devices

"PCB"	printed circuit board, a board used in electronics to connect electronic components using conductive pathways, tracks, or signal traces etched from copper sheets laminated onto a non-conductive substrate
"PCI-SIG"	Peripheral Component Interconnect Special Interest Group, an electronics industry consortium responsible for specifying the Peripheral Component Interconnect (PCI), PCI-X, and PCI Express (PCIe) computer buses
"PCIe"	PCI Express, a high-speed interface type used to connect hardware components inside computers and designed to replace older expansion bus standards
"Portable SSD"	a compact, external storage device that uses solid-state memory to store data
"RDIMM"	registered dual in-line memory module, a memory module with a register between the memory controller and DRAM chips to improve signal integrity, stability and scalability, commonly used to provide system RAM in servers, workstations, data centers and other enterprise-grade computing systems
"RTL"	register-transfer level, a design abstraction which models a synchronous digital circuit in terms of the flow of digital signals (data) between hardware registers, and the logical operations performed on those signals
"SATA"	serial advanced technology attachment, an interface standard that uses serial connection, and is widely used to connect storage devices like hard disk drives and SSDs to a computer's motherboard, facilitating data transfer
"SD"	secure digital memory card, a non-volatile memory card format used in portable devices like cameras, smartphones and tablets for data storage and transfer
"SHR System"	Strategic Human Resources system, a system that manages employee information and organization information for efficient human resources management
"SMT"	surface-mount technology, a method in which the electrical components are mounted directly onto the surface of a printed circuit board
"SODIMM"	small outline dual in-line memory module, a compact form factor memory module used to provide system RAM (random-access memory) in devices where space is limited, such as laptops, small PCs, and embedded systems
"SSD"	solid-state drive, an internal storage component installed within a computer or server, providing enhanced performance and reliability over traditional hard disk drives
"T-box"	an embedded automotive system that acts as a gateway between a vehicle's internal networks and external wireless networks
"TB"	terabyte, a unit of digital information storage equal to approximately one trillion bytes, commonly used to quantify data storage capacity in computers and other electronic devices

"Tier 1 Suppliers"	suppliers that directly provide components, modules, systems or solutions to automotive manufacturers, typically under direct supply or contractual relationships and subject to the relevant qualification, validation, quality control and delivery requirements of such automotive manufacturers; according to Frost & Sullivan, "tier 1 supplier" is an industry term commonly used in the automotive supply chain
"Type-A"	original and most common USB connector type — widely supported by devices and peripherals over many generations of the USB standard, from early USB 1.0/1.1 through USB2.0, USB 3.x, up to the latest USB specifications
"Type-C"	a connector standard developed by USB Implementers Forum (USB-IF), defining a compact, reversible 24-pin connector (plug and port) that replaces earlier legacy USB connectors (Type-A, Type-B, and Mini/Micro variants)
"UDIMM"	unbuffered dual in-line memory module, a type of computer memory module where the memory controller interfaces directly with DRAM chips without an intermediary buffer or register
"UFS"	universal flash storage, a high-performance, scalable flash storage specification designed for use in mobile devices and consumer electronics, offering fast data transfer speeds and improved power efficiency
"UHS-I"	ultra high speed I, a bus interface standard specified by the SD Association for SD memory cards (including SDHC and SDXC) that enables theoretical maximum transfer speeds up to 104 MB/s over the standard SD bus interface
"uMCP"	UFS-based multi-chip package, a semiconductor packaging technique that integrates UFS and LPDDR within a single package, designed to be versatile and adaptable for various applications by supporting a wide range of functionalities and interconnections
"USB"	universal serial bus, a standardized interface that enables communication and power supply between computers and peripheral devices, facilitating easy connectivity and data transfer across a wide range of electronic equipment
"V30"	video speed class 30, a performance classification defined by the SD Association indicating that a microSD or SD card supports a minimum sustained write speed of 30 MB/s, making it suitable for continuous high-resolution video recording such as 4K UHD
"wafer"	a thin slice of semiconductor used for the fabrication of integrated circuits
"wear leveling"	a technique used in SSDs and other flash-based storage devices to distribute write and erase cycles evenly across the entire storage medium, improving the overall lifespan and endurance of the device
"ZB"	zettabyte, a unit of digital information storage equal to approximately one billion terabytes, commonly used to quantify data storage capacity in computers and other electronic devices

This prospectus contains, and the documents incorporated by reference herein may contain, forward-looking statements representing our goals, beliefs, expectations, intentions or predictions for the future. These forward-looking statements are contained principally in "Summary," "Risk Factors," "Industry Overview," "Business," "Financial Information" and "Future Plans and Use of Proceeds." Forward-looking statements typically can be identified by the use of words such as "aim," "anticipate," "aspire," "believe," "continue," "could," "estimate," "expect," "forecast," "goals," "intend," "may," "objective," "ought to," "outlook," "plan," "potential," "project," "schedules," "seek," "should," "target," "vision," "will," "would" and other similar terms. Forward-looking statements reflect the current views of the Directors 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 those listed in "Risk Factors," which are beyond our control and may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Our forward-looking statements are based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to us about the businesses that we operate. The risks, uncertainties and other factors, many of which are beyond our control, that could influence actual results include, but are not limited to:

- our operations and business prospects;
- our business, operating strategies, and ability to implement such strategies;
- our future business development, financial condition and results of operations;
- our ability to develop and manage our operations and business;
- our ability to control costs and expenses;
- our capital expenditure plan;
- our expectations regarding demand for, and market acceptance of, our products and services;
- our expectations regarding our relationships with customers, suppliers and other partners to conduct our business;
- our planned use of proceeds;
- future developments, trends and competitive landscape in the industries and markets in which we operate or plan to operate;
- relevant government policies and regulations relating to our industry; and
- capital market developments.

By their nature, certain disclosures relating to these and other risks are only estimates. Should one or more of these risks or uncertainties, among others, materialize, or should the underlying assumptions prove to be incorrect, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Accordingly, you should not place undue reliance on any forward-looking statements.

Any forward-looking statement speaks only as of the date on which such statement is made. Except as required by applicable laws, rules and regulations, including the Listing Rules, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of, or references to, our intentions or those of any of the Directors are made as of the date of this prospectus. Any such intentions may change in light of future developments. All forward-looking statements in this prospectus are expressly qualified by reference to this cautionary statement.

An investment in the 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 Shares.

The occurrence of any of the following events could materially and adversely affect our business, financial condition and results of operations. If any of these events occurs, the trading price of the Shares could decline and you may lose all or part of your investment. 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 continuously develop and innovate our products and effectively manage the introduction and transition to new and upgraded products, we may not remain competitive, stimulate customer demand, retain existing customers or attract new customers, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our business growth relies on our ability to identify and anticipate customer needs and develop products that meet evolving requirements, including functionality, performance, reliability, design and security, at competitive prices. Our ability to retain existing customers, attract new customers and increase sales also depends on our ability to continue improving and enhancing the functionality, performance, reliability, design, security, adaptability and scalability of our products, which requires significant and sustained investment in research and development in an industry characterized by rapid technological evolution, frequent introductions of new products, shifting customer demands and the emergence of new industry standards and practices.

In addition, due to the highly volatile and competitive nature of the industries in which we compete, we must continually introduce new products, services and technologies, improve existing products, effectively stimulate customer demand for new and upgraded products and successfully manage the transition to these new and upgraded products. The success of new product introductions depends on a number of factors, including timely and successful product development, market acceptance, our ability to manage risks associated with new product production ramp-up issues, the effective management of purchase commitments and inventory levels in line with anticipated product demand, the availability of products in appropriate quantities and at expected costs to meet anticipated demand, and the risk that new products may have quality or other defects or deficiencies in the early stages of introduction. Accordingly, we cannot determine in advance the ultimate effect of new product introductions and transitions.

If we are unable to develop and innovate products in a cost-effective and timely manner to respond to technological changes and our customers' evolving needs, or if we fail to successfully manage new product introductions and transitions, our existing customers may not spend more on our products, we may not be able to attract new customers, and we may not remain competitive or be able to stimulate customer demand, under which circumstances our business, financial condition, results of operations and prospects may be materially and adversely affected.

Significant fluctuations in the average selling prices of memory products, including sudden price increases and declines, may introduce volatility and unpredictability to our business performance, and any temporary improvement in our financial results arising from price increases may not be indicative of our future operating and financial performance.

Historically, the memory product market has experienced cyclical fluctuations, characterized by changes in raw material prices, product demand, and average selling prices. The demand for our products is largely driven by the demand for downstream devices and end applications such as consumer electronics, smart home and smart vehicles industry, edge computing and cloud computing. Sales of our products are dependent on demand in these markets. From time to time, these markets have experienced fluctuations, often in connection with, or in anticipation of, changes in general economic

conditions, end-user demand, customer inventory levels, production capacity allocation and supply-demand conditions. As a result, we may experience substantial period-to-period fluctuations in our operating results. 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.

Our competitors and customers also impose significant 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 addition, our net sales and gross profit may be negatively affected by shifts in our product mix during periods of declining average selling prices. In addition, the prices of raw materials for our products, particularly wafer prices, have also experienced cyclical fluctuations. Fluctuations in raw material prices may affect our costs of sales and gross profit margins, potentially having an adverse impact on our business, financial condition, and operating performance. See "— We may be exposed to risks relating to fluctuations of raw material costs."

Conversely, a sudden or significant surge in the average selling prices of memory products may temporarily inflate our revenue, gross profit, gross profit margin and net profit. Any such improvement may be driven by short-term market price movements, temporary supply constraints or other prevailing supply-demand conditions and may not reflect a sustained increase in demand for our products or a sustainable improvement in our underlying operating performance. If market prices subsequently normalize or decline, we may not be able to sustain the level of revenue, gross profit margin or profitability recorded during the period of elevated prices. Accordingly, financial results recorded during a period of significant price increases may introduce volatility and unpredictability to our business performance and may not be indicative of our future operating and financial performance.

During the Track Record Period, our average selling prices fluctuated significantly for certain products. For example, after excluding the impact of the Customer Supply Arrangement, the average selling price of our embedded storage increased from RMB0.30 per GB in 2023 to RMB0.48 per GB in 2024, and then slightly decreased to RMB0.47 per GB in 2025. In addition, the average selling price of our embedded storage, excluding the Customer Supply Arrangement, increased from RMB0.40 per GB in the four months ended April 30, 2025 to RMB1.75 per GB in the four months ended April 30, 2026, primarily reflecting favorable market conditions and upward pricing trends for embedded storage during the period, together with changes in product specifications, customers and our pricing strategy. Our financial results were therefore significantly affected by the then-prevailing market prices of memory products and may not be indicative of our future financial performance. Accordingly, future decreases in average selling prices, or the normalization of average selling prices following a sudden or significant increase, may materially reduce our revenue and gross profit margin, particularly if we are unable to reduce procurement costs or adjust our product mix in a timely manner.

We face intense competition in the global memory products market from Original Memory Manufacturers and other independent memory product companies, and if we fail to compete effectively, our business, results of operations and financial condition could be materially and adversely affected.

The memory products industry is highly competitive, rapidly evolving and characterized by price volatility, frequent product upgrades and short product life cycles. We compete in the global memory products market with Original Memory Manufacturers and other independent memory product companies. As a memory product company, we compete directly with Original Memory Manufacturers for substantially the same customer base and application scenarios, and Original Memory Manufacturers may be preferred by customers in light of their scale, vertically integrated manufacturing capabilities, research and development resources, broader product portfolios, stronger brand recognition, and ability to provide stable supply and more competitive pricing.

Given the market concentration and the relative scale advantages of Original Memory Manufacturers, we may face sustained pricing pressure, margin compression and increased competition for customer qualification and allocation, and we may be required to offer more favorable pricing or commercial terms, make additional investments in research and development, or increase working capital to secure upstream supply. Our profitability has historically been sensitive to changes in market prices and customer terms. For example, our embedded storage products experienced margin compression, with gross profit margin decreasing from 20.7% in 2024 to 15.3% in 2025, reflecting, among other factors, pricing/margin changes under the Customer Supply Arrangement and our pricing strategy. See "Business — Customer Supply Arrangement."

Original Memory Manufacturers and other large competitors may also respond more quickly to technological changes and new standards, accelerate product launches, engage in aggressive pricing strategies, and allocate capacity preferentially to higher-priority customers during periods of supply tightness. As a result, we may lose customers, fail to maintain or increase sales volumes, experience declining average selling prices or adverse product mix shifts, or be unable to maintain stable supply to our customers, any of which could materially and adversely affect our business, financial condition, results of operations and prospects.

New scientific and technological outcomes or trends could make our products uncompetitive and obsolete.

Our success depends on our ability to develop and integrate our key technologies, including (i) controller chip design and development, (ii) firmware algorithm development, (iii) testing system development and (iv) storage medium characteristic analysis to support our products. To remain competitive, we must maintain and enhance our key technologies to meet the latest downstream market needs, technological advancement and industry standards. The development activities related to our key technologies may involve significant time, risks and uncertainties. For example, our R&D team may not be able to coordinate and manage the development projects on schedule. The expenses associated with these investments may affect our margins and operating results and these investments may not generate sufficient revenue to offset related liabilities and expenses.

Technological advancement and new industry standards in the downstream application scenarios of our products may affect the application requirements of our end customers and their products. If we fail to develop new products or refine our technologies to match the different or additional requirements of our end customers, the sale of our products may decrease, and our business, financial condition and results of operations may be adversely affected.

If we fail to manage our growth and expansion effectively, our business, financial condition and results of operations may be materially and adversely affected.

We recorded revenue of RMB8,780.7 million and RMB8,718.4 million in 2023 and 2024, respectively, and our revenue increased by 28.9% from RMB8,718.4 million in 2024 to RMB11,237.6 million in 2025. Our revenue increased by 185.7% from RMB2,804.5 million in the four months ended April 30, 2025 to RMB8,012.3 million in the four months ended April 30, 2026. Our gross profit increased significantly from RMB417.2 million in 2023 to RMB1,399.6 million in 2024, and further to RMB2,446.4 million in 2025. Our gross profit further increased from RMB386.6 million in the four months ended April 30, 2025 to RMB4,968.8 million in the four months ended April 30, 2026. The success of our business initiatives and strategies depends on various factors, such as economic condition, market condition, competition, regulatory requirements, technological advancement and customer preferences. These factors may be difficult to predict or control. If they do not develop as we expect, our business initiatives and strategies may not be successful in enhancing our business as anticipated.

In addition, the execution of these plans may require significant investment of capital and other resources and management attention, and we may face challenges in implementing them effectively or within the expected time frame. As a result, we may experience delays, cost overruns or other obstacles that may limit our ability to realize the full benefits of these initiatives. If we are unable to successfully execute our business initiatives and strategies, or if the benefits we realize are less than we estimate,

our business, financial condition and results of operations may be adversely affected. Furthermore, we may not be able to continue growing at the same rate as we did during the Track Record Period, or as expected, or at all. Our results of operations depend to a large extent on our ability to execute our growth plan and manage our expansion and growth successfully. The successful growth of our business depends on our ability to (1) produce products that meet customer expectation; (2) secure a stable supply of key raw materials at a reasonable cost; (3) maintain and expand our sales network; (4) enhance our talent management and recruit additional key personnel; and (5) monitor and control expenses and investments in anticipation of expanded operations.

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

Our success depends in a large part on our ability to protect our proprietary technology as well as our products from competition by obtaining, maintaining and enforcing our intellectual property rights, including patent rights. As of April 30, 2026, we had 416 granted patents in China and overseas, including 320 invention related patents. As of April 30, 2026, we had 74 copyrights and 35 registered trademarks in China and overseas. See "Business — Intellectual Property." The intellectual property application process may be expensive and time-consuming, and we may not be able to file and prosecute all necessary and desirable intellectual property applications at a reasonable cost or in a timely manner, if at all. In addition, we may fail to identify patentable aspects of our R&D results before it is too late to obtain patent protection. As a result, we may not be able to prevent competitors from developing and commercializing competitive products in any or all such fields.

Our applications may not be granted or our intellectual property may be invalidated for multiple reasons, including known or unknown prior deficiencies in the intellectual property application or the lack of novelty of the underlying technology. As such, we cannot assure you that we will be able to discern the scope of the intellectual property protection or obtain adequate intellectual property protection with respect to our products. Our intellectual property may not be approved in a form that will provide us with any meaningful protection from competition or with any competitive advantage. For instance, our competitors may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner. The issuance of a patent is not conclusive as to its inventor, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in China and other jurisdictions. Further, the life of a patent and the protection it affords is limited. For example, in China, invention patents and utility model patents are valid for 20 years and 10 years from the date of application, respectively. If we fail to extend the life of our patents, we may face competition from any approved products once the patent life has expired for the product.

Potential intellectual property negotiations and disputes, including those involving standard-essential patents, may be prolonged and may adversely affect our business, results of operations and financial condition.

We may be involved in intellectual property negotiations, disputes, claims or proceedings, including negotiations or disputes relating to patents claimed to be standard-essential patents and related fair, reasonable and non-discriminatory licensing terms. Such matters may be prolonged, complex and costly, and may involve technical claim analysis, patent validity and essentiality assessment, licensing negotiations, settlement discussions, administrative proceedings or litigation. Regardless of their merits, such negotiations, disputes or proceedings may divert management attention and internal resources, require us to incur substantial legal and professional expenses, affect our relationships with customers or suppliers, delay product development or commercialization, or require us to pay licence fees, royalties, damages or settlement amounts. If any such matter is resolved adversely against us, we may also be required to redesign relevant products, suspend or restrict sales of affected products, or enter into licensing arrangements on terms that may not be commercially favourable to us, any of which could adversely affect our business, results of operations and financial condition.

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

We may not be able to identify or avoid intellectual property infringement activities, primarily because whether a product infringes a patent involves an analysis of complex legal and factual issues and the conclusion of such analysis is often uncertain. For example: we may hire employees who have previously worked for our competitors and cannot assure that such employees will not use their previous employers' proprietary know-how, technology and other proprietary information in their work for us, which could result in litigation against us; and our competitors may also have filed for patent protection which is not as yet a matter of public knowledge or claimed trademark rights that have not been revealed through our searches of relevant public records. Therefore, our efforts to identify and avoid infringement on third parties' intellectual property rights may not always be successful.

In January 2024, we received a letter from Shenzhen Longsys Electronics Co., Ltd. (深圳市江波龍電子股份有限公司) ("Shenzhen Longsys"), a company listed on ChiNext of the Shenzhen Stock Exchange (Stock Code: 301308) and the Main Board of the Stock Exchange (Stock Code: 9976), regarding a portfolio of patents which Shenzhen Longsys claimed to be standard-essential patents ("**SEPs**") in relation to certain storage-related standards. During the ensuing licensing negotiations, MTL Memory Technologies (Shenzhen) Co., Ltd. (埃姆梯爾存儲技術(深圳)有限公司) ("**Shenzhen MTL**"), in which Shenzhen Longsys held a 49.0% equity interest, progressively acquired ownership of, or obtained the authority to license, all patents in the relevant portfolio. In September 2026, we entered into strategic cooperation arrangements with Shenzhen Longsys, Shenzhen MTL and other counterparties to resolve the patent-licensing dispute in respect of the covered patents and activities. As part of this commercial resolution, we paid the entire patent-licensing consideration under these arrangements, amounting to tens of millions of Renminbi, to Shenzhen MTL as the ultimate authorizing party for the patent license and related protection for historical activities.

The definitive agreement grants us and our subsidiaries a worldwide, non-exclusive, non-transferable and non-sublicensable license to specified storage-related patents for qualifying products within the agreed scope. The license covers relevant historical activities and continues until expiry of the last licensed patent, subject to specified termination and change-of-control provisions. Its terms were negotiated having regard to the parties' commercial circumstances, cooperation history and the business scale of the covered products. The licensors warrant their authority to grant the license and provide an indemnity for breach of that warranty. The agreement contains confidentiality obligations and contractual remedies for specified breaches. Certain equity changes that do not affect our substantive business activities are exempt from the change-of-control provisions.

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

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

Our operations are subject to deterioration in the political and economic relations among countries and sanctions and export controls administered by government authorities in the countries in which we operate, and other geopolitical challenges, including, but not limited to, economic and labor conditions, increased custom duties, tariffs, taxes and other costs and political instability.

Sanctions and Export Control

In particular, the U.S. government imposed economic and trade sanctions directly or indirectly affecting China-based technology companies. It is possible that the extent and scope of such sanctions may escalate. There is no assurance as to how the U.S.-China trade tensions might develop or whether there will be any changes to the scope and extent of goods that are or will be subject to such export controls, sanctions, tariffs, or new trade policies introduced by the two countries. We cannot predict the implications of the ongoing U.S.-China trade tensions and the resulting impact on our industry and the global economy.

In recent years, the United States has increased export controls restrictions on China through the EAR, which includes a list of foreign persons on which certain trade restrictions are imposed (the "**Entity List**"). The export, re-export and/or in-country transfer of items subject to the EAR to a listed foreign person is generally prohibited unless the specified license requirements are met. These restrictions or regulations, and similar or more expansive restrictions or regulations that may be imposed by the U.S. or other jurisdictions in the future, may materially and adversely affect our ability to acquire technologies, systems, devices or components that may be critical to our technology infrastructure, product offerings and business operations. Any uncertainties and changes in these current or future restrictions or regulations may have a negative impact on our reputation and business. If certain of our customers or suppliers, including the third-party service providers, are listed on the Entity List and are subject to restrictions from sourcing or selling technologies, software, or components from or to us, we may not be able to obtain, extend or maintain the requisite regulatory permits in relation to our transactions with these customers and suppliers. In particular, our wholly-owned PRC subsidiary Hefei Core Storage has been designated on the U.S. Department of Commerce Bureau of Industry and Security's Entity List, which means that exports, reexports or transfers (in-country) to Hefei Core Storage of items that are subject to the EAR may require a BIS license and may restrict Hefei Core Storage's ability to procure or obtain certain goods, software and technology that are subject to the EAR, and could, to the extent relevant, affect our supply chain arrangements and related business operations. For details, see "Business — U.S. Export Controls, Sanctions and Entity List Designation of Hefei Core Storage." As the international trade environment continues to evolve, we may be subject to additional or more stringent export control or sanctions restrictions, which could adversely affect our operations, supply chain arrangements and financial performance.

During the Track Record Period, our products were offered to our downstream customers in China and overseas. However, we cannot assure you that our downstream customers will not engage in the export of their goods incorporating our products into the U.S. or other countries and regions, and that such export will not be subject to the restrictions introduced by the U.S. or other states and political entities. Furthermore, if we export our products to other countries and regions which are or become subject to sanctions or export controls, our business, financial condition and results of operations may be materially and adversely affected. Furthermore, we have no control over the countries to which the downstream customers will sell or export their end products. If the export sales of the downstream customers' end products are restricted, prohibited or made subject to any trade conditions under any international policies or international export controls or economic sanctions imposed by any jurisdictions, the downstream customers' demand for our products may drop significantly and, as a result, our business, financial condition and results of operations may be materially and adversely affected.

In addition, we have inherent limitations in controlling onward sales by our downstream customers. After our products are delivered to our direct customers or distributors, such products may be further resold, transferred or incorporated into products sold by downstream customers to other end customers. We generally do not have full visibility over, or the ability to control, such onward sales, ultimate end customers or end uses. Accordingly, we cannot assure you that our products, or products incorporating our products, will not ultimately be sold, transferred or otherwise made available to parties subject to trade restrictions, sanctions or export control restrictions, including parties on the Entity List, or used for restricted end uses. Such onward sales or transfers may expose us to regulatory

enquiries, reputational harm, additional compliance costs, enhanced diligence by suppliers and customers, or disruption to our business relationships, which could adversely affect our business, results of operations and financial condition.

Tariffs

In early 2025, the United States government announced a series of tariff increases on imports from China, which increased to up to 145% for some imports from China. In November 2025, the U.S. suspended certain tariffs on Chinese imports. As of the Latest Practicable Date, it remained uncertain how the Sino-U.S. and the global trade tension will develop. We do not sell any products to the United States and generate no revenue originating from the U.S. market. However, tariff policies make it difficult for us to predict the magnitude and impact of any future changes in the relations between the U.S. and China or new laws or regulations adopted by the U.S. and other countries on our business, and we cannot assure you that our sales in the future will remain unaffected.

Final Rule

On October 28, 2024, the Department of the Treasury issued the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the "**Final Rule**") to implement an outbound investment program that restricts investments by U.S. persons and U.S.-controlled entities imposed by Executive Order 14105, "Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern". The Final Rule has become effective on January 2, 2025. The Final Rule targets investments by U.S. persons involving persons and entities associated with "countries of concern," currently including Chinese Mainland, Hong Kong, and Macau, that engaged in activities in certain sectors such as semiconductors and microelectronics, quantum information technologies or artificial intelligence (which the Final Rule defines as "**covered activities**"). The persons and entities from countries of concern engaged in covered activities defined as "**covered foreign persons**". The Final Rule imposes prohibition or notification requirements on a wide range of investments by U.S. persons subject to the Final Rule, which are defined as "**covered transactions**", include acquisitions of equity interests (including purchases of shares in an initial public offering or contingent equity), certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. See "Regulatory Overview — Final Rule by the U.S. Department of the Treasury" for details of the Final Rule.

Based on the assessment conducted by our international sanctions legal adviser, we are a "covered foreign person" engaged in one of the "covered activities" (each as defined in the Final Rule) as we design (and do not fabricate or package) integrated circuits, which do not have a total processing performance of 4,800 or more, or have a total processing performance of 1,600 or more and a performance density of 5.92 or more, as described in ECCN 3A090.a under the EAR, and are not designed for operation at or below 4.5 Kelvin. Therefore, our designing of integrated circuits does not meet the threshold for "prohibited transactions" under the Final Rule, but still falls under the "notifiable transactions." Pursuant to the Final Rule, any U.S. person's acquisition of our equity interest prior to the completion of the Global Offering, including during the bookbuilding process of the Global Offering, may constitute "notifiable transactions," which a U.S. person may be required to file a notification within 30 days of the completion date of a "notifiable transaction."

Nevertheless, as advised by our international sanctions legal adviser, upon the completion of our Global Offering and in reliance on the publicly traded securities exception under the Final Rule, U.S. persons will be allowed to invest in our H shares without notifying the U.S. Department of Treasury, as long as the investment made does not afford a U.S. person certain rights beyond standard minority shareholder protections. Based on the foregoing, our Directors and our international sanctions legal adviser are of the view that the Final Rule will not have any material impact on the Group's operations, financial performance or investment prospect (including the post-listing trading). However, the Final Rule nonetheless may increase the compliance burden of U.S. investors and may cause certain U.S. investors to adopt a more cautious approach in their investments, affecting the investor sentiment

towards us, and therefore negatively impacting our ability to raise capital. Accordingly, the U.S. laws and regulations could limit our ability to raise capital or contingent equity capital from U.S. investors after this Listing given that the relevant laws, regulations and policies continue to evolve.

We may be subject to risks relating to Taiwan regulations governing outbound investment and technical cooperation in Chinese Mainland entities, and any failure by our Taiwan-related investors or counterparties to comply with such requirements, or any change in regulatory interpretation, could adversely affect us.

Under the Act Governing Relations between the People of the Taiwan Area and the Mainland Area of China and the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area, persons and entities from Taiwan Area of China are generally required to obtain approval from the Ministry of Economic Affairs of Taiwan ("**MOEA**") for investment or technical cooperation in Chinese Mainland, subject to applicable filing thresholds, sector-specific restrictions and ongoing reporting requirements. These rules may apply to, among others, establishment of entities, capital increases, acquisitions, branch expansion, and transfers or licenses of know-how, patent rights or computer program copyrights, and certain conditionally permitted sectors such as wafer foundries, IC design, packaging and testing may require prior MOEA approval. Approved investors are also subject to post-investment filing and periodic reporting obligations, and investors with larger cumulative investments are subject to enhanced quarterly and annual reporting requirements. We have received investments from and have maintained various business relationships with Taiwan entities, which have complied with all the applicable Taiwan laws and regulations. Please see "History, Development and Corporate Structure — Establishment and Corporate Development — Establishment of Our Company and our Relationship with Phison Electronics" for more details and the relevant legal analysis.

These regulations may apply to Phison Electronics' investment in our Company and our procurement, technical support and licensing arrangements with Phison Electronics and its subsidiaries. As of the Latest Practicable Date, Phison Electronics, through Core Storage and RealYou Investment, was deemed to be interested in 22.50% of our issued Shares and is expected to be interested in approximately 21.82% of our total issued share capital immediately following the completion of the Global Offering, assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised. Our procurement from Phison Electronics and its subsidiaries comprises NAND Flash, controller chips and other memory-related products, as well as certain test fixtures used in manufacturing activities. These purchases support our production and sales requirements and the customization requirements of our customers. In 2023, 2024, 2025 and the four months ended April 30, 2026, our purchases from Phison Electronics, which is identified as Supplier D in "Business — Our Suppliers — Our Major Suppliers," were RMB532.8 million, RMB978.6 million, RMB1,217.0 million and RMB546.7 million, respectively, representing 6.1%, 11.6%, 10.2% and 8.0% of our total purchases for the respective periods. We maintain a diversified supplier base and independently manage our supplier selection and procurement arrangements. Products with comparable functionality and specifications that meet our technical and quality requirements are available from other suppliers on comparable commercial terms. Accordingly, our Directors consider that we are not dependent on Phison Electronics for our procurement requirements.

Taking into account the related technical support services and other transactions with Phison Electronics and its subsidiaries, the aggregate transaction amounts under the relevant procurement, technical support and licensing arrangements were RMB576.7 million, RMB999.7 million, RMB1,276.9 million and RMB547.9 million for the same periods, respectively. During the Track Record Period, we also paid aggregate licensing fees of approximately RMB31.8 million in connection with the licensed use of certain background technology, development tools and intellectual property blocks provided by Phison Electronics. The licensed technology supplements our own research and development capabilities and supports the development and production of certain controller chip products. We retain control over and continue to develop the core underlying technologies of our products, and comparable technology, technical support services and licensing arrangements are available from other suppliers on comparable commercial terms. Our Directors therefore consider that our Group is not dependent on continued access to the specific technology licensed by Phison Electronics for its core technology development capabilities or the conduct of its business as a whole.

The proposed annual caps for purchases of Storage-related Products and Technical Support Services from Phison Electronics and its subsidiaries are RMB2,000 million, RMB1,700 million and RMB1,600 million for the years ending December 31, 2026, 2027 and 2028, respectively. These annual caps represent the transaction ceilings and do not represent an estimate of any loss that might arise from a regulatory change. If the applicable Taiwan laws or regulations are amended, or if the relevant Taiwan authorities adopt a more restrictive interpretation or enforcement approach, Phison Electronics may be required to obtain additional approvals, make additional filings or reports, or adjust its investment in, or business arrangements with, our Group. Although alternative products, technical support services and licensed technologies are available, implementing alternative arrangements may involve additional procurement or licensing costs and time for technical adaptation, testing and qualification. If we are unable to implement suitable alternatives on acceptable terms and within the time required to meet our operational needs, we could experience delays in the development, production or delivery of the affected products and incur additional costs, which could materially and adversely affect our business, financial condition and results of operations.

If we are unable to retain our senior management team, key employees, and qualified staff, or attract and compete for talent, our business, financial condition, and results of operations could be adversely affected.

Our continued success depends and will continue to depend to a significant extent on our efforts and abilities to retain the key members of our management team to make sure each of them is and will continue to be actively engaged in our management and our strategic planning. Our future performance will also depend on their continuing services contributions to formulate and execute our business plan and to identify and pursue new opportunities. The loss of services of any of these individuals or the ineffective management could significantly delay or prevent the achievement of our development and strategic objectives, which could adversely affect our business, financial condition, results of operations and prospects.

Our long-term development also depends on our ability to attract and retain a large number of qualified staff, especially those engaged in technical research and development. To compete for and retain talent, we may have to offer higher remuneration, more comprehensive training systems, more attractive career development opportunities and benefits, which may lead to a substantial increase in labor costs. In addition, we cannot guarantee to constantly attract, develop and retain qualified personnel to support our future development. Meanwhile, labor disputes between us and our employees, as well as relevant labor-related regulatory or legal proceedings, may divert management and financial resources, negatively affect employee morale, reduce production efficiency or harm our reputation and recruitment capabilities. Any of the above issues related to our workforce may materially and adversely affect our operations and future growth.

Because our business model is characterized by relatively low and volatile gross profit and net profit margins, a small adverse change in selling prices, product mix, customer terms or procurement costs could materially and adversely affect our profitability and results of operations.

Our overall gross profit margin and net profit margin have been relatively low and subject to fluctuations during the Track Record Period, and our profitability is sensitive to changes in average selling prices, product mix and procurement costs. In addition, our gross profit margins for certain product lines have historically been thin, and changes in market prices have been a key driver of margin movements. As a result, we may not be able to maintain or improve profitability if (1) market prices of our products decline, (2) we are unable to pass through increases in procurement prices of wafers or other key inputs, (3) we need to offer more favorable pricing or commercial terms to retain or win customers, (4) product mix shifts toward lower-margin products or customers, or (5) we experience inventory or purchase-commitment related losses due to market volatility. Any of the foregoing could cause our gross profit, net profit and cash flows to decline and could materially and adversely affect our business, financial condition, results of operations and prospects.

We recorded a net loss in 2023 and may incur net losses or be unable to sustain profitability in the future.

We recorded a net loss of RMB117.5 million in 2023 and net profits of RMB482.9 million, RMB1,363.9 million, RMB123.1 million and RMB3,840.6 million in 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively. We recorded a net loss in 2023 primarily due to our relatively low overall gross profit margin of 4.8%, which reflected, among others, the low gross profit margin of our embedded storage products amid relatively low market prices. Although we recorded net profits after 2023, you should not rely on our profitability in any prior period as an indication of our future performance. We believe our profitability is affected by, among others, industry cycles and market demand for our products, fluctuations in selling prices, changes in product mix and procurement costs, our ability to pass increases in raw material prices on to our customers, competition and the level of our research and development and other operating expenses. If we are unable to generate sufficient revenue, maintain our gross profit margins or effectively manage our costs and expenses, we may incur net losses and may not subsequently achieve or sustain profitability in the future.

We have been and intend to continue investing significantly in R&D activities, which may adversely affect our profitability and operating cash flow and may not generate the results we expect to achieve.

We invest in R&D activities to develop and introduce new and enhanced products. In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, our R&D expenses were RMB282.6 million, RMB392.2 million, RMB493.2 million, RMB151.4 million and RMB199.6 million, respectively, accounting for 3.2%, 4.5%, 4.4%, 5.4% and 2.5% of our total revenue for the respective periods. The industry in which we operate is subject to rapid technological innovations. To expand our product portfolio and to remain competitive in the industry, we need to continue investing resources in R&D activities. As a result, we may continue to incur significant R&D expenses in the future. However, we cannot guarantee that our efforts will be successful or deliver the effects, functions or benefits we expect. R&D activities are inherently uncertain. We may not be able to obtain sufficient resources, including qualified R&D personnel and R&D equipment to support the R&D of new or enhanced products. We may still encounter practical difficulties in commercializing our R&D outcomes. R&D activities are time-consuming and by the time our products are due for commercialization, new technologies could render our products obsolete, in which case we may not be able to recover related R&D expenses, which could result in a decline in our revenue, profitability and market share.

Our R&D efforts may not contribute to our future results of operations within our expected timeframe, or at all. The success and profitability of our new products are subject to various factors such as market demand, macroeconomic conditions or the pace of technological advancement, which are beyond our control. Therefore, the contributions from our R&D efforts may not meet our expectations or even cover the costs of such efforts, which would materially and adversely affect our business, results of operations, financial condition and competitive position.

We may not be able to fully avoid risks associated with quality control over our products.

The quality of our products depends on the effectiveness of our quality control and quality assurance protocol, which in turn depend on factors such as the quality of related training programs and our ability to ensure that our employees adhere to our quality control and quality assurance protocol. However, our quality control and quality assurance protocol may not be effective in preventing and resolving deviations from our quality standards. Any failure to execute our quality control and quality assurance protocol could render our products unsuitable for use within their service life or defective, which may adversely impact our market reputation and relationship with business partners.

Our supplier management system may not fully mitigate the risks associated with the quality of products or services provided by our suppliers. We cannot assure you that the products manufactured by our suppliers are safe and free of defects or can meet the relevant quality standards. In the event of any quality issues, we could be subject to indemnity and product liability claims and we may not be able to seek indemnification from our suppliers. See "— Our products may be subject to indemnity and product liability claims, which could result in significant costs and damage to our business, reputation and

downstream customer relationships, market acceptance of our products, financial condition, results of operations and prospects." If we engage in legal proceedings against our suppliers, such proceedings may be time-consuming and costly regardless of the outcome. Any such issues may materially and adversely affect our business, financial condition and results of operations.

We rely on a limited number of suppliers for raw materials and the manufacture of our products.

We rely on a limited number of suppliers for raw materials and the manufacture of our products. In 2023, 2024, 2025 and the four months ended April 30, 2026, the aggregate purchases from our five largest suppliers in each period were RMB3,808.5 million, RMB4,182.5 million, RMB6,616.4 million and RMB4,310.2 million, respectively, accounting for 43.5%, 49.4%, 55.5% and 63.0% of our total purchases in the same periods, respectively. For details, see "Business — Our Suppliers — Our Major Suppliers." We may not be able to maintain our business relationships with our suppliers due to factors such as geopolitical and trade tensions, unsatisfactory quality or significant increase in the prices of the raw materials and services related to the manufacture of our products.

Our cooperation may be terminated by the raw material suppliers for reasons beyond our control. If that happens, we may need to secure alternative sources for the raw materials. Accordingly, if any of our suppliers, especially any of the five largest suppliers, fails to provide raw materials in a timely and satisfactory manner, or terminates their relationship with us during the Track Record Period, and if we are unable to secure alternative sources on a timely basis, our business and results of operations may be adversely affected.

In addition, certain of our suppliers may be subject to various regulations and may be required to obtain and maintain various qualifications, government licenses and approvals in the jurisdictions in which they operate. Their ability to provide sufficient raw materials could be adversely affected by natural disasters, including earthquakes, drought and typhoons, in locations where they operate, disruptions at manufacturing facilities, international trade policies, and geopolitics and trade protection measures, including imposition of trade restrictions and sanctions. See "— We may be subject to the risks associated with international trade policies, geopolitics and trade protection measures, including imposition of trade restrictions and sanctions, and our reputation, business, results of operations and financial condition could be adversely affected." If any of these suppliers loses its qualification eligibility because of its failure to comply with regulatory requirements, recover from natural disasters and operational disruptions, or if any of these suppliers is subject to trade protection measures, we may not be able to find alternative suppliers in a timely manner or at all.

We may be exposed to risks relating to fluctuations of raw material costs.

Our raw material costs represent a substantial portion of our total cost of goods sold. In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, raw material costs accounted for 90.3%, 88.9%, 83.3%, 87.2% and 80.2% of our cost of sales for the respective periods. We may be subject to fluctuations in the prices of raw materials, as well as in transportation and other necessary supplies or services, due to factors beyond our control, such as fluctuations in foreign currency exchange rates, changes in the geopolitical environment and economic conditions, natural disasters or changes in the supply and demand for raw materials, transportation and other necessary supplies or services. For example, the price of wafers, the main raw materials we procure, fluctuated in recent years. DRAM and NAND Flash price indexes experienced significant cyclical fluctuations during the Track Record Period and up to 2025. See "Industry Overview — Analysis of DRAM and NAND Flash Price Indexes in the Memory Product Market." Such fluctuations may directly affect our procurement costs, inventory valuation, gross profit margin and results of operations. We cannot assure you that the price of our raw materials will not increase significantly in the future. If that occurs, we may not be able to offset the price increases of raw material by raising the prices of our products, in which case our profit margin will decrease. On the other hand, if the prices of our products increase significantly, we may lose our competitive advantage in the market. This in turn could result in loss of sales and customers. In both cases, our business, financial condition and results of operations may be materially and adversely affected.

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

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

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

We depend on third-party service providers to manufacture our products.

The manufacturing process of memory products mainly include (i) wafer processing, (ii) assembly and testing and (iii) SMT and testing. We outsource these processes to service providers. See "Business — Our Suppliers — Service Providers." We cannot assure that our service providers will not increase their service prices, deliver defective products, experience delays or shortages in product delivery, or cease operations due to factors such as, natural disasters, including earthquakes, drought and typhoons, in locations where our service providers operate, disruptions at manufacturing facilities, international trade policies, and geopolitics and trade protection measures, including imposition of trade restrictions and sanctions. See "— We may be subject to the risks associated with international trade policies, geopolitics and trade protection measures, including imposition of trade restrictions and sanctions, and our reputation, business, results of operations and financial condition could be adversely affected." Given the complex and proprietary nature of our products, any disruption at the facilities of our service providers could significantly impact our operations. Transitioning to alternative service providers would require a substantial amount of time and resources, which could adversely affect our results of operations. Moreover, increased regulation or stakeholder expectations regarding responsible business practices could increase our compliance costs. Any failure by our service providers to comply with such regulations or meet such expectations could result in negative publicity that adversely affects our reputation. Given that we do not directly control the procurement or employment practices of our service providers, we could be subject to financial or reputational risks as a result of their conducts. To the extent we are unable to manage these risks, our ability to timely supply competitive products may be hindered, our costs may increase, and our business, financial condition and results of operations may be adversely affected.

If we fail to acquire new customers or retain existing customers, our business, financial condition and results of operations may be materially and adversely affected.

We have invested in sales and marketing to acquire and retain customers since our inception. There is no guarantee that customers will stick with us or that the net profits from customers will cover the expenses of acquiring them. In 2023, 2024, 2025 and the four months ended April 30, 2026, revenue generated from our five largest customers accounted for 59.4%, 65.7%, 46.6% and 40.8% of our total revenue, respectively. In 2023, 2024, 2025 and the four months ended April 30, 2026, revenue

generated from our largest customers accounted for 20.9%, 33.4%, 15.4% and 15.6% of our total revenue, respectively. For details, see "Business — Our Customers." Any significant reduction in sales to our top customers could have a significant negative impact on our business, financial condition and operating results. Furthermore, changes in forecasts or the timing of orders from our top customers, which may be outside of our control, could cause our operating results to fluctuate. Our existing customers may decline materially or their demand may fluctuate as a result of many factors, including dissatisfaction with the performance, quality or price of our products, negative publicity, or alternative products offered by our competitors. If we are unable to retain our existing customers or to acquire new customers in a cost-effective manner, our business, financial condition and results of operations may be adversely affected.

A substantial portion of our embedded storage sales volume is generated under the Customer Supply Arrangement with Customer G, and any adverse change in such arrangement could materially and adversely affect our business, financial condition and results of operations.

Starting from April 2024, we entered into the Customer Supply Arrangement with Customer G, under which Customer G provides us with wafers for the manufacture of embedded storage products and purchases embedded storage products from us. In 2024, 2025 and the four months ended April 30, 2026, revenue generated under the Customer Supply Arrangement was RMB317.7 million, RMB1,508.9 million and RMB786.1 million, respectively, representing 3.6%, 13.4% and 9.8% of our total revenue for the respective periods. During the same periods, the corresponding sales volume represented 27.6%, 68.5% and 75.2% of our total sales volume of embedded storage, respectively. See "Business — Customer Supply Arrangement." As a result, a substantial portion of our embedded storage sales volume is dependent on Customer G's continued purchase demand and the continuation of the Customer Supply Arrangement.

We cannot assure you that Customer G will maintain its purchase volume or continue to provide wafers to us at the current level or on terms acceptable to us. Any reduction, suspension or termination of the Customer Supply Arrangement, or any material adverse change in Customer G's purchase demand, wafer supply or the commercial terms of the arrangement, could reduce our embedded storage sales volume and adversely affect our revenue and profitability. In addition, if we are unable to replace such customer demand or are required to procure wafers using our own funds, our working capital requirements and exposure to wafer inventory risk and wafer price fluctuations may increase. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Our distributors may have performance that does not meet expectations, which is beyond our control and their improper conduct or any changes in their business relationships with us may adversely affect our business, financial condition and results of operations.

In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, approximately 42.2%, 26.5%, 34.3%, 35.9% and 45.7% of our revenue was generated from our distributors, respectively. As of December 31, 2023, 2024 and 2025 and April 30, 2026, we had 102, 106, 89 and 54 distributors, respectively. See "Business — Sales and Marketing." We have limited control over the operations and actions of our distributors. We cannot guarantee that we will be able to effectively manage our distributors, or that our distributors would not breach our agreements and policies. We cannot assure you that our distributors will be successful in marketing, selling and supporting our products. Furthermore, we cannot assure you that our distributors will always be compliant with relevant laws, regulations or our distributorship agreements. If our distributors breach the distribution agreements, fail to maintain the requisite licenses, permits or approvals or comply with applicable regulatory requirements when selling our products, improperly use our brands, products or intellectual property rights, it could damage our reputation, undermine customers' confidence in us and reduce their long-term demands for our products.

Our distributors may also subject us to lawsuits, potential liability and reputational harm if they misrepresent the functionality of our products and services to customers or violate laws or our corporate policies. In addition, it cannot be certain that we will retain our existing distributors or that

we will be able to secure additional products or substitutes for them. Our distributors may also devote more resources to the marketing, sales and support of competitive products and services. All these could adversely affect our business, financial condition and results of operations.

Our products may be subject to indemnity and product liability claims, which could result in significant costs and damage to our business, reputation and downstream customer relationships, market acceptance of our products, financial condition, results of operations and prospects.

Our products are complex and may contain defects that affect their quality or performance. Any compromise in product quality, whether due to manufacturing defects, supply chain issues, or inadequate quality control measures, could result in product returns or recalls and significantly impact our image, customer loyalty and market position. Any product liability claim, whether or not determined in our favor, could result in significant expense, divert the efforts of our R&D and management personnel, and harm our business. In addition, if any of our products contain defects, or have reliability, quality or compatibility problems that cannot be resolved, we may lose existing customers and fail to attract potential customers. Furthermore, our reputation could be adversely impacted in the event of a significant product defect. Any issue with one of our products could negatively affect the demand for other products of ours or our reputation as a whole, which could have an adverse impact on our business, results of operations and financial condition.

In addition, certain product liability claims may be the result of defects from raw material provided by our raw material suppliers or through the manufacturing process of our service providers. Attempting to enforce our rights against such suppliers may be expensive, time-consuming and ultimately futile. Such suppliers may not be able to indemnify us for the losses resulting from such defects and product liability claims in full or at all. Further, our insurance coverage might be insufficient to fully cover all damages sought and the claiming process might be prolonged. As a result, any material product liability claim or litigation could result in expenses and managerial efforts in defending them and could have a negative impact on our reputation.

Product recall costs and significant return or exchange could adversely affect our business and financial performance.

We cannot assure you that we will not encounter material product recall, cancellation of orders or become subject to warranty claims due to product defects. If this happens, our business, financial condition and results of operations may be adversely affected. Furthermore, our reputation could be adversely impacted in the event of a material product recall. For example, if we recall one type of our products, such action could negatively affect the demand for other products of ours or our reputation as a whole, which could have an adverse impact on our business, financial condition and results of our operations.

We may not be able to protect our trade secrets.

We rely on trade secrets, including unpatented know-how, technology and other proprietary information, to protect our products and thus maintain our competitive position. However, we cannot guarantee you that an employee or a third party will not intentionally or inadvertently make an unauthorized use or disclose our proprietary confidential information. If a competitor gains access to and makes use of such information, our competitive position will be compromised, in spite of any legal action we might take against persons making such unauthorized disclosures. In addition, to the extent that our employees or business partners use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. Furthermore, enforcing a claim that a third party illegally obtained and is using any of our trade secrets is expensive and time-consuming, and the outcome is unpredictable. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. Potential litigation could result in substantial financial and human resource costs.

We have recorded net operation cash outflow in the past, and our liquidity, financial condition and prospects may be adversely affected if we continue to record net operation cash outflow in the future.

We recorded net cash flow used in operating activities of RMB1,048.2 million in 2023 and RMB1,122.0 million in 2024. We recorded net cash flow generated from operating activities of RMB716.7 million in 2025. We recorded net cash flow used in operating activities of RMB430.2 million and RMB2,691.1 million in the four months ended April 30, 2025 and 2026, respectively. For details, see "Financial Information — Liquidity and Capital Resources — Cash Flow Analysis" in this prospectus. There is no assurance that we will not experience net cash outflows from our operating activities in the future. In the event that we are unable to generate sufficient cash flow for our operations or otherwise unable to obtain sufficient funds to finance our business, our liquidity, financial condition and prospects may be adversely affected. We cannot assure you that we will have sufficient cash from other sources to fund our operations. If we resort to other financing activities to obtain additional cash, we will incur additional financing costs, and we cannot assure you that we will be able to obtain the financing on terms acceptable to us, or at all.

Our prolonged cash conversion cycle may increase our working capital requirements and adversely affect our liquidity, cash flows and financial condition.

During the Track Record Period, we experienced a prolonged cash conversion cycle. The lengthening of our cash conversion cycle was primarily attributable to the increase in inventory turnover days from 101 days in 2023 to 162 days in 2024, 231 days in 2025 and 356 days in the four months ended April 30, 2026. In particular, the significant increase in our inventory turnover days during the four months ended April 30, 2026 primarily reflected our proactive inventory buildup and higher inventory unit costs. We proactively increased inventories of raw materials and finished goods to support anticipated demand from our major customers amid strengthening market demand and rising memory product prices. Higher purchase prices of wafers and components also increased the weighted-average unit cost and carrying amount of our inventories. Our inventories increased by 51.8% from RMB7,172.3 million as of December 31, 2025 to RMB10,886.9 million as of April 30, 2026. Our ability to recover the funds committed to these inventories depends on actual customer demand, prevailing selling prices and the timing of subsequent sales and collection of the related receivables.

A prolonged cash conversion cycle requires us to fund our procurement and inventory holding for a longer period before the relevant products are sold and cash is collected from customers. Our cash conversion cycle may lengthen further if we increase inventory levels in anticipation of customer demand or changes in market prices, are required to make additional prepayments to suppliers, experience delays in collecting trade receivables or receive shorter credit terms from suppliers. As a result, additional cash may be tied up in working capital, which could constrain our liquidity and our ability to fund our operations and business expansion. If our cash conversion cycle remains prolonged or lengthens further, we may need to obtain additional financing, which may increase our indebtedness and finance costs. We may also be exposed to greater inventory obsolescence and impairment risks if our inventories are not sold or utilized as anticipated. Any of the foregoing may adversely affect our business, financial condition and results of operations.

Significant prepayments to suppliers may increase our working capital requirements, which could adversely affect our liquidity, cash flows and results of operations.

During the Track Record Period, our prepayments were RMB181.0 million, RMB77.6 million, RMB621.5 million and RMB3,681.8 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively. Our prepayments increased significantly from RMB621.5 million as of December 31, 2025 to RMB3,681.8 million as of April 30, 2026, primarily because we increased advance payments for raw materials to secure supply and production capacity amid tightening market supply, rising raw material prices and increased procurement requirements to support anticipated customer demand.

Significant prepayments require us to commit substantial cash before the relevant raw materials are delivered, processed into our products and ultimately sold to customers, which may increase our working capital requirements and reduce the cash available for other business purposes. If the relevant suppliers fail or delay in performing their delivery obligations due to production disruptions, capacity constraints, financial difficulties or other reasons, we may experience delays in obtaining the relevant raw materials and may need to procure replacement supplies from alternative sources, potentially at higher costs or on less favorable terms. We may also experience delays or difficulties in recovering the relevant prepayments, which could further adversely affect our liquidity and cash flows.

In addition, market conditions and customer demand may change after we make substantial prepayments. If market prices of the relevant raw materials or memory products decline, or if actual customer demand is lower than anticipated, the economic benefits expected from such advance procurement may not materialize and we may be exposed to increased inventory holding or margin compression. Any of the foregoing could materially and adversely affect our business, liquidity, financial condition and results of operations.

We are subject to credit risk due to delay in payment and defaults of customers.

We are exposed to credit risks related to delays and defaults of our trade, bills and other receivables due from our customers or related parties in the ordinary course of our business. We typically grant credit terms up to four months to our customers. As of December 31, 2023, 2024, 2025 and April 30, 2026, our trade receivables were RMB1,704.9 million, RMB2,017.1 million, RMB982.6 million and RMB2,252.5 million, respectively. In 2023, 2024, 2025 and April 30, 2026, our average trade receivables turnover days were 43 days, 78 days, 49 days and 24 days respectively. Fluctuations and extension of trade and bills receivables turnover may adversely affect our cash flow and liquidity. See "Financial Information — Selected Balance Sheet Items — Current Assets/Liabilities — Trade Receivables" for details. We make periodic collective and individual assessment on the recoverability of trade and other receivables based on historical settlement records and past experience as well as current external information, and may provide for impairment when there is no reasonable expectation of recovery. If the credit-worthiness of our customers deteriorates or if our customers fail to settle their trade and bills receivables for any reason, we may incur additional impairment loss. We may not be able to recover our trade receivables in a timely manner, or at all. As a result, our financial condition and results of operations may be adversely affected.

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

We may make acquisitions of, or investments in, businesses or technologies that are complementary to our business in the future. The process of identifying and consummating acquisitions, investments, and the subsequent integration of new assets and businesses into our existing business, requires attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our operations. Investments, acquired assets or businesses may not generate the expected financial results, strengthen our competitive position or achieve our goals and business strategy. Acquisitions or investments could require significant cash and result in dilutive issuances of equity securities, goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business or investment. In particular, we recorded net losses in the past, including a net loss of RMB117.5 million in 2023, and we may not be able to sustain profitability in the future. We may also be required to recognize impairment losses on goodwill (and other intangible assets) in the future. During the Track Record Period, we recognized impairment of goodwill of nil, RMB55.6 million, nil, nil and nil in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively. Goodwill impairment assessments involve significant judgment and are sensitive to assumptions and changes in business and market conditions. If the recoverable amount of the relevant cash-generating units declines further, we may be required to record additional impairment losses, which could materially and adversely affect our results of operations, financial condition and prospects. For detailed information on our impairment of goodwill, see Note 16 to the Accountants' Report in Appendix I to this prospectus. We may also incur costs and management time on transactions that are ultimately not completed.

Our equity investments, including investments in listed companies, are subject to fluctuations in share prices and market valuations. Such prices and valuations may decline due to changes in market conditions, industry developments, investor sentiment or the business and financial performance of the investee companies. Any such decline could reduce the value of our investments and our investment returns, and we may incur losses or be unable to recover the full amount invested upon disposal, which could adversely affect our results of operations and financial condition.

In addition, our due diligence may fail to identify all of the problems, liabilities or other shortcomings or challenges of an acquired business, product, technology or investment, including issues related to intellectual property, product quality or product architecture, regulatory compliance practices, revenue recognition or other accounting practices or issues with employees or customers. Additionally, we may be subject to litigation or other claims in connection with the acquired company, including claims from terminated employees, former shareholders or other third parties, which may differ from or be more significant than the risks its business faces. We may also face retention or cultural challenges associated with integrating employees from the acquired company into our organization. If we fail to identify, consummate, and integrate our acquisitions or investments, our business, financial condition and results of operations may be adversely affected.

Failure to obtain or maintain any of the preferential tax treatments or government subsidies could adversely affect our business, results of operations and financial condition.

We cannot assure you that the policies on preferential tax treatment will not change or that any preferential tax treatment we enjoy or are entitled to enjoy will not be terminated. According to the applicable PRC tax regulations, the statutory corporate income tax rate in the PRC is 25%. We and certain of our subsidiaries enjoyed a preferential income tax treatment during the Track Record Period. For details, see Note 11 to the Accountants' Report in Appendix I to this prospectus. If we are ineligible to enjoy any of the preferential tax treatments or if the calculation of our tax liability is successfully challenged by PRC tax authorities, our business, results of operations and financial condition could be adversely affected. In addition, during the Track Record Period, we benefited from government grants. Some of such government grants are non-recurring in nature. We recorded government grants under other income and gains of RMB25.3 million, RMB14.3 million, RMB21.7 million, RMB7.5 million and RMB2.4 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively. For details, see Note 6 to the Accountants' Report in Appendix I to this prospectus. Any discontinuation, reduction or delay of any government subsidies would have an adverse impact on our business, financial condition and results of operations.

We may be subject to inventory obsolescence risk.

Our inventories primarily consist of raw materials, finished goods, goods shipped in transit, contract performance cost and materials consigned for processing. As of December 31, 2023, 2024, 2025 and April 30, 2026, we had inventories of RMB2,548.2 million, RMB3,949.8 million, RMB7,172.3 million and RMB10,886.9 million, respectively. Failure to adequately manage inventory risks may lead to inventory obsolescence, decline in inventory value or inventory write-offs. Our provision for impairment of inventories was RMB94.1 million, RMB503.6 million, RMB58.2 million and RMB73.6 million as of those dates, respectively. In 2023, 2024, 2025 and the four months ended April 30, 2026, our average inventory turnover days were 101 days, 162 days, 231 days and 356 days respectively. Any fluctuation and extension of inventory turnover may adversely affect our cash flow and liquidity. See "Financial Information — Selected Balance Sheet Items — Current Assets/Liabilities — Inventories" for details.

In addition, we manage our inventory levels based on market forecast and a first-in, first-out policy and maintain a safety stock level. It may be difficult to accurately forecast demand and determine the appropriate levels of inventory we should maintain. Any change in customer demand for our products or the occurrences of catastrophic events may have an adverse impact on our product sales and business prospects. If the actual demand is lower than our forecast demand, we may be subject to overstock, resale of the inventories at less favorable terms, or even write-downs of inventories. If we are required to lower sale prices to increase the demand for our product sales to reduce inventory level,

our profit margins might be adversely affected. If the actual demand is higher than our forecast demand, we may not be able to fulfill all the orders we receive to maximize our revenue. As a result, the market share of our products may be adversely affected. Any of the above may adversely affect our business, financial condition and results of operations.

Our transfer pricing arrangements may be subject to scrutiny by the relevant tax authorities in the countries and regions where we operate.

Under the applicable laws and regulations in the jurisdictions in which we operate, arrangements and transactions among related parties may be subject to audit or challenge by the relevant tax authorities. We could face material and adverse tax consequences if the relevant tax authorities determine that certain 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. Any transfer pricing adjustment by the relevant tax authorities may increase our tax liabilities and may result in interest, surcharge or other related amounts, which could materially and adversely affect our business, financial condition and results of operations. 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 operations may therefore be materially and adversely affected.

We face risks relating to third-party payments.

During the Track Record Period, certain of our customers settled payments with us through third-party payors (the "**Third-Party Payment Arrangements**"). The relevant third-party payors primarily fell into three categories: (1) third-party payment institutions engaged due to local foreign exchange restrictions, payment cost considerations or similar commercial reasons; (2) third-party supply chain companies engaged by customers to handle receipt of goods and payment settlement; and (3) in limited cases, subsidiaries within the same corporate group making payment on behalf of the relevant customer. The Third-Party Payment Arrangements were mainly adopted for commercial and operational reasons. In particular, based on representations from the relevant customers and to the best knowledge of our Directors, such arrangements were used primarily to facilitate payment settlement in overseas markets, reduce payment costs, and enable customers to use supply chain service providers or intra-group entities to handle receipt and payment arrangements. The aggregate third-party payment amount was RMB8.3 million, RMB7.4 million, RMB3.4 million and nil in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, representing less than 0.1% of our total revenue during the Track Record Period. As of the Latest Practicable Date, we had terminated all Third-party Payment Arrangements.

During the Track Record Period, within our overseas markets, the majority of our revenue was generated from Hong Kong, and the Third-Party Payment Arrangements were related to Hosin HK. As advised by our Hong Kong local counsel, there is no law prohibiting the Third-party Payment Arrangements. Therefore, the Third-Party Payment Arrangements are legal. As further advised by our Hong Kong local counsel, while the transactions between Hosin HK and the relevant customers are supported by documentation proof or contracts, there is no contractual relationship between Hosin HK and the relevant third-party payors; therefore, the third-party payors (including their liquidators, if appointed) cannot bring any claim against Hosin HK for the payment of the sums made on behalf of their principals based on contract. Moreover, while the third-party payors (including their liquidators, if appointed) may sue if the money is paid under mistake or as a consequence of some fraud or wrongful act of the payee, there is no evidence suggesting that those situations occurred in the context of Hosin HK. During the Track Record Period and up to the Latest Practicable Date, we had not received any such request or claim from any relevant third-party payors. Our Hong Kong local counsel therefore considered that the risk of the third party payors, including their liquidators if appointed, raising claims against Hosin HK arising from the Third-Party Payment Arrangements, and the litigation risks to Hosin HK in this regard are remote.

We may be subject to risks relating to such Third-Party Payment Arrangements, including possible claims from third-party payors for return of funds, as they were not contractually indebted to us, and possible claims from liquidators of third-party payors. In the event that any such claims or legal proceedings were initiated against us in respect of third-party payments, we may need to allocate significant financial and managerial resources to defend against them, which could materially and adversely affect our financial condition and results of operations.

We have granted and may continue to grant share-based awards, which may adversely affect our results of operations and financial condition.

We have established share incentive plans to grant shares to selected participants. The fair value of shares granted to participants under the share incentive plan is recognized as an expense over the vesting period, being the period over which all of the vesting conditions are satisfied. The fair value is determined based on the market price of our shares at the respective grant date. We have also established share option schemes to grant options to our employees for the purpose of attracting and retaining talents. All share options will be settled in equity. See Note 30 to the Accountants' Report in Appendix I to this prospectus.

We believe such share-based awards are important to our ability to attract, retain and motivate our key individuals, and we may continue to grant share-based awards in the future. As a result, our financial performance and ownership interests of our Shareholders may be affected by the share-based compensation as the expenses associated with share-based compensation will decrease our net profit and the establishment of a new share incentive plan may potentially dilute the ownership interests of our Shareholders. On the other hand, if we reduce the amount of shares or other share-based compensation awards, we may not be able to attract or retain key personnel by offering them incentives linked to the value of our Shares.

If we determine our intangible assets or goodwill to be impaired, our results of operations and financial condition may be adversely affected.

As of December 31, 2023, 2024, 2025 and April 30, 2026, our intangible assets were RMB462.2 million, RMB372.5 million, RMB301.6 million and RMB290.8 million respectively, which primarily consist of software, patent and IP licenses. As of December 31, 2023, 2024 and 2025 and April 30, 2026, the net carrying amount of our goodwill was RMB341.5 million, RMB285.9 million, RMB285.9 million and RMB285.9 million, respectively. We recorded a net loss of RMB117.5 million in 2023 and recognized impairment of goodwill of nil, RMB55.6 million, nil and nil in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively. Although we recorded net profits in 2024 and 2025 and the four months ended April 30, 2026, we may not be able to sustain profitability in the future, and we may be required to recognize impairment losses on intangible assets or goodwill if the recoverable amount of the relevant assets or cash-generating units declines.

In particular, as of the Latest Practicable Date, the Group carried goodwill of RMB285.9 million in the cash-generating unit that comprises Hefei Core Storage. Following Hefei Core Storage's designation on the Entity List, it has gradually reduced its sales activities and is expected to cease its commercial activities upon completion of the sale of its existing inventory by the end of 2026. Its business activities have also been affected by, among others, supply chain disruptions and limited market access. These developments may adversely affect the expected future cash flows and other assumptions underlying the impairment assessment of the relevant cash-generating unit. If its recoverable amount falls below its carrying amount, we may be required to recognize further impairment losses on the relevant goodwill, which could adversely affect our results of operations and financial condition. See "Business — U.S. Export Controls, Sanctions and Entity List Designation of Hefei Core Storage — Inventory Sales and Compliance with EAR and Other Trade Controls."

The recoverability of our deferred tax assets is subject to accounting uncertainties.

According to our accounting policies, our management is required to make judgments, estimates and assumptions about the carrying amounts of certain assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other relevant

factors. Therefore, actual results may differ from these accounting estimates. As of December 31, 2023, 2024, 2025 and April 30, 2026, we recorded deferred tax assets of RMB179.2 million, RMB154.4 million, RMB69.1 million and RMB166.8 million, respectively.

Based on our accounting policies, deferred tax assets are recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the historical financial information. 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 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. In addition, deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill. The realization of deferred tax assets mainly depends on our management's judgment as to whether future taxable amounts will be available to utilize those temporary differences and losses. If sufficient profits or taxable temporary differences are not expected to be generated or are less than expected, a material reversal of deferred income tax assets may arise in future period.

Our insurance coverage may not be sufficient to cover all losses or potential claims by our customers, which would affect our business, financial condition and results of operations.

We face various operational risks in connection with our operations, including but not limited to, operation errors, power outages, equipment failure, cargo transportation, legal proceedings, limitations imposed by environmental or other regulatory requirements, and environmental or industrial accidents and catastrophic events. These risks can result in damage to our assets, personal injury or fatalities, monetary losses and legal liability. In addition, we may face risk of exposure to claims when our products malfunction, resulting in property damage and personal injury. Product liability claims against us could require us to pay substantial monetary compensation. Any of these events may result in the interruption of our operations and subject us to significant loss or liabilities.

We may not have adequate or any insurance to cover such operational risks and risks relating to product liability claims. We cannot assure you that our insurance will be adequate to cover the abovementioned material accidents. If we are held liable for amounts and claims exceeding the limits of our insurance coverage or outside the scope of our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. Additionally, the insurance provider may not be able to make the compensation payment to us in a timely manner.

We may not be able to obtain additional capital when desired, on favorable terms or at all.

We may need to raise additional capital in the future to further expand our business and sustain our growth. We may raise additional funds through the issuance of equity or debt related securities, or through obtaining credit from financial institutions. Our ability to obtain additional capital is impacted by factors including, but not limited to, our market position, future profitability, financial position, and the general macroeconomic condition in China. We may not be able to raise additional funds on favorable terms, or at all. If additional funds cannot be obtained when needed and on favorable terms, our business, financial condition and results of operations may be adversely affected. Fundraising through the issuance of debt securities or through loan arrangements may contain terms that require significant interest payments, covenants that restrict our business, or other terms unfavorable to us. In addition, to the extent we raise funds through the sale of additional equity securities, our shares will experience additional dilution.

Our information technology networks and systems may encounter malfunction, unexpected system failure, interruption, insufficiency or security breaches.

We rely on information technology systems to conduct and monitor our daily operations, such as internal communication, customer data management, product development and project management. In addition, we store various proprietary information and customer data in these systems. See "Business — Information Technology System" for details. Therefore, our business is dependent upon the continued maintenance and enhancement of our information technology systems.

These information technology systems are subject to certain risks, such as malfunction, natural disasters and malware attacks. Our cybersecurity measures may not timely detect or prevent all attempts to compromise our systems, including distributed denial-of-service attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, security breaches or other attacks that may disrupt the operation of the information technology systems. Any breach of our cybersecurity measure, or malfunctions, damages, disruptions or shut down of our information technology systems may result in unauthorized access to our systems, misappropriation of information or data, deletion or modification of customer information, or a denial-of-service or other interruption to our business operations. In cases of malware attacks, we may also be asked to make a lump-sum payment in order to resume the operation of our systems. There is no assurance that we will not be subject to any of these cyber security issues in the future. If we cannot effectively resolve the issues in a timely manner, our business, financial condition and results of operations may be adversely affected. Furthermore, we need to constantly upgrade and improve our information technology systems to keep up with the continuous growth of our operations and business. We may not always be successful in installing, running or implementing new software or advanced information technology systems as required by our business development. All of the above may have an adverse impact on our business, financial condition and results of operations.

Failure to detect or prevent fraudulent or illegal activities or other misconduct by our employees, suppliers, direct customers and distributors or other third parties may materially and adversely affect our business.

We may be exposed to unethical or unlawful behaviors by our employees, consultants, agents, suppliers, which include our raw materials suppliers, service providers, or any other third parties. Such misconducts may include non-compliance with applicable laws and regulations pertinent to mishandling of funds or unlawful kickbacks during our procurement of raw materials or selection of suppliers. We also have little control over third parties involved in unlawful, unethical or anticompetitive conducts targeted at or in connection with our logistics network, operations and other activities, such as non-compliance with laws, or third-party sabotage or allegations intended to harm us. We may incur substantial monetary losses, suffer reputational damage, be subject to administrative penalties and fines, have our licenses and permits revoked, or even be ordered by regulatory authorities to suspend our operations due to misconduct. We may also be required by regulatory authorities in the relevant jurisdictions to allocate significant resources and incur additional costs to prevent or screen any unlawful, unethical or anticompetitive conducts by our employees or third parties.

In May 2024, we exported integrated circuits provided by our supplier ("**Relevant Supplier**") from Shenzhen Pingshan Comprehensive Bonded Zone (深圳坪山綜合保税區) to overseas area. In the customs inspection process, the Chinese customs determined that the integrated circuits infringed upon the trademark rights of a third-party entity. Consequently, the Chinese customs imposed a penalty of approximately RMB120.0 thousand on us for the export of these goods and confiscate the relevant integrated circuits, which were valued at approximately RMB2.0 million. We had no subjective intent or negligence for the trademark infringement of the involved goods. The direct cause of this infringement incident was that the Relevant Supplier failed to truthfully inform us of the intellectual property defects of the products. This incident had no material adverse impact on us, primarily because: (i) as advised by our PRC Legal Advisor, the penalty imposed by the customs does not constitute a material penalty and the incident does not constitute a material non-compliance with the applicable PRC laws and regulations; and (ii) we have been fully indemnified by the Relevant Supplier for both the penalty we paid and the value of the confiscated integrated circuits, given that the integrated circuits were provided

by our suppliers, and we had no prior knowledge of the trade mark infringement. We terminated our cooperation with the Relevant Supplier at the end of 2025. See "Business — Legal Proceedings and Compliance — Trademark Rights Infringement Incident in May 2024."

One of our leases has not been registered with the relevant authorities in China, which could disrupt our operations and result in additional costs.

As of the Latest Practicable Date, we leased a total of 20 material properties in China with an aggregate gross floor area of approximately 42,297 square meters. These leased properties were used primarily as R&D facilities, warehouses and offices. As of the same date, we were unable to file the lease agreement for registration with respect to one of our leased properties due to the lessor's failure to provide us with a valid property ownership certificate required for the registration. The property is used for office purposes and has a gross floor area of approximately 283 square meters. If the lessor is not the legal owner or has not obtained the proper authorization from the legal owner of such premises, the legal owner of such premises or any third-party tenant that has leased such premises from the legal owner may have grounds to challenge the validity of our leasehold interest in the affected premises. Under the relevant PRC laws and regulations, the parties to a lease agreement have the obligation to register and file the executed lease agreement. As advised by our PRC Legal Advisor, the validity of the lease agreement is not affected by the failure to file the lease agreement with the relevant government authorities. According to the relevant PRC regulations, we may be ordered by the relevant government authorities to register the relevant lease agreement within a prescribed period, and we may be subject to a fine ranging from RMB1,000 to RMB10,000 for the non-registered lease if we fail to comply.

Additionally, if disputes or government actions due to title challenges arise to the above-described property, we may encounter difficulties in continuing to lease such property and may be required to relocate. If the lease agreement of such property is terminated or voided as a result of challenges from third parties or government agencies, we would need to seek alternative premises and incur relocation costs. Any such relocation may require additional time and costs and result in temporary disruption to the relevant operations, which could adversely affect our business, results of operations and financial condition.

We may be involved in legal proceedings, commercial or contractual disputes and administrative penalty, which could materially and adversely affect our reputation, business, financial condition and results of operations.

We may be subject to claims, litigation, disputes and administrative penalty, various legal and administrative proceedings, and any resulting damages. In addition, agreements we entered into may include indemnification provisions which may subject us to costs and damages in the event of a claim against an indemnified third party. Regardless of the merit of particular claims, legal and administrative proceedings may be costly and time consuming and may divert our management attention.

We may be affected by legal or administrative proceedings, claims and penalty in the future. If one or more legal or administrative matters were resolved against us or an indemnified third party, we may incur additional expenses to cover compensatory or punitive monetary damages, disgorge any relevant profits, establish remedial measures or comply with injunctions or specific performance. As a result, our business, financial condition and results of operations may be materially and adversely affected. In addition, as we develop and expand our business scope and engage in different business activities, we may be required to comply with additional licenses, approvals, and other regulations. We may fail to meet these requirements in a timely manner or at all, in which case we may be subject to administrative penalties, and our ability to expand our business and sustain growth could be adversely affected.

Our business growth and results of operations may be adversely affected by changes in natural disasters, health epidemics and pandemics, and social disruption and other outbreaks.

Our business could be adversely affected by natural disasters and outbreaks of infectious diseases. In any of the markets in which we operate, natural disasters, outbreaks of infectious diseases and other adverse public health events may materially disrupt our business operations, for example by damaging

our technology infrastructure or information technology systems or affecting the productivity of our employees. Any such disruptions may in turn adversely affect our financial condition and results of operations.

RISKS RELATING TO CONDUCTING BUSINESS IN JURISDICTIONS WHERE WE OPERATE

Failure to fully adapt to changes in the economic, political and social conditions, as well as government policies, laws and regulations, and industry practice guidelines in the jurisdictions where we operate could materially and adversely affect our business, financial condition, results of operations and prospects.

Our operations are subject to a number of market, business and financial risks and uncertainties, including those related to geopolitical and economic instability, foreign currency exchange and interest rate fluctuations, competitive product offerings, local product preferences and requirements. Such risks and uncertainties may adversely impact our ability to implement our growth strategy in these jurisdictions. Additionally, if we fail to comply with the changing government policies, laws and regulations, or industry practice guidelines in the jurisdictions where we operate, our business, financial condition and results of operations could be materially and adversely affected. In addition, factors such as consumer, corporate and government spending, business investment, volatility of the capital markets and inflation all affect the business and economic environment, the growth of the memory product industry and ultimately, the profitability of our business. Any future catastrophes, such as natural disasters or outbreak of contagious diseases, may cause a decrease in the level of economic activities in the respective jurisdictions where we operate. As a result, our business, financial condition, results of operations and prospects may be adversely affected.

Our business is primarily based in China and failure to comply with any policy changes in China affecting the industry and the end markets of our products could materially and adversely affect our business.

Our failure to navigate any changes in the regulatory requirements concerning the memory product industry may affect our business, financial condition, results of operations and prospects. For example, the PRC government has promulgated, amended and updated legislation in relation to data security, safety standards, environmental impact, consumer protection, social insurance and housing provident fund. Navigating this changing regulatory environment may require significant adjustments to our products to meet new standards, lead to increased compliance costs, or result in operational delays. Additionally, any failure to comply with these regulations could expose us to legal penalties and reputational damage and hinder our ability to operate or expand within the Chinese market. To comply with the changes in regulations may add a layer of complexity to our strategic planning and affect our business operations, financial condition, and overall growth prospects.

Any failure by us or our business partners to comply with applicable anti-money laundering, anti-terrorism, anti-bribery and similar laws could lead to significant penalties and damages to our reputations, adversely affecting our operating performance, financial condition and results of operations.

Any failure by us or our business partners who work with us to comply with applicable anti-money laundering ("**AML**"), anti-terrorism, anti-bribery laws and regulations could lead to significant penalties and damage to our reputation. We and our business partners who work with us are often required to comply with certain AML requirements set out by regulators in the jurisdictions where we and our business partners operate. We are also subject to various AML, anti-terrorism, anti-bribery, export controls and economic and trade sanctions laws and regulations that prohibit, among other things, any involvement in transferring the proceeds of criminal activities and the import and export of controlled products and technologies. To comply effectively with such laws and regulations, we and our business partners must establish sound internal control policies and procedures with respect to AML, anti-terrorism, anti-bribery, export controls, economic and trade sanctions, which can require significant resources and expenditures.

The policies and procedures we and our business partners have adopted may not be effectively implemented in protecting our products from being exploited for money laundering, terrorist financing, bribery and corruption, terrorism, economic and trade sanctions and other illegal purposes. If we fail to comply with AML, anti-terrorism, anti-bribery, export controls and economic and trade sanction laws and regulations, we could be subject to fines, enforcement actions, regulatory sanctions, additional compliance requirements, increased regulatory scrutiny of our business, or other penalties levied by government authorities, and damages to our reputation, all of which may adversely affect our business, results of operations and financial condition. Similarly, if any of our subsidiaries, employees, business partners or other persons engage in fraudulent, corrupt or other unfair business practices or otherwise violate applicable laws, regulations or internal control policies, we could become subject to one or more enforcement actions or otherwise be found to be in violation of such laws, which may result in penalties, fines or sanctions and in turn adversely affect our reputation, business, financial condition and results of operations.

Any failure to comply with regulations on currency exchange may limit our foreign exchange transactions, including our ability to pay dividends and other obligations, and may affect the value of your investment.

Conversion of RMB into foreign currency and remittance of foreign currency out of the PRC under certain circumstances are subject to Chinese foreign exchange regulations. If there are unfavorable changes in exchange rates, or if PRC government implements regulatory policies that limit our ability to convert RMB into foreign currency, we may not have sufficient foreign exchange to meet our foreign exchange needs. Under current PRC foreign exchange regulations, certain current account transactions such as profit distributions, interest payments and trade-related expenses can be conducted in foreign currency without prior approval from the SAFE, as long as certain procedural requirements are met. However, capital account transactions such as capital transfers, direct investments, securities investments and repayment of borrowings are subject to foreign exchange policies and require prior approval from the SAFE or registration with the SAFE or authorized banks. Any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or satisfy any other foreign exchange obligation. If we fail to obtain approvals from the SAFE to convert RMB into any foreign exchange for any of the above purposes, our potential offshore capital expenditure plans and even our business may be materially and adversely affected.

Fluctuations in exchange rates could result in foreign currency exchange losses.

Fluctuations in exchange rates between Renminbi, US dollar and other currencies are unpredictable and may be affected by a number of factors, such as economic and political developments. There can be no assurance that Renminbi will not appreciate or depreciate significantly in value against the US dollar in the future. It is difficult to predict how market forces may impact the exchange rates between Renminbi and foreign currencies in the future.

Revaluation of Renminbi may have an adverse effect on your investment. For example, to the extent that we need to convert Hong Kong dollars we receive from this Global Offering into Renminbi for our operations, appreciation of Renminbi against Hong Kong dollar would have an adverse effect on the Renminbi amount we would receive from the conversion. Conversely, if we decide to convert our Renminbi into Hong Kong dollars for the purpose of making payments for any dividends on our Shares or for other business purposes, appreciation of the Hong Kong dollar against Renminbi would have a negative effect on the Hong Kong dollar amount available to us. As a result, fluctuations in exchange rates may have an adverse effect on your investment in our Shares.

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

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares by them. Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the dividends or gain from share transfer derived in China under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》) and its implementation regulations. Accordingly, we are required to withhold such tax

from dividend payments, unless applicable tax treaties between the PRC and the jurisdiction in which the foreign individual or enterprise resides reduce or exempt the relevant tax obligations. Pursuant to the Announcement of the Ministry of Finance and the State Taxation Administration on Matters Relating to Individual Income Tax Policies for Dividends and Bonuses of Foreign Individuals (《財政部税務總局關於外籍個人股息紅利個人所得税政策有關事項的公告》) (MOF and STA Announcement [2026] No. 27), which took effect on September 1, 2026, foreign individuals are subject to individual income tax at a rate of 20% on dividends received from foreign-invested enterprises, and the relevant foreign-invested enterprise is required to withhold and pay such tax. Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region ("**HKSAR**") 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税和防止偷漏税的安排》) signed on August 21, 2006, the PRC government may impose tax on dividends paid by a PRC company to a resident of the HKSAR (including natural person and legal entity), but such tax will not exceed 10% of the total amount of the dividends payable by the Chinese company. If an HKSAR resident directly holds 25% or more of the equity interest in a PRC company, such tax will not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol 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税和防止偷漏税的安排>第五議定書》) issued by the State Taxation Administration effective on December 6, 2019 stipulates that the arrangements or transactions made for the primary purpose of obtaining the above-mentioned tax benefits are not subject to the above-mentioned provisions.

For non-PRC resident enterprises that do not have establishments or premises in the PRC, and for those who have establishments or premises in the PRC but whose income is not related to such establishments or premises, under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are typically subject to PRC enterprise income tax at a 10% rate. The Circular on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》) issued by the State Taxation Administration, also stipulates that the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares shall be 10%, subject to a further reduction under a special arrangement or an applicable treaty between China and the jurisdiction of the residence of the relevant non-PRC resident enterprise. Despite the arrangements mentioned above, the interpretation and application of applicable PRC tax laws and regulations are subject to the then relevant laws and regulations due to several factors, including whether the relevant preferential tax treatment will be revoked in the future such that all non-PRC resident individual holders will be subject to PRC individual income tax at a flat rate of 20%. If there is any change to applicable tax laws and rules and interpretation or application with respect to such laws and rules, the value of your investment in our H Shares may be materially affected.

There may be uncertainties in effecting service of legal process and enforcing judgments against us, our Directors and senior management.

We are a company incorporated under the laws of the PRC and a majority of our assets and subsidiaries are located in the PRC. The majority of our directors and senior management reside within the PRC. The assets of these directors and senior management also may be located within the PRC. It may not be possible for investors to effect service of process upon us or those persons inside the PRC or to enforce against us or them in the PRC any judgments obtained from non-PRC courts.

The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts in the United States, the United Kingdom, Japan or certain other countries. On January 18, 2019, the Supreme People's Court and the Hong Kong Special Administrative Region Government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgements 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 "New Arrangement"). The New Arrangement was issued on January 25, 2024 and came into effect

on January 29, 2024, seeking to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in a wider range of civil and commercial matters between Hong Kong Special Administrative Region and Chinese Mainland. The New Arrangement does not include the requirement for a choice of court agreement in writing by the parties. There may be uncertainties in the enforcement of a judgment rendered by a Hong Kong court in Chinese Mainland if the judgment falls outside the scope of the New Arrangement or does not satisfy the applicable requirements for recognition and enforcement. As a result, there would be uncertainty for investors to effect service of process against certain of our assets or Directors in the PRC in order to seek recognition and enforcement of judgments by non-PRC courts, including a Hong Kong court, in Chinese Mainland.

Any failure to comply with relevant regulations regarding the registration requirements for employee share incentive plans may subject our share incentive plan participants or us to fines and other legal or administrative sanctions.

Under SAFE regulations, PRC residents who participate in a share incentive plan in an overseas publicly listed company are required to register with SAFE or its local branches and complete certain other procedures. See "Regulatory Overview — The PRC Laws, Regulations and Policies — Laws and Regulations Relating to Company." We and our PRC resident employees who participate in our share incentive plans are subject to these regulations as we are publicly listed in Hong Kong. We are in the process of registration with the local counterparts of SAFE for our PRC resident employees who participate in our share incentive plans as required under the relevant rules. If we or any of these PRC resident employees fail to comply with these regulations, we or such employees may be subject to fines and other legal or administrative sanctions. Any changes in laws and regulations regarding requirements for employee incentive plans may affect our ability to adopt addition incentive plans for our Directors, executive officers and employees.

RISKS RELATING TO THE GLOBAL OFFERING

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 completion of the Global Offering, there has been no public market for our H Shares. There can be no guarantee that an active trading market for our H Shares will develop or be sustained after the completion of the Global Offering. The Offer Price is the result of negotiations between our Company and the Sole Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters), which may not be indicative of the price at which our H Shares will be traded following completion of the Global Offering. The market price of our H Share may drop below the Offer Price at any time after completion of the Global Offering.

As the Hong Kong Public Offering period will be longer than normal market practice, applicants may have their application monies committed for a longer time or be exposed for a longer period of adverse market developments.

The application for the H Shares will commence on Friday, October 30, 2026 through Monday, November 9, 2026, being longer than normal market practice of three and a half days. Depending on the application channel and the time at which an application is submitted, applicants may be required to fund their applications for a longer period before the allocation results are announced and any refund are made available. Applicants may therefore experience a longer period during which their funds are unavailable and may suffer an opportunity cost or interest loss. Furthermore, they are also exposed for a longer period of adverse market development before trading in our H Share commences.

The price and trading volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of securities in Hong Kong and elsewhere in the world.

The trading price of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, China, the United States and elsewhere in the world. 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 Chinese Mainland-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. Some of these companies have 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 towards Chinese Mainland-based companies listed in Hong Kong and consequently may impact the trading performance of our H Shares.

Future sales or perceived sales of substantial amounts of our H Shares or the issuance of new shares in the public market could have a material adverse impact on the prevailing market price of our H Shares and our ability to raise additional capital in the future, or may result in dilution of your shareholding.

The market price of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares. Certain amount of the Shares controlled by our Controlling Shareholders are subject to certain lock-up periods beginning on the date on which trading in our Shares commences on the Hong Kong Stock Exchange. We cannot assure you that they will not dispose of any Shares they may own now or in the future. Market sale of Shares by such Shareholders and the availability of these Shares for future sale may have a negative impact on the market price of our Shares. In addition, while investors subscribing shares in the Global Offering are not subject to any restrictions on the disposal of the H Shares they subscribed, they may have existing arrangements or agreement to dispose part or all of the H Shares they hold immediately or within certain period upon completion of the Global Offering for legal and regulatory, business and market, or other reasons. Such disposal may occur within a short period or any time or period after the Listing Date. Any sale of the H Shares subscribed by such investors pursuant to such arrangement or agreement could adversely affect the market price of our H Shares and any sizeable sale could have a material and adverse effect on the market price of our H Shares and could cause substantial volatility in the trading volume of our H Shares.

The interests of our Controlling Shareholders may not be aligned with the interests of other Shareholders.

Immediately upon the completion of the Global Offering, without taking into account any Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option, our Controlling Shareholders will control approximately 35.56% of the voting rights at our general meetings. Our Controlling Shareholders will, through their voting power at the Shareholders' meetings and their delegates on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management. Our Controlling Shareholders may not act in the best interests of our minority Shareholders. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as part of a sale of our Company and may significantly reduce the price of our H Shares.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance whether and when we will pay dividends in the future.

There is no assurance that we will be able to declare or distribute dividends of any amount in any year in the future. Under the applicable PRC laws and regulations, the payment of dividends may be subject to certain limitations, and the calculation of our profit under the Accounting Standards for

Business Enterprises may differ in certain respects from the calculation under IFRS. The declaration, payment and amount of any future dividends are subject to the discretion of our Directors, after taking into account various factors, including but not limited to our results of operations, financial condition, cash flows, capital expenditure requirements, market conditions, our strategic plans and prospects for business development, regulatory restrictions on the payment of dividends and other factors as our Directors may deem relevant, and subject to the approval at Shareholders' meeting. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable PRC laws and regulations. See "Financial Information — Dividends" for further details of our dividend policy. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our historical dividends should not be taken as indicative of our dividend policy in the future.

Under the existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration with competent government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. If we cannot obtain sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. Further, we cannot assure you that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of Renminbi into or out of China.

You should read the entire document carefully and only rely on the information included in this document 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 document, 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 document, 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 document, we disclaim responsibility for it and our investors should not rely on such information.

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

Certain facts, forecast and other statistics in this document are derived from various government and official resources. We believe that information from official government sources is an appropriate source for such facts, forecast and statistics and have taken reasonable care in extracting and reproducing such facts, forecast and statistics. We have no reason to believe that such facts, forecast and statistics are false or misleading or that any fact has been omitted that would render such facts, forecast and statistics to be false or misleading. Nevertheless, information from official government sources has not been independently verified by us, the Sole Sponsor, Sole Sponsor-Overall Coordinator, Sole Overall Coordinator, Sole Global Coordinator, Joint Bookrunners and Joint Lead Managers or any of their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts, forecast and statistics.

In preparation for the Listing, our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong.

Since our principal business and operations are substantially located, managed and conducted in the PRC, our Directors consider that appointment of additional executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group. As none of our executive Directors are ordinarily based in Hong Kong, we do not, and do not contemplate that we will in the foreseeable future, have a sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have 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. We will put in place the following measures in order to ensure that regular communication is maintained between the Stock Exchange and our Company:

(a) we have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The two authorized representatives are Mr. Wu, the chairperson of our Board, the executive Director and the general manager of our Company, and Ms. Zhao Na ("**Ms. Zhao**"), one of our joint company secretaries. Mr. Wu confirms that he possesses valid travel documents and can readily travel to Hong Kong, whilst Ms. Zhao is ordinarily resident in Hong Kong. Each of the authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable period of time upon the request of the Stock Exchange and will be readily contactable by telephone and email. Each of the authorized representatives is authorized to communicate on behalf of our Company with the Stock Exchange;

(b) the authorized representatives have the means to contact our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matter;

(c) all of our Directors have confirmed that they possess, can apply for or renew valid travel documents to visit Hong Kong, and would be able to meet with the Stock Exchange upon reasonable notice and within a reasonable period. Each of our Directors will be readily contactable by telephone and email, and is authorized to communicate on behalf of our Company with the Stock Exchange;

(d) each of our Directors has provided his/her respective contact details, including mobile phone numbers, email addresses and addresses, to the Stock Exchange and the authorized representatives. In the event that any Director expects to travel or otherwise be out of office, he/she will provide the contact details and his/her place of accommodation to the authorized representatives;

(e) our Company has appointed Altus Capital Limited as compliance advisor, pursuant to Rule 3A.19 of the Listing Rules, who will have access at all times to the authorized representatives, our Directors and other senior management of our Company and will act as an additional channel of communication with the Stock Exchange for the period commencing on the date of the Listing of our H Shares on the Main Board and ending on the date when our Company distributes its annual report for the first full financial year in accordance with Rule 13.46 of the Listing Rules; and

(f) meetings between the Stock Exchange and our Directors can be arranged through the authorized representatives or the compliance advisor of our Company or directly with our Directors within a reasonable time frame. Our Company will inform the Stock Exchange promptly in respect of any change in its authorized representatives and/or compliance advisor.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, we must appoint a company secretary who satisfies Rule 3.28 of the Listing Rules. According to Rule 3.28 of the Listing Rules, our company secretary must be an individual who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

The Stock Exchange considers the following academic or professional qualifications to be acceptable:

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

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

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

Note 2 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following factors in assessing the "relevant experience" of the individual:

(a) length of employment with the issuer and other issuers and the roles he or she played;

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

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

(d) professional qualifications in other jurisdictions.

Pursuant to paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

(a) whether the issuer has principal business activities primarily outside Hong Kong;

(b) whether the issuer is able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under paragraph 9 of Chapter 3.10 of the Guide for New Listing Applicants) nor Relevant Experience (as defined under paragraph 9 of Chapter 3.10 of the Guide for New Listing Applicants) as a company secretary; and

(c) why the directors consider the individual to be suitable to act as the issuer's company secretary.

Further, pursuant to paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the "**Waiver Period**") and on the following conditions:

(a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and

(b) the waiver will be revoked if there are material breaches of the Listing Rules by the issuer.

We have appointed Mr. Zhu Zixuan ("**Mr. Zhu**"), our deputy general manager and secretary to our Board, as one of our joint company secretaries. Although our Company believes, with regard to Mr. Zhu's past experience in handling corporate matters, that he has a thorough understanding of our Company and our Board, Mr. Zhu does not possess the requisite qualifications required by Rule 3.28 of the Listing Rules. Therefore, our Company has appointed Ms. Zhao, who possesses such qualification, to be a joint company secretary to assist Mr. Zhu in the compliance matters for the Listing as well as other Hong Kong regulatory requirements for a period of three years commencing from the Listing Date. For the biographies of our joint company secretaries, see "Directors and Senior Management — Joint Company Secretaries" in this prospectus. Over such three-year period, we will implement measures to assist Mr. Zhu to satisfy the requisite qualifications as prescribed in Rule 3.28 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 8.17 and 3.28 of the Listing Rules in relation to Mr. Zhu's appointment as a joint company secretary pursuant to Chapter 3.10 of the Guide for New Listing Applicants for a period of three years from the Listing Date, subject to the following conditions:

(a) our Company appoints Ms. Zhao, who meets the requirements under Note 1 to Rule 3.28 of the Listing Rules, as a joint company secretary, to assist Mr. Zhu in discharging his functions as a company secretary and in gaining the relevant experience as required under Rule 3.28 of the Listing Rules; and

(b) this waiver will be revoked immediately if Ms. Zhao, during a period of three years from the Listing Date, ceases to provide assistance to Mr. Zhu, or if there are material breaches of the Listing Rules by our Company.

It is anticipated that Mr. Zhu will gain experience with the assistance of Ms. Zhao. Before the end of the initial three-year period, we will evaluate the then-experience of Mr. Zhu in order to determine whether the requirements, as stipulated in Rules 3.28 and 8.17 of the Listing Rules, can be satisfied at the time and whether on-going assistance would be needed. We would then endeavor to demonstrate, to the satisfaction of the Stock Exchange, that Mr. Zhu, having had the benefit of Ms. Zhao's assistance for three years, would then have acquired the "relevant experience" within the meaning of Rule 3.28 of the Listing Rules so that a further waiver would not be necessary.

WAIVER IN RESPECT OF NON-EXEMPT CONTINUING CONNECTED TRANSACTION

We have entered into, and are expected to continue with certain transaction after the Listing which will constitute non-exempt continuing connected transaction under Chapter 14A of the Listing Rules upon the Listing. We have applied for, and the Stock Exchange has granted us, a waiver in relation to certain continuing connected transaction between us and our connected person under Chapter 14A of the Listing Rules. Apart from the announcement and independent shareholders' approval requirements for which the waiver has been sought, our Company will comply with all other relevant requirements under Chapter 14A of the Listing Rules. For further details of such continuing connected transactions, please refer to the section headed "Connected Transaction — Non-Exempt Continuing Connected Transaction."

WAIVER IN RELATION TO POST-TRACK RECORD PERIOD ACQUISITIONS

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) of the Listing Rules on a case-by-case basis and having regard to all relevant facts and circumstances and subject to certain conditions set out thereunder.

Minority Investments after April 30, 2026

Since April 30, 2026 and up to the date of this prospectus, the Group has conducted the following investments (the completion of which had not occurred as of April 30, 2026, the "**Minority Investments**"), the details of which are set out below.

No.	Name of the target company	Minority interest	Principal business of the target company
1.	Shenzhen Longsys Electronics Co., Ltd. (深圳市江波龍電子股份有限公司) (a company listed on ChiNext of the Shenzhen Stock Exchange (Stock Code: 301308) and the Main Board of Stock Exchange (Stock Code: 9976)) ("**Shenzhen Longsys**")	HOSIN Global (HK) Electronics Co., Limited, a wholly-owned subsidiary of our Company, subscribed for 232,750 H shares of Shenzhen Longsys as a cornerstone investor, at a consideration of HKD56 million, representing approximately 0.05% equity interest in Shenzhen Longsys immediately after the completion of this investment	Research, development, production and sale of semiconductor memory products as an independent brand semiconductor memory solutions provider
2.	Shenzhen Transsion Holdings Co., Ltd. (深圳傳音控股股份有限公司) (a company listed on the STAR Market of the Shanghai Stock Exchange (Stock Code: 688036) and the Main Board of Stock Exchange (Stock Code: 2636)) ("**Shenzhen Transsion**")	HOSIN Global (HK) Electronics Co., Limited, a wholly-owned subsidiary of our Company, subscribed for 2,124,200 H shares of Shenzhen Transsion as a cornerstone investor and a placee, at a consideration of approximately HKD75 million, representing approximately 0.17% of equity interest of Shenzhen Transsion immediately after the completion of this investment	Research, development, production and sale of smart terminal products and provision of mobile internet services as a multi-brand smart device provider

We confirm that the investment amounts for the Minority Investments have been determined based on the final offer price of the target companies' H shares respectively. The investment amounts were satisfied by our internal resources. To the best knowledge, information and belief of our Directors and having made all reasonable enquiry, each of the target companies and their respective ultimate beneficial owner is an Independent Third Party as of the Latest Practicable Date. Upon completion of the Minority Investments, neither Shenzhen Longsys nor Shenzhen Transsion will be consolidated into the financial statements of the Group.

The primary reasons for making Minority Investments are to invest in companies complementary to our core business such that we could create strategic synergy along our industry value chain, accordingly, our Directors believe that the Minority Investments were fair and reasonable and in the interests of the Shareholders as a whole.

The minority investments in Shenzhen Longsys and Shenzhen Transsion were completed on September 8, 2026 and October 15, 2026, respectively, with the consideration for both investments having been fully settled.

Conditions to the waivers granted by the Stock Exchange

We have 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 Minority Investments on the following grounds:

1. The percentage ratios of the Minority Investments are less than 5% by reference to the most recent audited financial year of our Company's Track Record Period

The applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules for the Minority Investments (each of, and on an aggregated basis) are less than 5% by reference to the most recent financial year of our Company's Track Record Period. Accordingly, we consider that the Minority Investments are immaterial and do not expect them to have any material effect on the financial condition of our Group.

2. It would be unduly burdensome to obtain or prepare the historical financial information of the target companies for inclusion in this prospectus

As of the Latest Practicable Date, the Group only hold minority interests in each of the target companies and do not control their boards of directors. Given that our Group is neither able to exercise any control nor have any significant influence over each of the target companies, we would not be able to compel or request each of them to cooperate with our audit work in order for us 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 Minority Investments to be immaterial and that our Company does not expect the Minority Investments to have any material impact on its business, financial condition or operations, our Company believes that (i) it would not be meaningful and would be unduly burdensome for our Company to prepare and include the financial information of the target companies 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 Shareholders or prospective investors.

3. Alternative disclosure in this prospectus

We have disclosed alternative information about the Minority Investments in this prospectus. Such information includes those which would be required for a discloseable transaction under Chapter 14 of the Listing Rules that our Directors consider to be material, including, for example, descriptions of the target company's principal business activities, the consideration, the amount of equity interest to be acquired by our Company, the basis for the determination of the consideration, the reasons and benefits for the Minority Investments and the independence with the ultimate beneficial owners of the target companies. Since the applicable percentage ratios of the Minority Investments are all less than 5% by reference to the most recent fiscal year of the Track Record Period, our Company believes that the current disclosure is adequate for potential investors to form an informed assessment of our Company.

ALLOCATION OF OFFER SHARES TO CLOSE ASSOCIATE OF AN EXISTING SHAREHOLDER AS CORNERSTONE INVESTOR

Rule 10.04 of the Listing Rules provides that a person who is an existing shareholder of the issuer may only subscribe for or purchase any securities for which listing is sought that are being marketed by or on behalf of a new applicant either in his/her/its own name or through nominees if the following conditions in Rule 10.03 of the Listing Rules are fulfilled:

(a) 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

(b) 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 provides that, without the prior written consent of the Stock Exchange, no allocations will be permitted to be made to directors or existing shareholders of the applicant or their close associates, whether in their own names or through nominees, unless the conditions set out in Rules 10.03 and 10.04 of the Listing Rules are fulfilled.

Paragraph 14 of Chapter 4.15 in the Guide provides guidance as to the conditions subject to which the Stock Exchange will consider giving consent and granting waiver from Rule 10.04 of the Listing Rules to an applicant's existing shareholders or their close associates to participate in a global offering if any actual or perceived preferential treatment arising from their ability to influence the applicant during the allocation process can be addressed (the "**Existing Shareholders Conditions**").

Paragraph 18 of Chapter 4.15 in the Guide states that the Stock Exchange will grant consent and/or waiver to allow an existing shareholder and/or its close associates and a cornerstone investor to subscribe or purchase further securities in the IPO without fulfilment of the Existing Shareholders Conditions (the "**Size-Based Exemption**") subject to the disclosure of details of the allocation in the listing document and/or the allotment results announcement, and the following size exemption conditions being fulfilled:

(a) the offer (excluding any over-allocation) has a total value of at least HK$1 billion;

(b) securities allocated to all existing shareholders and their close associates (whether as cornerstone investors and/or as placees) as permitted under this exemption do not exceed 30% of the total number of securities offered; and

(c) each director, chief executive, controlling shareholder and, in the case of PRC issuers, supervisor of the applicant must have confirmed that no securities have been allocated to them or their respective close associates under this exemption.

As at the date of this prospectus, FUTURE PAFI Investment Limited is an existing Shareholder. Pine Vigor Capital Limited intends to participate in the International Offering as a Cornerstone Investor. Pine Vigor Capital Limited is indirectly wholly-owned by W&W Capital Limited. FUTURE PAFI Investment Limited is indirectly wholly-owned by FUTURE PARTNERS ASIA I, L.P., and the general partner of FUTURE PARTNERS ASIA I, L.P. is directly wholly-owned by W&W Capital Limited. As such, Pine Vigor Capital Limited is a close associate of FUTURE PAFI Investment Limited and accordingly a close associate of an existing Shareholder. For more information of Pine Vigor Capital Limited, see "Cornerstone Investors".

Our Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a consent under paragraph 18 of Chapter 4.15 of the Guide, to permit the Company to allocate Offer Shares in the International Offering to Pine Vigor Capital Limited as a cornerstone investor, subject to the following conditions:

(a) the final offering size of the Global Offering, excluding any over-allocation, has a total value of at least HK$1 billion;

(b) the Offer Shares allocated to all existing Shareholders and their close associates as permitted under the Size-Based Exemption do not exceed 30% of the total number of H Shares offered under the Global Offering;

(c) each of the Directors, chief executives and members of the group of Controlling Shareholders of the Company confirms that no Offer Shares have been allocated to them or their respective close associates under the Size-Based Exemption;

(d) the allocation to Pine Vigor Capital Limited under the Size-Based Exemption will not affect the Company's ability to satisfy its public float requirement as prescribed by the Stock Exchange under Rule 19A.13A of the Listing Rules; and

(e) the details of the allocation to Pine Vigor Capital Limited under the Size-Based Exemption will be disclosed in this prospectus and the allotment results announcement of the Global Offering.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to the Group. The 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

According to the Trial Measures, we are required to complete the filing procedures with the CSRC in connection with the proposed Listing. Our Company has submitted a filing to the CSRC for application for the Listing on January 1, 2026. On September 21, 2026, the CSRC has issued a notification on our Company's completion of such filing. No other approvals from the CSRC are required to be obtained for the Listing.

INFORMATION ON THE GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. The Global Offering comprises the Hong Kong Public Offering of initially 1,471,800 Offer Shares and the International Offering of initially 13,245,400 Offer Shares (subject to, in each case, reallocation on the basis as set out in "Structure of the Global Offering" and, in case of the International Offering, any exercise of the Over-allotment Option and the Offer Size Adjustment Option).

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. 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 Sole Sponsor-Overall Coordinator, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of our or their respective directors, officers, employees, advisors, agents or representatives, or any other persons or parties involved in the Global Offering.

Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Offer Shares should, under any circumstances, create any implication that there has been no change or development in our affairs since the date of this prospectus or that the information in this prospectus is correct as of any date subsequent to the date of this prospectus.

Details of the structure of the Global Offering, including its conditions, are set out in "Structure of the Global Offering," and the procedures for applying for Hong Kong Offer Shares are set out in "How to Apply for Hong Kong Offer Shares."

INFORMATION ON THE CONVERSION OF UNLISTED SHARES INTO H SHARES

Our Company has applied for the conversion of 260,514,300 Unlisted Shares held by existing Shareholders into H Shares, representing approximately 55.69% of the total issued Shares of our Company as of the Latest Practicable Date and approximately 53.99% of the total issued Shares of our Company upon completion of the conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised and no additional Shares are issued pursuant to the Pre-IPO Share Option Scheme). Such H Shares to be

converted from Unlisted Shares are restricted from trading for a period of one year after the Listing. See "History, Development and Corporate Structure" and "Share Capital" in this prospectus for details of their interests in our Company and relevant procedures for the conversion of Unlisted Shares into H Shares.

The relevant filing in relation to the conversion of Unlisted Shares into H Shares has been completed on September 21, 2026, and the listing and trading of the H Shares converted on the Hong Kong Stock Exchange is still subject to the approval by the Hong Kong Stock Exchange.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

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

RESTRICTIONS ON OFFER AND SALE OF THE OFFER 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 the Hong Kong Offer Shares to, confirm that he/she/it is aware of the restrictions on the offer and sale of the Hong Kong Offer Shares described in this prospectus.

No action has been taken to permit a public offering of the Offer Shares outside Hong Kong or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, and without limitation to the following, 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 where such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation for subscription. 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. In particular, the Offer Shares have not been offered and sold and will not be offered and sold, directly or indirectly, in the PRC or the United States.

UNDERWRITING

The listing of our H Shares on the Stock Exchange is sponsored by the Sole Sponsor and the Global Offering is managed by the Sole Sponsor-Overall Coordinator. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement, subject to us and the Sole Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) agreeing on the Offer Price. The International Offering is expected to be fully underwritten by the International Underwriters pursuant to the terms of the International Underwriting Agreement which is expected to be entered into on or around the Price Determination Date. For more information on the Underwriters and the Underwriting Agreements, see "Underwriting."

APPLICATION FOR LISTING OF THE H SHARES ON THE STOCK EXCHANGE

Our Company has applied to the Stock Exchange for the granting of the listing of, and permission to deal in, the H Shares to be issued by us pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option), any H Shares which may be issued pursuant to the options granted under the Pre-IPO Share Option Scheme and the H Shares to be converted from the Unlisted Shares.

Dealings in the H Shares on the Stock Exchange are expected to commence on Thursday, November 12, 2026. No part of our Shares or loan capital is listed or dealt in on any other stock exchange, and no such listing or permission to list is being or proposed to be sought on any other stock exchange as of the date of this prospectus.

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, our H Shares on the Stock Exchange pursuant to this prospectus has been refused before the

expiration of three weeks from the date of the closing of the application lists or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Stock Exchange.

OFFER SIZE ADJUSTMENT OPTION, OVER-ALLOTMENT OPTION AND STABILIZATION

Details of the arrangements relating to the Offer Size Adjustment Option, the Over-allotment Option and stabilization are set out in "Structure of the Global Offering."

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 date of commencement of dealings in the H Shares on the Stock Exchange 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 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 stockbrokers or other professional advisors for details of the settlement arrangements, as such arrangements may affect their rights and interests.

H SHARE REGISTER OF MEMBERS AND STAMP DUTY

All H Shares issued pursuant to applications made in the Global Offering and converted from Unlisted Shares will be registered on our H Share register of members to be maintained in Hong Kong by our H Share Registrar, Tricor Investor Services Limited. Our principal register of members will be maintained by us at our head office in the PRC.

Dealings in the H Shares registered in our H Share register of members will be subject to Hong Kong stamp duty. For further details, see "Statutory and General Information — Other Information — Taxation of Holders of H Shares" in Appendix VI to this prospectus. Investors should seek professional tax advice for further details of 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 our H Share register of members in Hong Kong and sent by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder. Cash dividends to domestic investors of H-share "full circulation" shall be distributed through CSDC. An H-Share-listed company shall transfer RMB cash dividends to the designated bank account of the Shenzhen subsidiary of CSDC, who shall complete the clearing of cash dividends by distributing the cash dividends to investors through domestic securities companies.

REGISTRATION OF SUBSCRIPTION, PURCHASE AND TRANSFER OF H SHARES

We have instructed our H Share Registrar, and it has agreed, not to register the subscription, purchase or transfer of any H Shares in the name of any particular holder unless and until the holder delivers a signed form to our H Share Registrar in respect of those H Shares bearing statements to the effect that the holder:

- agrees with us and each of our Shareholders, and we agree with each Shareholder, to observe and comply with the PRC Company Law and our Articles of Association;
- agrees with us and each of our Shareholders that the H Shares are freely transferable by the holders thereof; and

- authorizes us to enter into a contract on his or her behalf with each of the Directors, managers and officers whereby such Directors, managers and officers undertake to observe and comply with their obligations to our Shareholders as stipulated in our Articles of Association.

Persons applying for or purchasing H Shares under the Global Offering are deemed, by their making an application or purchase, to have represented that they are not associates of any of the Directors, existing Shareholders or a nominee of any of the foregoing.

PROFESSIONAL TAX ADVICE RECOMMENDED

You should consult your professional advisors if you are in any doubt as to the taxation implications of subscribing for, purchasing, holding, disposing of, dealing in or exercising any rights in relation to the H Shares. None of our Company, the Sole Sponsor, the Sole Sponsor-Overall Coordinator, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of our or their respective directors, officers, employees, advisors, agents or representatives, or any other persons or parties involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchase, holding, disposal of, dealing in, or exercise of any rights in relation to the H Shares.

LANGUAGE

If there is any inconsistency between the English version of this prospectus and its Chinese translation, the English version of this prospectus shall prevail. For ease of reference, the names of the Chinese laws and regulations, government authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this prospectus in both the Chinese and English languages, and the Chinese version shall prevail in the event of any inconsistency.

ROUNDING

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

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars at specified rates.

Unless otherwise specified, the translation of Renminbi into Hong Kong dollars, of Renminbi into U.S. dollars and of Hong Kong dollars into U.S. dollars, and vice versa, in this prospectus was made at the following rates:

RMB0.8563 to HK$1.00

RMB6.7200 to US$1.00

HK$7.8479 to US$1.00

The RMB to HK$ and US$ to RMB exchange rates are quoted by the PBOC for foreign exchange transactions prevailing on the Latest Practicable Date. No representation is made that any amounts denominated in one currency can be or could have been converted at the relevant dates at the above rates or any other rates or at all.

OTHER

Unless otherwise specified, all references to any shareholdings in our Company following the completion of the Global Offering assume that the Offer Size Adjustment Option and the Over-allotment Option are not exercised and that no Shares are issued under the Pre-IPO Share Option Scheme.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Wu Yisheng (吳奕盛)	Room 604, Building 10 Zhaoshang Mingshi Garden Nanshan District, Shenzhen Guangdong Province, PRC	Chinese
Ms. Wu Jiamin (吳嘉敏)	Room 604, Building 10 Zhaoshang Mingshi Garden Nanshan District, Shenzhen Guangdong Province, PRC	Chinese
Ms. Liang Qiyan (梁啓燕)	Room 6B, Building 19 China Overseas No. 9 Mansion Bao'an District, Shenzhen Guangdong Province, PRC	Chinese
Mr. Zhang Yun (張雲)	Unit 303, Building 6 North Zone, Langshi International Block 87 Hexi Avenue, Nanjing Jiangsu Province, PRC	Chinese
Non-executive Directors		
Mr. Feng Shuixing (馮水興)	Block 11, Zhengzhan Yiyuan Longgang District, Shenzhen Guangdong Province, PRC	Chinese
Mr. Cao Bin (曹斌)	Room 901, Block 6 2999 Gonghexin Road Jing'an District Shanghai, PRC	Chinese
Independent Non-executive Directors		
Dr. Chu Dazhi (初大智)	Room 3B, Tower 5 Donghai Wanhao Plaza High-tech South 11th Road Nanshan District, Shenzhen Guangdong Province, PRC	Chinese
Dr. Gong Xiaofeng (龔曉峰)	Room 101, Haiyue Building Staff Housing Area Shenzhen University Yuehai Campus Nanhai Avenue Nanshan District, Shenzhen Guangdong Province, PRC	Chinese
Mr. Chan Kin Ho Philip (陳建豪)	Room 2302 Kam Wai House Kam Fung Court, Ma On Shan New Territories Hong Kong	Chinese (Hong Kong)

Further information about our Directors is set out in "Directors and Senior Management" in this prospectus.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Sole Sponsor, Sole Sponsor-Overall Coordinator, Sole Overall Coordinator and Sole Global Coordinator	**China Securities (International) Corporate Finance Company Limited** 18/F, Two Exchange Square 8 Connaught Place Central Hong Kong
Joint Bookrunners and Joint Lead Managers	**China Securities (International) Corporate Finance Company Limited** 18/F, Two Exchange Square 8 Connaught Place Central Hong Kong **BOCI Asia Limited** 26/F, Bank of China Tower 1 Garden Road Central Hong Kong **DBS Asia Capital Limited** 73/F, The Center 99 Queen's Road Central Central Hong Kong **Futu Securities International (Hong Kong) Limited** 34/F, United Centre No. 95 Queensway Admiralty Hong Kong **Tiger Brokers (HK) Global Limited** 23/F, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
Capital Market Intermediaries	**China Securities (International) Corporate Finance Company Limited** 18/F, Two Exchange Square 8 Connaught Place Central Hong Kong **BOCI Asia Limited** 26/F, Bank of China Tower 1 Garden Road Central Hong Kong **DBS Asia Capital Limited** 73/F, The Center 99 Queen's Road Central Central Hong Kong

	Futu Securities International (Hong Kong) Limited 34/F, United Centre No. 95 Queensway Admiralty Hong Kong **Tiger Brokers (HK) Global Limited** 23/F, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong
Legal Advisors to our Company	*As to Hong Kong and United States law:* **Paul Hastings (Hong Kong) LLP** 22/F, Bank of China Tower 1 Garden Road Hong Kong *As to PRC law:* **AllBright Law Offices** 21/F–23/F, Tower 1 Excellence Century Center, Fuhua 3rd Road Futian District, Shenzhen Guangdong Province, PRC *As to international sanctions laws:* **Paul Hastings (Hong Kong) LLP** 22/F, Bank of China Tower 1 Garden Road Hong Kong
Legal Advisors to the Sole Sponsor and the Underwriters	*As to Hong Kong and United States law:* **Latham & Watkins LLP** 18/F, One Exchange Square 8 Connaught Place Central Hong Kong *As to PRC law:* **Jia Yuan Law Offices** 45F, Media Finance Center Pengcheng 1st Road Futian District, Shenzhen Guangdong Province, PRC
Auditor and Reporting Accountants	**Ernst & Young** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 27/F, One Taikoo Place 979 King's Road Quarry Bay Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** 2504 Wheelock Square 1717 Nanjing West Road Shanghai, PRC

Transfer Pricing Consultant	**Ernst & Young (China) Advisory Limited** **Shenzhen Branch Office** Unit 2003-2005 20/F, China Resources Building 5001 Shennan Dong Road Shenzhen Guangdong Province, PRC
Compliance Adviser	**Altus Capital Limited** 21 Wing Wo Street Central Hong Kong
Receiving Bank	**China CITIC Bank International Limited** 29/F, CITIC Tower 1 Tim Mei Avenue, Central Hong Kong

Registered Office	Room 2501, 2401, 2301 and 1501, Block 2 Shenzhen Next-Generation Industrial Park 136 Zhongkang Road Meilin Sub-district, Meidu Community Futian District, Shenzhen Guangdong Province, PRC
Headquarters and Principal Place of Business in the PRC	Room 2501, 2401, 2301 and 1501, Block 2 Shenzhen Next-Generation Industrial Park 136 Zhongkang Road Meilin Sub-district, Meidu Community Futian District, Shenzhen Guangdong Province, PRC
Principal Place of Business in Hong Kong	Room 1919, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company's Website	**www.hosinglobal.com** (*The information contained on this website does not form part of this prospectus*)
Joint Company Secretaries	**Mr. Zhu Zixuan (朱子軒)** Room 5305, Building 1 Runxi Phase II China Resources City Nanshan District, Shenzhen Guangdong Province, PRC **Ms. Zhao Na (趙娜)** *(an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)* Room 1919, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorized Representatives	**Mr. Wu Yisheng (吳奕盛)** Room 2501, 2401, 2301 and 1501, Block 2 Shenzhen Next-Generation Industrial Park 136 Zhongkang Road Meilin Sub-district, Meidu Community Futian District, Shenzhen Guangdong Province, PRC **Ms. Zhao Na (趙娜)** Room 1919, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Audit Committee	Dr. Chu Dazhi (初大智) *(Chairperson)* Mr. Feng Shuixing (馮水興) Mr. Chan Kin Ho Philip (陳建豪)

Nomination Committee	Dr. Gong Xiaofeng (龔曉峰) *(Chairperson)* Mr. Wu Yisheng (吳奕盛) Dr. Chu Dazhi (初大智)
Remuneration and Appraisal Committee	Mr. Chan Kin Ho Philip (陳建豪) *(Chairperson)* Mr. Wu Yisheng (吳奕盛) Dr. Gong Xiaofeng (龔曉峰)
Strategy and ESG Committee	Mr. Wu Yisheng (吳奕盛) *(Chairperson)* Ms. Liang Qiyan (梁啓燕) Dr. Gong Xiaofeng (龔曉峰)
H Share Registrar	**Tricor Investor Services Limited** 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal Bank	**China CITIC Bank Shenzhen Civic Center Sub-branch** Units 105 and 210, Rongchao Economic & Trade Center Southeast Junction of Jintian Road and Fuzhong Road Futian District, Shenzhen Guangdong Province, PRC

OVERVIEW

Our Group's history can be traced back to the establishment of our Company in December 2018 under the PRC Company Law. Alongside our development, we attracted several Pre-IPO Investors through capital injections or equity transfers. For details of those investors and investments, please refer to the paragraphs headed "— Pre-IPO Investments" below. As of the Latest Practicable Date, the registered capital of our Company was RMB467,814,084, divided into 467,814,084 Shares, with a nominal value of RMB1.00 each.

For details of the biography of our founder, Mr. Wu, please refer to the section headed "Directors and Senior Management" in this prospectus.

MILESTONES

The following sets out a summary of our key development milestones:

Year	Milestone(s)
2018	Our Company was established.
2019	We obtained the ISO9001 quality management system certification.
	We successively launched product lines including embedded storage, SSDs and mobile storage, commencing industrialization.
2020	Our operating revenue for the year exceeded US$100 million, driven by our technology cooperation arrangements with Phison Electronics, industry resources of our founding shareholders and management team, asset-light operating model and focus on high-growth market segments.
	Our financing valuation exceeded US$300 million, with Phison Electronics, our industrial investor, increasing investment.
	We were recognized as a National High-Tech Enterprise (國家級高新技術企業), and established our Hefei R&D centre.
2021	Our operating revenue for the year exceeded US$500 million, and entered the supply chains of Transsion and OPPO.
	Our financing valuation exceeded US$700 million, introducing investors such as Shenzhen HTI and Hefei Industry Investment.
	Our headquarters entered Shenzhen New Generation Industrial Park, and we successively established R&D centres in Xiamen and Hangzhou.
2022	We entered the supply chain of Xiaomi.
	Our financing valuation exceeded US$1 billion, introducing investors such as China Fortune-Tech and Kunqiao Capital.
	We were recognized as National Specialized, Refined, Featured and Innovative "Little Giant" Enterprise (國家級專精特新"小巨人"企業).
	We established a R&D center in Shanghai.
2023	Our operating revenue for the year exceeded US$1 billion.
	We were recognized as "Shenzhen Unicorn Enterprises" (深圳市獨角獸企業) and ranked 179 among the "Shenzhen Top 500 Enterprises" (深圳500強企業).

Year	Milestone(s)
	We were recognized as the "Guangdong Engineering Technology Research Center for High-Performance Storage Controller Chips" (廣東省高性能存儲控制芯片工程技術研究中心), with more than 100 invention patents.
2024	We entered the supply chain of Vivo.
	Our financing valuation exceeded US$1.5 billion, introducing investors such as Ting Hsin Group and TCL.
	We ranked 132nd among "Shenzhen Top 500 Enterprises" (深圳市500強企業) and 243rd among "2024 Guangdong Top 500 Enterprises" (2024年廣東省500強).
	Our number of R&D personnel exceeded 500 with more than 200 patents.
2025	We focused on diversified strategic layout, expanding enterprise-grade and automotive-grade memory products, and passing ISO 26262 automotive-grade certification.
	We developed high-performance memory products for AI servers and AI terminals, with the number of R&D personnel exceeding 800, with more than 300 patents.
	We ranked the 166th among the China's Unicorn Enterprises (中國獨角獸企業), were recognized as the Shenzhen Gazelle and Unicorn Enterprise (深圳瞪羚獨角獸企業) and ranked the 70th among the Top 100 Private Enterprises in Guangdong Province in Manufacturing Industry (廣東省製造業民營百強企業).
2026	We were recognized as the "Guangdong Manufacturing Single Champion Enterprise — Embedded Storage Chips" (廣東省製造業單項冠軍企業 — 嵌入式存儲芯片) by the Department of Industry and Information Technology of Guangdong Province (廣東省工業和信息化廳).

OUR MAJOR SUBSIDIARIES

The following table sets forth detailed information of the major subsidiaries of our Company which had made a material contribution to our results of operations during the Track Record Period.

Name of subsidiary	Place of establishment	Date of establishment	Equity interests attributable to our Group	Principal business activities
Hefei Kaimeng . . .	PRC	February 24, 2023	100%	Research and development, design and sales of memory products
Hosin HK	Hong Kong	January 11, 2019	100%	Sales of memory products

For details of our principal subsidiaries, please refer to Note 1 of the Accountants' Report set out in Appendix I to this prospectus. For changes in the registered capital of our subsidiaries, please refer to the paragraphs headed "Statutory and General Information — Further Information about Our Group — Changes in the Share Capital of Our Subsidiaries" in Appendix VI to this prospectus.

ESTABLISHMENT AND CORPORATE DEVELOPMENT

Establishment of Our Company and our Relationship with Phison Electronics

On December 18, 2018, our Company was established under the laws of the PRC as a joint stock company with limited liability with the initial share capital of RMB100,000,000 divided into 100,000,000 Shares, which were held as to 51% by Xinruilai, 40% by RealYou Investment and 9% by Shenzhen Jubang. Each of Xinruilai and Shenzhen Jubang is a Controlling Shareholder. At the time of

our establishment, (i) Xinruilai was owned as to approximately 71.76% by Mr. Wu and approximately 28.24% by Mr. Feng Shuixing (馮水興), our non-executive Director; and (ii) Shenzhen Jubang was held as to approximately 0.22% by its general partner and executive partner, Yao Dan, an Independent Third Party, 77.56% by Ms. Zi Yuelian (資悅蓮), the spouse of Mr. Wu, and 22.22% by Ms. Wu Jiamin (吳嘉敏), our executive Director and the daughter of Mr. Wu and Ms. Zi Yuelian. The initial investments in the Company by Xinruilai and Shenzhen Jubang were funded by capital contributions made by their respective shareholders or partners using their own funds. Please refer to the subsection headed "Corporate Structure" in this section and the section headed "Relationship with Our Controlling Shareholders" for more details. RealYou Investment was indirectly wholly owned by Phison Electronics.

Our founder, Mr. Wu, became acquainted with Mr. PUA KHEIN SENG, the executive chairman (執行長) of Phison Electronics, through long-standing industry connections. Both Mr. Wu and Mr. PUA KHEIN SENG have extensive experience in the memory and storage products industry and have maintained professional relationships within the industry over the years. Founded in 2000, Phison Electronics is a Taiwan-based semiconductor company principally engaged in the design, development and supply of NAND flash memory controllers and related storage solutions. Its shares are listed on the Taipei Exchange (stock code: 8299). Phison Electronics' products are widely used in solid-state drives (SSDs), USB flash drives, memory cards, embedded storage applications and other NAND flash-based storage products. Other than being the associate of RealYou Investment, our substantial Shareholder, Phison Electronics had no connected relationship with our Company, our founder, our Controlling Shareholders, any other Shareholders, or our Directors and senior management at the time of our establishment.

Since the early stage of our business development, our Group has maintained various business relationships with Phison Electronics, which primarily included:

(i) procurement from Phison Electronics since April 2019 of (a) NAND Flash, controller chips and other memory-related products, as well as certain test fixtures used as manufacturing tools in wafer production, which form part of the Storage-related Products under the Procurement Agreement; and (b) certain technical services relating to the processing and sales of controller chips, together with the licensing to our Group of the use of the corresponding background technology of Phison Electronics, to meet our Group's production and sales requirements as well as the customization requirements of our customers. Such technical services and the licensing arrangements form part of the Technical Support Services under the Procurement Agreement. Please refer to the section headed "Connected Transaction" for further details;

(ii) as a transitional arrangement having regard to our Group's research and development capabilities and available engineering resources, our Group provided firmware development services to Phison Electronics. Such cooperation commenced in November 2020 and ceased in December 2025;

(iii) historical technical service arrangements pursuant to certain technical service and licensing agreements entered into in late 2019 and early 2020 in relation to the commercialization and production of certain controller chip products, under which Phison Electronics granted our Group licences to use certain standardized packaged intellectual property blocks developed by Phison Electronics. Following the completion of such technical service arrangements, our Group commenced self-production of the relevant controller chips, while such licensing arrangements are expected to continue after Listing as part of the Technical Support Services under the Procurement Agreement. Please refer to the section headed "Connected Transaction" for further details; and

(iv) separately, three patents relating to mature technologies were transferred by Phison Electronics to its then wholly-owned PRC subsidiary, Hefei Core Storage Electronic Limited (合肥兆芯電子有限公司) ("**Hefei Core Storage**"), in January 2017 as part of its business and strategic planning at the time. Those patents were subsequently acquired by us following

our Group's acquisition of Hefei Core Storage by way of an equity swap in 2020, upon which Hefei Core Storage became our wholly-owned subsidiary. Please see subsection headed "Series A Financing, the Acquisition of Hefei Core Storage and Share Transfers after Series A Financing" in this section for more details.

Such historical and ongoing business arrangements were entered into in the ordinary course of business and on normal commercial terms. During the Track Record Period, our Group paid aggregate licensing fees of approximately RMB31.8 million in connection with the above business arrangements, which primarily consisted of fees for the licensed use of certain background technology, development tools and intellectual property blocks. These arrangements formed part of our Group's broader efforts to develop and commercialize its products during its development stage. For example, certain controller chip products developed under the historical business arrangements with Phison Electronics were subsequently incorporated into certain of our products, including eMMC, ePOP and USB flash drives, over which our Group maintained overall control and retained and continued to develop the core underlying technologies. Phison Electronics, which is identified as Supplier D in "Business — Our Suppliers — Our Major Suppliers," has been one of our major suppliers during the Track Record Period. Nevertheless, our Group has maintained a diversified supplier base and has not been materially dependent on Phison Electronics for its procurement requirements. In 2023, 2024, 2025 and the four months ended April 30, 2026, purchases from Phison Electronics accounted for approximately 6.1%, 11.6%, 10.2% and 8.0% of our Group's total purchases, respectively, demonstrating that the substantial majority of our Group's procurement requirements were fulfilled by other suppliers throughout the Track Record Period. Having considered that (i) our Group has since established independent research and development capabilities and accumulated our own technology, know-how and intellectual property portfolio in relation to our products; (ii) apart from the products involving the historical business arrangements with Phison Electronics, our Group has developed and maintained multiple independent business lines and product development projects, all of which are supported by our own research and development team and technical capabilities; (iii) our Group maintains a diversified supplier base, with purchases from Phison Electronics accounting for a relatively limited proportion of its total purchases throughout the Track Record Period, and independently manages its supplier selection, procurement arrangements and relationships with other suppliers; and (iv) comparable products, technical support services and licensing arrangements are available from other suppliers in the market on comparable commercial terms, such that our Group is not dependent on Phison Electronics, our Directors are of the view that our Group is capable of independently conducting our business and is not reliant on Phison Electronics for our technology development, product design and manufacturing operations.

After consultation with our Taiwan legal advisor, our Directors are of the view that under the Act Governing Relations between the People of the Taiwan Area and the Mainland Area and the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area (the "**Technical Cooperation Regulations**"), persons and entities in Taiwan are generally required to obtain approval from the Ministry of Economic Affairs of Taiwan (the "**MOEA**") for certain investments in, and technical cooperation with, parties in Mainland China, subject to applicable approval thresholds, industry-specific restrictions and ongoing reporting requirements, and Phison Electronics' investment in our Company, the historical and ongoing business arrangements between our Group and Phison Electronics as described above, including the provision of technical services, licensing of relevant background technology and patent transfer, have complied with the applicable Taiwan laws and regulations.

Major Shareholding Changes Before 2020

Pursuant to the capital increase agreement dated November 21, 2019, the share capital of our Company increased from RMB100,000,000 divided into 100,000,000 Shares to RMB130,000,000 divided into 130,000,000 Shares, where (i) Hefei Yichao Electronics Technology Co., Ltd. (合肥億超電子科技有限公司) ("**Hefei Yichao**") agreed to subscribe for 10,000,000 newly issued Shares; (ii) Hongxin Chuang agreed to subscribe for 16,000,000 newly issued Shares and (iii) Hosintai agreed to subscribe for 4,000,000 newly issued Shares, at an aggregate consideration of RMB66,000,000. Such

considerations were fully settled as of December 26, 2019. At the time of the subscription, Hefei Yichao was ultimately controlled by Phison Electronics. Each of Hongxin Chuang and Hosintai is a Controlling Shareholder.

Series A Financing, the Acquisition of Hefei Core Storage and Share Transfers after Series A Financing

Pursuant to the capital increase agreement dated January 7, 2020, August 4, 2020 and November 30, 2020, the series A financing investors of our Company set forth below (the "**Series A Investors**") agreed to subscribe for Shares newly issued by our Company in the following manner ("**Series A Financing**"). The consideration was determined through arm's length negotiations with reference to the pre-money valuation of our Company agreed by the parties to the capital increase agreement after taking into consideration the timing of the investments and the status of our business and operating entities and was fully settled as of February 4, 2021.

Subscribers	Number of Shares subscribed for	Consideration paid for subscription
		(RMB)
Guangzhou Haohan Investment Partnership (Limited Partnership) (廣州皓翰投資合夥企業(有限合夥)) ("**Guangzhou Haohan**")[(1)]	1,700,000	10,200,000
Shenzhen Zhongsheng Investment Co., Ltd. (深圳中聖投資有限公司) ("**Zhongsheng Investment**")[(1)]	300,000	1,800,000
Anji Chunyu Management Consulting Partnership (Limited Partnership) (安吉椿煜管理諮詢合夥企業(有限合夥)) ("**Anji Chunyu**")[(1)]	1,000,000	6,000,000
Anyi Linglong Investment Partnership (Limited Partnership) (安義靈龍投資合夥企業(有限合夥)) ("**Anyi Linglong**")[(1)]	3,000,000	18,000,000
Core Storage[(2)]	108,594,900	651,569,400[(5)]
Lin Wei (林緯)[(3)]	1,500,000	9,000,000[(5)]
Wang Zhilin (王智麟)[(3)]	1,500,000	9,000,000[(5)]
Ningbo Meishan Bonded Port Area Zhaohan Investment Partnership Enterprise (Limited Partnership) (寧波梅山保稅港區兆瀚投資合夥企業(有限合夥)) ("**Ningbo Zhaohan**")[(4)]	4,000,000	24,000,000[(5)]
Ningbo Zhaoxin[(4)]	3,000,000	18,000,000[(5)]
Hongxin Micro[(4)]	48,000,000	288,000,000[(5)]
Hongxin Chuang[(4)]	55,000,000	330,000,000[(5)]

Notes:

(1) Such Series A Investors disposed of their shareholding in our Company at a later stage based on their own investment decisions in light of their financing needs and were no longer our Shareholders as of the Latest Practicable Date. Please refer to "— Series B Financing and Share Transfers" and "— Series D Financing and Share Transfers" in this section for more details. All Series A Investors are our Independent Third Parties.

(2) Core Storage was indirectly wholly owned by Phison Electronics at the time of the subscription and as of the Latest Practicable Date.

(3) As of the Latest Practicable Date, Lin Wei and Wang Zhilin were Independent Third Parties.

(4) Each of Ningbo Zhaohan, Ningbo Zhaoxin, Hongxin Micro and Hongxin Chuang is a Controlling Shareholder. Please refer to the subsection headed "Corporate Structure" in this section and the section headed "Relationship with Our Controlling Shareholders" for more details.

(5) Such consideration was settled by the transfer of his/its corresponding equity interests in Hefei Core Storage. Hefei Core Storage is a limited liability company established in the PRC on June 11, 2015. Immediately before the acquisition by our Company, Hefei Core Storage was held as to approximately 95.49%, 0.68%, 0.68%, 1.80% and 1.35% by Core Storage, Lin Wei, Wang Zhilin, Ningbo Zhaohan and Ningbo Zhaoxin (together, the "**Then Shareholders of Hefei Core Storage**"), respectively.

Pursuant to an investment framework agreement and a capital increase agreement both dated August 4, 2020 entered into among our Company, all our then Shareholders, Hefei Core Storage and the Then Shareholders of Hefei Core Storage, (1) Core Storage agreed to transfer approximately 24.82% and 21.66% of the equity interests in Hefei Core Storage to Hongxin Micro and Hongxin Chuang at considerations of RMB55,000,000 and RMB48,000,000, respectively; and (2) the Then Shareholders of Hefei Core Storage, together with Hongxin Chuang and Hongxin Micro, agreed to subscribe for 167,500,000 Shares of our Company at an aggregate consideration of RMB1,005,000,000, which was fully settled by the

transfer to our Company of (i) approximately 24.59% of the equity interests in Hefei Core Storage held by Core Storage, and (ii) the entire equity interests held by all other Then Shareholders of Hefei Core Storage in Hefei Core Storage. Pursuant to a capital increase agreement dated November 30, 2020 entered into among our Company and Core Storage, Core Storage agreed to subscribe for 54,094,900 Shares of our Company at a consideration of RMB324,569,400, which was settled by the transfer to our Company of its remaining approximately 24.41% equity interests in Hefei Core Storage.

The considerations of the aforementioned share transfers and subscriptions were determined after arm's length negotiations with reference to the appraised value of total shareholders' equity of our Company and Hefei Core Storage as at May 31, 2020 prepared by an independent valuer, and were fully settled with relevant registration and filing procedures completed by February 4, 2021. Upon completion of the aforementioned share transfers and subscriptions, Hefei Core Storage became our wholly-owned subsidiary.

Our Company believes that the acquisition of Hefei Core Storage was in line with our business strategy. As advised by our PRC Legal Advisor, under the applicable PRC laws and regulations, the acquisition of Hefei Core Storage has been properly and legally completed and settled and all necessary approvals from the relevant authorities have been obtained.

As part of the series A Financing, pursuant to share transfer agreements entered into between August 2020 and May 2021, share transfers occurred between the following parties in the following manner. The considerations, determined on an arm's length basis as agreed by the relevant parties, were fully settled as of August 9, 2022.

Transferees	Transferors	Number of Shares acquired	Consideration paid for Share transfer
			(RMB)
RealYou Investment	Hefei Yichao	10,000,000	60,000,000
PUA KHEIN SENG	Wang Zhilin (王智麟)	1,000,000	6,000,000
AW YONG CHEE KONG	Lin Wei (林緯)	1,250,000	7,500,000
Guangzhou Haohan[2]	Hongxin Chuang	4,000,000	24,000,000[1]
Shenzhen MeiG Zhitou Venture Capital Co., Ltd. (深圳市美格智投創業投資有限公司) ("**MeiG Zhitou**")[2]		5,000,000	30,000,000[1]
Cai Ruixin (蔡銳鑫)[2]		3,220,000	19,320,000[1]
Chen Jingxiong (陳敬雄)[2]		2,000,000	12,000,000[1]
Wang Xihua (王錫華)[2]		3,500,000	21,000,000[1]
Guangzhou Ruizhi Investment Partnership (Limited Partnership) (廣州瑞智投資合夥企業(有限合夥)) ("**Guangzhou Ruizhi**")[2]		8,000,000	48,000,000[1]
Guangzhou Ruichuang Investment Partnership (Limited Partnership) (廣州瑞創投資合夥企業(有限合夥)) ("**Guangzhou Ruichuang**")[2]		12,000,000	72,000,000[1]
Hefei Kungang Shuyang Investment Center (Limited Partnership) (合肥昆岡舒揚投資中心(有限合夥)) ("**Kungang Shuyang**")[2]		3,000,000	18,000,000[1]
Jiang Yanjun (江燕君)[2]		4,580,000	27,480,000[1]
Wang Qihao (王麒皓)[3]	Guangzhou Haohan	3,700,000	22,200,000
Wang Weiping (王衛萍)[3]	Guangzhou Ruizhi	3,220,000	22,540,000
Wang Weiping[3]	Jiang Yanjun	3,280,000	22,960,000
Wang Dai (王岱)[3]	Jiang Yanjun	1,000,000	12,000,000

Note:

(1) Such considerations were determined through arm's length negotiations with reference to the valuation of our Company and partnership interest of Hongxin Chuang agreed by the relevant parties and were fully settled as of April 22, 2021 by offsetting against relevant partnership interests held by such investors.

(2) Each of such investors was a then limited partner of Hongxin Chuang before the share transfers and an Independent Third Party as of the Latest Practicable Date.

(3) Each of Wang Qihao (王麒皓), Wang Weiping (王衛萍) and Wang Dai (王岱) was an Independent Third Party as of the Latest Practicable Date.

Immediately upon completion of the Series A Financing, the share capital of our Company increased from RMB130,000,000 divided into 130,000,000 Shares to RMB357,594,900 divided into 357,594,900 Shares, and our Company was held as to (i) 53.13% by our Controlling Shareholders, (ii) 44.35% by Phison Electronics and its associates, and (iii) 2.52% by other minority shareholders.

Series B Financing and Share Transfers

Pursuant to the share subscription agreements which our Company and Mr. Wu entered into separately with the following series B financing investors set forth below ("**Series B Investors**") in June and July 2021 and November 2021, the Series B Investors agreed to subscribe for Shares newly issued by our Company in the following manner ("**Series B Financing**"). The considerations were determined through arm's length negotiations with reference to the pre-money valuation of our Company agreed by the parties to the respective share subscription agreements after taking into consideration the timing of the investments and the status of our business and operating entities and were fully settled as of December 2021.

Subscribers[(1)]	Date of share subscription agreement	Number of Shares subscribed for	Consideration paid for subscription
			(RMB)
Zhangjiagang Shentoukong Saige Hechuang Equity Investment Partnership (Limited Partnership) (張家港深投控賽格合創股權投資合夥企業(有限合夥)) ("**Shentoukong Saige**")	June 30, 2021	2,145,569	30,000,000
Champion REAL Estate DEVELOPMENT (Shanghai) Co., Ltd. (全豐房地產開發(上海)有限公司) ("**Champion REAL Estate**")	June 30, 2021	500,000	7,000,000
Song Leping (宋樂平)	June 30, 2021	500,000	7,000,000
Kungang Shuyang	June 30, 2021	1,785,714	25,000,000
Shenzhen HTI Venture Capital Co., Ltd. (深圳市高新投創業投資有限公司) ("**Shenzhen HTI**")	June 30, 2021	1,428,571	20,000,000
Haikou Guoying Junhe Enterprise Management Partnership (Limited Partnership) (海口市國盈君和企業管理合夥企業(有限合夥)) ("**Guoying Junhe**")	July 1, 2021	107,143	1,500,000
Shenzhen Minghui Qiushi Investment Consulting Partnership (Limited Partnership) (深圳明慧求實投資諮詢合夥企業(有限合夥)) ("**Minghui Qiushi**")	June 30, 2021	450,000	6,300,000
Zhongsheng Investment	June 30, 2021	200,000	2,800,000
Anhui Intelligent Voice and Artificial Intelligence Venture Capital Partnership (Limited Partnership) (安徽省智能語音及人工智能創業投資合夥企業(有限合夥)) ("**Anhui AI VC**")	June 30, 2021	1,428,571	20,000,000
Hangzhou Feikuai Enterprise Management Partnership (Limited Partnership) (杭州菲快企業管理合夥企業(有限合夥) ("**Hangzhou Feikuai**")	November 5, 2021	1,678,500	23,500,000
Hongxin Micro	November 5, 2021	1,571,429	22,000,000
Hangzhou Feisuan	November 5, 2021	2,607,000	36,500,000

Note:

(1) Please refer to the subsection headed "— Pre-IPO Investments — Information about Our Pre-IPO Investors" in this section for details of the Series B Investors.

Immediately upon completion of the Series B Financing, the share capital of our Company increased from RMB357,594,900 divided into 357,594,900 Shares to RMB371,997,397 divided into 371,997,397 Shares, and our Company was held as to (i) 40.02% by our Controlling Shareholders, (ii) 42.63% by Phison Electronics and its associates, and (iii) 17.35% by other minority shareholders.

As part of the series B Financing, pursuant to share transfer agreements entered into between July 2021 and May 2022, share transfers occurred between the following parties in the following manner. The considerations, determined on an arm's length basis as agreed by the relevant parties, were fully settled as of September 7, 2022.

Transferees	Transferors	Number of Shares acquired	Consideration paid for Share transfer
			(RMB)
LEE HAO ZHI	Wang Zhilin	220,000	2,640,000
Su Zizhong		50,000	600,000
Cao Jiwei		50,000	600,000
Guangzhou Ruizhi and Xiamen Lianhe Phase II Integrated Circuit Industry Equity Investment Fund Partnership (Limited Partnership) (廈門聯和二期集成電路產業股權投資基金合夥企業(有限合夥)) ("**Lianhe Phase II**")	Guangzhou Ruizhi	3,000,000	30,000,000
Wang Qihao	Guangzhou Haohan	2,000,000	12,000,000
Wang Yuena (王悦娜)	Guangzhou Ruizhi	1,780,000	10,680,000
Wu Chengyue (吳成月) [(2)]	Hongxin Chuang	960,000	5,760,000[(1)]
Tibet Xinhua Yangtze Investment Co., Ltd. (西藏新華長江投資有限公司) [(2)] ("**Xinhua Yangtze**")		740,000	4,440,000[(1)]
Chen Jingxiong (陳敬雄) [(3)]	Hongxin Micro	2,800,000	16,800,000[(1)]
Xu Fei (徐非)	Wang Yuena	500,000	7,000,000
Chen Datong (陳大同)	Wang Xihua	50,000	1,000,000

Note:

1. Such consideration were determined through arm's length negotiations with reference to the valuation of our Company and partnership interest of Hongxin Chuang and Hongxin Micro agreed by the relevant parties and were fully settled as of August 9, 2022 by offsetting against relevant partnership interests held by such investors.

2. Each of such investors was a then limited partner of Hongxin Chuang before the share transfers and an Independent Third Party as of the Latest Practicable Date.

3. The investor was a then limited partner of Hongxin Micro before the share transfer and an Independent Third Party as of the Latest Practicable Date.

Series C, C1 and C2 Financing and Share Transfers in 2022 and 2023

Pursuant to the share subscription agreements entered into in (i) June and July 2022, (ii) November 11, 2022 and (iii) April 10, 2023, the following Series C Investors ("**Series C Investors**"), Series C1 Investors ("**Series C1 Investors**") and Series C2 Investors ("**Series C2 Investors**") agreed to subscribe for new Shares of our Company in the following manner. All considerations were determined through arm's length negotiations with reference to the pre-money valuation of our Company agreed by the parties to the respective share subscription agreement after taking into consideration the timing of the investments and the status of our business and operating entities.

Subscribers[(1)]	Number of Shares subscribed for	Consideration paid for subscription
		(RMB)
Series C Financing		
Shenzhen Juyuan Xinchuang Private Equity Investment Fund Partnership Enterprise (Limited Partnership) (深圳聚源芯創私募股權投資基金合夥企業(有限合夥)) ("**Juyuan Xinchuang**")	4,761,905	100,000,000
Haixia Fuguo Investment Fund (Fujian) Limited Partnership (海峽富國投資基金(福建)有限合夥企業) ("**Haixia Fuguo**")	3,809,524	80,000,000
Hefei Guoyao Technology Innovation Venture Capital Partnership (L.P.) (合肥國耀科技創新創業投資合夥企業(有限合夥)) ("**Hefei Guoyao**")	2,000,000	42,000,000
Hefei Industry Investment High-Growth No. 1 Equity Investment Partnership (Limited Partnership) (合肥產投高成長壹號股權投資合夥企業(有限合夥)) ("**Hefei Industry Investment**")	1,428,571	30,000,000
Kunhong (Shenzhen) Enterprise Management Consulting Partnership (Limited Partnership) (昆宏(深圳)企業管理諮詢合夥企業(有限合夥)) ("**Shenzhen Kunhong**")	4,761,905	100,000,000
Guangzhou Zhiwei Investment Partnership Enterprise (Limited Partnership) (廣州智維投資合夥企業(有限合夥)) ("**Guangzhou Zhiwei**")	3,809,524	80,000,000
Xu Fei	1,904,762	40,000,000
Wu Gongping (吳公平)	476,190	10,000,000
Series C1 Financing		
Kunhongyu (Xiamen) Enterprise Management Consulting Partnership (Limited Partnership) (昆宏宇(廈門)企業管理諮詢合夥企業(有限合夥)) ("**Kunhongyu**")	7,052,186	150,000,000
Guangdong Rongchuang Lingyue Intelligent Manufacturing and Information Technology Industry Equity Investment Fund Partnership (L.P.) (廣東融創嶺嶽智能製造與信息技術產業股權投資基金合夥企業(有限合夥)) ("**Rongchuang Lingyue**")	2,820,874	60,000,000
Guoyuan Innovation Investment Co., Ltd. (國元創新投資有限公司) ("**Guoyuan Innovation**")	1,410,437	29,999,995
Series C2 Financing		
Chen Guoliang (陳國梁)	2,600,000	57,902,000
Wang Dai	1,000,000	22,270,000
Jiang Liufang (蔣柳芳)	1,000,000	22,270,000
Anyi Dingtai Venture Investment Partnership (Limited Partnership) (安義鼎泰創業投資合夥企業(有限合夥)) ("**Anyi Dingtai**")	680,000	15,143,600

Note:

(1) Please refer to the subsection headed "— Pre-IPO Investments — Information about Our Pre-IPO Investors" in this section for background of the Series C, C1 and C2 Investors.

As part of the series C, Series C1 and Series C2 Financing, pursuant to share transfer agreements entered into between June 2022 and April 2023, share transfers occurred between the following parties in the following manner. The considerations, determined on an arm's length basis as agreed by the relevant parties, were fully settled as of May 1, 2023.

Transferees	Transferors	Number of Shares acquired	Consideration paid for Share transfer
			(RMB)
Shenzhen Jiafa No. 2 Venture Capital Partnership (Limited Partnership) (深圳市加法貳號創業投資合夥企業(有限合夥)) ("**Jiafa No. 2**")	Wang Xihua	1,000,000	19,000,000
Guangzhou Tianze Zhongding Phase II Venture Capital Fund Center (Limited Partnership) (廣州天澤中鼎二期創業投資基金中心(有限合夥)) ("**Tianze Zhongding Phase II**")		295,000	5,988,500
Wanlian Guangsheng Investment Co., Ltd. (萬聯廣生投資有限公司) ("**Wanlian Guangsheng**")		245,000	4,973,500
Su Wei	Wang Yuena	1,280,000	33,395,200
Zibo Zhongying Zhimei Equity Investment Partnership (Limited Partnership) (淄博中贏致美股權投資合夥企業(有限合夥)) ("**Zhongying Zhimei**")	Minghui Qiushi	450,000	9,450,000

Immediately upon completion of the Series C, C1 and C-2 Financing, the share capital of our Company increased from RMB371,997,397 divided into 371,997,397 Shares to RMB414,394,775 divided into 414,394,775 Shares, and our Company was held as to (i) 35.54% by our Controlling Shareholders, (ii) 38.27% by Phison Electronics and its associates, and (iii) 26.19% by other minority shareholders.

Series D Financing and Share Transfers

In May 2023 and December 2024, pursuant to resolutions passed by the then Shareholders, 14,971,000 and 9,303,000 Shares were issued to our Controlling Shareholders, Hongxintai No.2 and Hosintai, respectively, at a consideration of RMB3 per Share for employee incentive purposes and arrangements.

Pursuant to the share subscription agreements entered into among our Company and the following Series D Financing investors (the "**Series D Investors**") set forth below and together with (as the case may be) Mr. Wu, Xinruilai, Shenzhen Jubang and Hongxin Chuang, the Series D Investors agreed to subscribe for the Shares newly issued by our Company:

Subscribers[1]	Date of agreements	Number of Shares subscribed for	Consideration
			(RMB)
Yan Shuai (燕帥)	May 15, 2023	1,700,000	39,100,000
Shenzhen Taiyihe Trading Co., Ltd. (深圳市泰以和貿易有限公司) ("**Taiyihe**")	May 15, 2023	1,304,348	30,000,000

Subscribers[1]	Date of agreements	Number of Shares subscribed for	Consideration
			(RMB)
Shenzhen Huachuang Gongying No. 8 Industrial Investment Partnership (Limited Partnership) (深圳華創共贏八號產業投資合夥企業(有限合夥)) ("**Huachuang Gongying No. 8**")	May 15, 2023	1,480,000	34,040,000
International Way Zhaoxin (Ningbo) Venture Investment Partnership (Limited Partnership) (國通兆芯(寧波)創業投資合夥企業(有限合夥)) ("**International Way Zhaoxin**")	July 22, 2023	8,800,000	202,400,000
Fengzhang Qingyu Investment (Ningbo) Partnership (Limited Partnership) (豐章慶譽投資(寧波)合夥企業(有限合夥)) ("**Fengzhang Qingyu**")	March 20, 2024	1,304,348	30,000,000
Zhongying Hongtong	March 20, 2024	400,000	9,200,000
Wang Bangye (王邦燁)	February 28, 2025	10,000,000	230,000,000
Liu Junli (劉駿立)		2,000,000	46,000,000
Wang Jianfeng		1,047,288	24,087,624
Shanghai Longyu Investment Consulting Co., Ltd. (上海龍昱投資諮詢有限公司) ("**Shanghai Longyu**")		1,109,325	25,514,475

Note:

(1) Please refer to the subsection headed "— Pre-IPO Investments — Information about Our Pre-IPO Investors" in this section for details of the Series D Investors.

Pursuant to the equity purchase agreements entered into among our then Shareholders and certain investors between June 2023 and September 2025, the following investors agreed to acquire the Shares in the following manner:

Transferees	Transferors	Number of Shares acquired	Total consideration
			(RMB)
Zibo Zhongying Hongtong Equity Investment Partnership (Limited Partnership) (淄博中贏宏通股權投資合夥企業(有限合夥)) ("**Zhongying Hongtong**")	Wang Xihua	910,000	20,930,000[1]
Mo Zhenwei (莫振緯)	Zhongying Zhimei	450,000	9,450,000[1]
Hongxin Micro	Wu Chengyue	41,667	250,000[2]
Shenzhen Maosheng Ruichen No. 6 Venture Investment Partnership (Limited Partnership) (深圳茂晟睿宸六號創業投資合夥企業(有限合夥)) ("**Maosheng Ruichen**")	Taiyihe	1,304,348	30,000,000[1]
International Way Zhaoxin	Wang Weiping	2,000,000	38,000,000[1]
Yuan Ying (袁穎)	Anyi Dingtai	680,000	15,143,600[3]

Transferees	Transferors	Number of Shares acquired	Total consideration
			(RMB)
Jiaxing Qiuye Venture Investment Partnership (Limited Partnership) (嘉興秋曄創業投資合夥企業(有限合夥)) ("**Jiaxing Qiuye**")	Wang Qihao	577,000	15,002,000[1]
Xu Shaolin (許紹林)	Wu Chengyue	918,333	18,825,800[1]
Zhuhai Runbo Investment Partnership (Limited Partnership) (珠海潤博投資合夥企業(有限合夥)) ("**Zhuhai Runbo**")	Wang Qihao	2,000,000	38,000,000[1]
Long Hai (龍海)	Wang Qihao	1,245,000	23,655,000[1]
Zhongying Hongtong	Mo Zhenwei	60,000	1,320,000[1]
Shanghai Lianxin Technology Equity Investment Center (Limited Partnership) (上海聯新科技股權投資中心(有限合夥)) ("**Lianxin Technology**")	Lianhe Phase II	3,000,000	57,380,000[1]
Zhengwei Hongxin Venture Investment (Zibo) Partnership (Limited Partnership) (正為宏芯創業投資(淄博)合夥企業(有限合夥)) ("**Zhengwei Hongxin**")	Zhongying Hongtong	1,370,000	33,580,000[1]
Chen Zeping (陳澤平)	Meig Zhitou	2,000,000	46,000,000[1]
Long Hai	Anhui AI VC	1,428,571	28,285,705.8[1]
Li Heyi (李和義)	Wang Weiping	500,000	9,500,000[1]
Xu Shiquan (許詩權)	Anyi Linglong	3,000,000	57,000,000[1]
Su Wei	Wang Weiping	500,000	11,000,000[1]
Wang Jianfeng (王建峰)	Guoying Junhe	107,143	2,250,003[1]
Wang Gang (王剛)	Shentoukong Saige	1,800,000	37,800,000[1]
Wang Jianfeng	Shentoukong Saige	345,569	7,256,949[1]
FUTURE PAFI Investment Limited ("**Future Pafi**")	Core Storage	35,549,000	817,627,000[1]
Honor Investment Limited ("**Honor**")		4,945,815	113,753,745[1]
ACPT Limited ("**ACPT**")		988,985	22,746,655[1]
Kunyue (Xiamen) Enterprise Management Consulting Partnership (Limited Partnership) (昆越(廈門)企業管理諮詢合夥企業(有限合夥)) ("**Xiamen Kunyue**", together with Kunhongyu and Xiamen Kunyue, "**Kunqiao Capital**")		5,317,500	122,302,500[1]
Lianxin Technology		2,173,900	49,999,700[1]
Shanghai Liansheng Yeke Enterprise Management Partnership (Limited Partnership) (上海聯升業科企業管理合夥企業(有限合夥)) ("**Liansheng Yeke**")		4,347,826	99,999,998[1]

Transferees	Transferors	Number of Shares acquired	Total consideration
			(RMB)
Zeng Ding (曾定)	Anji Chunyu	1,000,000	6,000,000[(1)]
Wang Lidong (王力冬)	Zeng Ding	300,000	6,300,000[(1)]
Synergy Core Limited ("**Synergy Core**")	ACPT	988,985	22,746,655[(1)]
Infinity Nexus Limited ("**Infinity Nexus**")	Honor	4,945,815	113,753,745[(1)]
Li Zimin (李梓民)	Zhongsheng Investment	500,000	10,000,000[(1)]
Xiamen Lianxin Xinneng Venture Investment Fund Partnership (Limited Partnership) (廈門聯鑫新能創業投資基金合夥企業(有限合夥)) ("**Lianxin Xinneng**")	Mo Zhenwei	60,000	1,380,000[(1)]
Lianxin Xinneng	Wang Weiping	750,000	17,250,000[(1)]
Su Wei	Wang Weiping	250,000	5,750,000[(1)]
Wang Bangye	International Way Zhaoxin	1,380,960	31,762,080[(1)]
Wang Jianfeng		270,000	6,210,000[(1)]
KIM CHANGHWAN		149,040	3,427,920[(1)]
Wang Jianfeng	Zeng Ding	700,000	16,100,000[(1)]
Li Wei (李微)	Long Hai	500,000	11,500,000[(1)]
Han Xing (韓興)	Long Hai	180,000	4,140,000[(1)]
Hongxintai No. 2	Hosintai	113,000	339,000[(4)]

Notes:

(1) The considerations were determined through arm's length negotiations based on the valuation of our Company agreed by the relevant parties. Such considerations have been fully settled as of August 28, 2025.

(2) The consideration was determined through arm's length negotiations based on the valuation of our Company and the partnership interests of Hongxin Micro as agreed by the relevant parties. The consideration was fully settled by offsetting all the partnership interests held by the transferee in Hongxin Micro on July 6, 2023.

(3) The consideration was determined through arm's length negotiations based on the valuation of our Company and the partnership interests of Anyi Dingtai as agreed by the relevant parties. The consideration was fully settled by offsetting all the partnership interests held by the transferee in Anyi Dingtai on May 10, 2024.

(4) The consideration was determined based on the original acquisition cost for the relevant Shares, as such share transfer was conducted to streamline the shareholding structure of Hosintai to avoid cross shareholding between our employee shareholding platforms. The consideration was fully settled by offsetting all the partnership interests held by the transferee in Hosintai on October 24, 2025.

Immediately upon completion of the Series D Financing, the share capital of our Company increased from RMB414,394,775 divided into 414,394,775 Shares to RMB467,814,084 divided into 467,814,084 Shares, and our Company was held as to (i) 36.68% by our Controlling Shareholders, (ii) 22.50% by Phison Electronics and its associates, and (iii) 40.82% by other minority shareholders.

Our PRC Legal Adviser has confirmed that all the required consents, approvals, authorizations or filings under the laws of the PRC in relation to the changes of our shareholding described above have been made and obtained and the aforesaid changes in our shareholding have been legally and duly completed and settled.

PRE-IPO SHARE OPTION SCHEME

We adopted the Pre-IPO Share Option Scheme on December 18, 2025. For more details, please refer to the paragraphs headed "Statutory and General Information — Employee Incentive Plans — Pre-IPO Share Option Scheme" set out in Appendix VI to this prospectus.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any acquisitions, disposals and mergers that we consider to be material to us.

TERMINATION OF OUR WVR STRUCTURE

Our Company adopted a weighted-voting-rights structure (the "**WVR Structure**") by a Shareholders' resolution passed on May 13, 2021, pursuant to which the Shares held by Xinruilai and Shenzhen Jubang were classified as Class A Shares, each carrying four votes, while the Shares held by our other then Shareholders were classified as Class B Shares, each carrying one vote.

In preparation of the Global Offering and to comply with relevant requirements of the Listing Rules, on October 30, 2025, our Shareholders resolved to terminate the WVR Structure with immediate effect. As of the Latest Practicable Date, our Company had no weighted voting rights or WVR structure as defined under Rule 8A.02 of the Listing Rules.

PRE-IPO INVESTMENTS

Summary of Pre-IPO Investments

The following table sets forth a summary of the details of the Pre-IPO Investments[1]:

	Series A Financing	Series B Financing	Series C Financing	Series C-1 Financing	Series C-2 Financing	Series D Financing
Number of Shares subscribed for	6,000,000	8,545,568	22,952,381	11,283,497	5,280,000	29,145,309
Total amount of consideration paid	RMB36,000,000	RMB119,600,000	RMB482,000,000	RMB239,999,995	RMB117,585,600	RMB670,342,099
Approximate post-money valuation of our Company	RMB816.0 million	RMB5,126.0 million[2]	RMB8,293.9 million[4]	RMB8,640.6 million	RMB9,228.6 million	RMB10,759.7 million
Date of payment of full consideration	March 19, 2020	August 5, 2021	July 6, 2022	December 12, 2022	March 10, 2023	March 20, 2025
Approximate cost per Share paid under the Pre-IPO Investment	RMB6.00	RMB14.00[3]	RMB21.00	RMB21.27	RMB22.27	RMB23.00
Discount to the Offer Price[5]	90.97%	78.93%	68.40%	67.99%	66.49%	65.39%
Basis of consideration	The consideration for each round of the Pre-IPO Investments was determined through arm's length negotiations among the relevant parties taking into consideration the timing of the investments and our Company's development stage.					
Lock-up period	Pursuant to the applicable PRC laws, within one year following the Listing Date, all existing Shareholders (including our Pre-IPO Investors) could not dispose of any of the Shares held by them.					
Use of proceeds and whether they have been fully utilized	We utilized the proceeds from the Pre-IPO Investments for our principal business, including but not limited to the growth and expansion of our Company's business, research and development and general working capital purposes. As of the Latest Practicable Date, all of the net proceeds from the Pre-IPO Investments had been utilized.					
Strategic benefits	At the time of the Pre-IPO Investments, the Directors were of the view that (i) our Company would benefit from the additional capital provided by the Pre-IPO Investors and their market influence, knowledge and experience and (ii) the Pre-IPO Investments demonstrated the Pre-IPO Investors' confidence in the operation and development of our Group.					

Notes:

(1) The share transfers (i) after Series A Financing from April 2020 to May 2021, (ii) during and after Series B Financing from July 2021, to May 2022, (iii) during and after Series C, C-1 and C-2 Financing in 2022 and 2023 and (iv) during and after Series D Financing was not included in the above table, despite being Pre-IPO Investments, as the consideration of such share transfers were paid to the respective transferors, instead of our Company. For more details, please refer to subsection headed "— Establishment and Corporate Development" in this section.

The cost per Share of the share transfers after Series A Financing from April 2020 to May 2021 ranged from RMB6 per Share to RMB12 per Share, representing a discount to the Offer Price from approximately 90.97% to approximately 81.94%. For more details, please refer to the paragraphs headed "— Establishment and Corporate Development — Series A Financing, the Acquisition of Hefei Core Storage and Share Transfers after Series A Financing" in this section.

The cost per Share of the share transfers during and after Series B Financing from July 2021 to May 2022 ranged from RMB6 per Share to RMB20 per Share, representing a discount to the Offer Price from approximately 90.97% to approximately 69.90%. For more details, please refer to the paragraphs headed "— Establishment and Corporate Development — Series B Financing and Share Transfers" in this section.

The cost per Share of the share transfers during and after Series C, C1 and C2 Financing in 2022 and 2023 ranged from RMB19 per Share to RMB26.09 per Share, representing a discount to the Offer Price from approximately 71.41% to approximately 60.74%. For more details, please refer to the paragraphs headed "— Establishment and Corporate Development — Series C, C1 and C2 Financing and Share Transfers in 2022 and 2023" in this section.

The cost per Share of the share transfers during and after Series D Financing from June 2023 to August 2025 ranged from approximately RMB6 per Share to RMB26 per Share, representing a discount to the Offer Price from approximately 90.97% to approximately 60.87%. For more details, please refer to the paragraphs headed "— Establishment and Corporate Development — Series D Financing and Share Transfers" in this section.

The discounts to the Offer Price above are calculated based on the Offer Price of HK$77.60, being the mid-point of the indicative Offer Price range, and the exchange rates set out in the section headed "Information About This Prospectus and the Global Offering" in this prospectus.

(2) The significant increase in our Company's valuation in its Series B Financing was mainly driven by strong business growth and our proven mass production of our products, which helped convince our investors of the strength and viability of our business model.

(3) The approximate cost per Share for the new Shares subscribed for by Shentoukong Saige as the lead investor in the Series B Financing with the largest investment amount in the Series B Financing was RMB13.98 per Share while the cost per Share of the new Shares subscribed for by other Series B Financing investors was RMB14.00 per Share.

(4) The significant increase in our Company's valuation in its Series C Financing was mainly driven by various factors, including, among others, our strong revenue growth, our entry into the supply chain of Xiaomi, recognition as a National Specialized, Refined, Featured and Innovative "Little Giant" Enterprise (國家級專精特新"小巨人"企業), together with positive market sentiment as several industry peers successfully listed with valuations over RMB50 billion, boosting investors' expectations.

(5) Calculated based on the Offer Price of HK$77.60, being the mid-point of the indicative Offer Price range, and the exchange rates set out in the section headed "Information About This Prospectus and the Global Offering" in this prospectus.

Special Rights of the Pre-IPO Investors

Certain Pre-IPO Investors were granted certain special rights including, but not limited to, redemption rights, pre-emptive rights, director nomination rights, anti-dilution rights and information rights.

Redemption Rights

Redemption rights granted by our Company. Pursuant to the share subscription agreement entered into on March 20, 2024, Fengzhang Qingyu, one of our Series D Investors, was granted redemption rights by our Company. Please refer to Note 27 to the Accountants' Report set out in Appendix I to this prospectus for more details on the redemption liability of the Company in relation to the redemption rights granted to Fengzhang Qingyu by our Company.

Redemption rights granted by Mr. Wu. Separately, Shenzhen HTI, Juyuan Xinchuang, Kunhongyu, Shenzhen Kunhong, Hefei Industry Investment, Hefei Guoyao, Rongchuang Lingyue, Guangzhou Zhiwei, Kungang Shuyang and Guoyuan Innovation were granted redemption rights by Mr. Wu, one of our Controlling Shareholders. Please refer to Note 34 to the Accountants' Report set out in Appendix I to this prospectus for more details on the redemption rights granted by Mr. Wu.

As confirmed by the Company and Mr. Wu, save as disclosed herein, there are no other side arrangements among the Company, Mr. Wu and the Pre-IPO Investors regarding the redemption rights granted to the Pre-IPO Investors. The Company did not provide any guarantee on the redemption rights granted by Mr. Wu in case of default by Mr. Wu. Considering that the Company has no obligation to repurchase the Shares held by the Pre-IPO Investors pursuant to the redemption rights granted by Mr. Wu, no redemption liability in respect of such redemption rights was recorded during the Track Record Period.

Termination of Special Rights

Pursuant to the supplemental agreements entered into by our Company and each of such Pre-IPO Investors respectively dated December 9, 15, 22 or 30, 2025 (as the case may be) (the "**Supplemental Agreements**"), the redemption rights (i) granted by our Company to Fengzhang Qingyu and (ii) granted by Mr. Wu to Shenzhen HTI, Juyuan Xinchuang, Kunhongyu, Shenzhen Kunhong, Hefei Industry Investment, Hefei Guoyao, Rongchuang Lingyue, Guangzhou Zhiwei, Kungang Shuyang and Guoyuan Innovation have been terminated prior to the first submission of our Listing application to the Stock Exchange, and will be restored if the Listing does not take place including, but not limited to, any occurrence of events which would render the withdrawal, rejection, return of our Listing application.

Pursuant to the Supplemental Agreements, all other special rights granted to certain Pre-IPO Investors shall be terminated prior to the Listing.

Sole Sponsor's Confirmation

On the basis that (i) the consideration for the Pre-IPO Investments was irrevocably settled more than 28 clear days before the date of our first submission of the Listing application to the Stock Exchange for the purpose of the Global Offering or no less than 120 clear days before the Listing Date and (ii) the special rights granted to the Pre-IPO Investors has been suspended by filing of the Listing application and/or shall cease to be effective and be discontinued by Listing, the Sole Sponsor confirms that the Pre-IPO Investments are in compliance with Chapter 4.2 of the Guide.

Information about our Pre-IPO Investors

Set out below is a description of our major Pre-IPO Investors, which are the Pre-IPO Investors (together with their respective close associates) holding 1% or more of our total issued Shares as of the Latest Practicable Date, and their respective beneficial owner(s) and background. To the best of our Company's knowledge, information and belief, save as otherwise disclosed, each of our Pre-IPO Investors and their respective beneficial owners is an Independent Third Party.

Pre-IPO Investors	Background
Future Pafi	Future Pafi is incorporated under the laws of Hong Kong with limited liability. As of the Latest Practicable Date, Future Pafi was wholly owned by FUTURE PAFI Holding Limited, which was incorporated in BVI and in turn wholly owned by FUTURE PARTNERS ASIA I, L.P. ("**Future Partners**"). The general partner of Future Partners is Future Link Investment Limited, which was wholly owned by W&W Capital Limited ("**W&W Capital**"), which was in turn wholly owned by WEI Chun-Chieh, an Independent Third Party. Future Partners had two limited partners, the largest of which was W&W Capital, holding its 72.4% partnership interests, with the other limited partner holding the remaining partnership interests.
Guangzhou Ruichuang	Guangzhou Ruichuang is a limited partnership established in the PRC. As of the Latest Practicable Date, Guangzhou Ruichuang was managed by Wang Yuequn (王嶽群), an Independent Third Party, as its general and executive partner. Guangzhou Ruichuang had 12 limited partners, none of whom held 30% or more of the partnership interests.

Pre-IPO Investors	Background
Wang Bangye	Wang Bangye (王邦燁) is an individual investor and an Independent Third Party of our Company.
International Way Zhaoxin and Wang Jianfeng	International Way Zhaoxin is a limited partnership established in the PRC. As of the Latest Practicable Date, International Way Zhaoxin was managed by Wang Jianfeng (王建峰), an Independent Third Party, as its general and executive partner, who held approximately 15.00% of its partnership interests. International Way Zhaoxin has two limited partners, namely Wang Gang, holding 76.72% of the partnership interests, and another limited partner holding less than 30% of the partnership interests. Wang Jianfeng also directly held approximately 0.53% of our total issued Shares as of the Latest Practicable Date.
Kunqiao Capital	Kunhongyu is a limited partnership established in the PRC. As of the Latest Practicable Date, it was managed by Shenzhen Kunrong Financial Management Consulting Co., Ltd. (深圳昆榮財務管理諮詢有限公司) ("**Shenzhen Kunrong**") as its general partner. Shenzhen Kunrong was ultimately controlled by Chieh Ping James Nien (粘傑評), an Independent Third Party. Kunhongyu had two limited partners, being Kunqiao Phase II (Suzhou) Emerging Industry Venture Capital Partnership (Limited Partnership) (昆橋二期(蘇州)新興產業創業投資合夥企業(有限合夥)) ("**Kunqiao Suzhou**") and Kunqiao Phase II (Xiamen) Semiconductor Industry Equity Investment Partnership (Limited Partnership) (昆橋二期(廈門)半導體產業股權投資合夥企業(有限合夥)) ("**Kunqiao Xiamen**"), each holding approximately 49.98% of the partnership interests. The executive partners of both Kunqiao Suzhou and Kunqiao Xiamen were Kunqiao Capital Equity Investment Management (Shenzhen) Co., Ltd. (昆橋資本股權投資管理(深圳)有限公司) ("**Kunqiao Shenzhen**") and Xiamen Kunnuo Enterprise Management Consulting Partnership (Limited Partnership), whose executive partner was Kunqiao Shenzhen. Kunqiao Shenzhen was wholly owned by Shenzhen Kunrong. Kunqiao Suzhou and Kunqiao Xiamen had 16 and 13 limited partners each being an Independent Third Party with less than 30% partnership interests therein, respectively. Xiamen Kunyue is a limited partnership established in the PRC. As of the Latest Practicable Date, it was managed by Shenzhen Kunrong as its general partner. Xiamen Kunyue had two limited partners, with the largest limited partner, Kunhongyu, holding approximately 91.76% of its partnership interests, and the other limited partner holding approximately 8.16% of its partnership interests. Shenzhen Kunhong is a limited partnership established in the PRC. As of the Latest Practicable Date, Shenzhen Kunhong was managed by Shenzhen Kunrong as its general partner with approximately 0.1% partnership interests therein. Shenzhen Kunhong had one limited partner, being Kunqiao (Shenzhen) Semiconductor Technology Industry Equity Investment Fund Partnership (Limited Partnership) (昆橋(深圳)半導體科技產業股權投資基金合夥企業(有限合夥)) ("**Kunqiao Semiconductor**"), holding approximately 99.90% of the partnership interests. The general partner of Kunqiao Semiconductor was Kunqiao Shenzhen. Kunqiao Semiconductor had 16 limited partners, each being an Independent Third Party with less than 30% partnership interests therein.

Pre-IPO Investors	Background
Infinity Nexus and Synergy Core	Infinity Nexus is incorporated under the laws of Hong Kong with limited liability. As of the Latest Practicable Date, Infinity Nexus was wholly owned by Honor International Limited, incorporated in the BVI. Honor International Limited was indirectly wholly owned by Achi Capital Partners Fund LP ("**Achi Partners**"), a limited partnership incorporated in the Cayman Islands. Achi Partners also indirectly wholly owned Synergy Core, which is incorporated under the laws of Hong Kong with limited liability. The general partner of Achi Partners was AchiCapital GP Limited, which was in turn held as to 75% by Chu-Wan Chen and 25% by Lee, Ming-Shan. Chu-Wan Chen and Lee, Ming-Shan both are Independent Third Parties of our Company. No limited partners of Achi Partners held more than 20% partnership interests therein.
Lianxin Technology	Lianxin Technology is a limited partnership established in the PRC and an equity investment fund. As of the Latest Practicable Date, the general partner of Lianxin Technology was Shanghai Lianxin Tenghua Enterprise Management Center (Limited Partnership) (上海聯新滕華企業管理中心(有限合夥)) ("**Lianxin Tenghua**"), which held approximately 0.99% of its partnership interests. The general partner of Lianxin Tenghua was Shanghai Lianxin Capital Management Co., Ltd. (上海聯新資本管理有限公司) ("**Lianxin Capital**"), which held approximately 0.99% of its partnership interests. Lianxin Capital had two shareholders, namely Shanghai Lianyi Enterprise Management Center (Limited Partnership) (上海聯一企業管理中心(有限合夥)) and Shanghai Lianhe Asset Management Co., Ltd. (上海聯和資產管理有限公司), which held 80% and 20% of its equity interests, respectively. Lianxin Tenghua had four limited partners, including Shanghai Lianshan Enterprise Management Center (Limited Partnership) (上海聯衫企業管理中心(有限合夥)) ("**Shanghai Lianshan**") with approximately 34.65% of its partnership interests, Shanghai Lianli Enterprise Management Center (Limited Partnership) (上海聯櫟企業管理中心(有限合夥)) ("**Shanghai Lianli**") with approximately 34.46% of its partnership interests and other two limited partners with less than 20% partnership interests therein. Lianxin Capital was the general partner of both Shanghai Lianshan and Shanghai Lianli. Shanghai Lianshan had seven limited partners, including Qu Liefeng (曲列鋒) with approximately 34.17% of its partnership interests, Wu Zonghe (吳宗鶴) with approximately 33.89% of its partnership interests and other five limited partners each with less than 20% partnership interests therein. Both Qu Liefeng and Wu Zonghe were our Independent Third Parties. Shanghai Lianli had 11 limited partners, including Qu Liefeng with 43.6% of its partnership interests and other ten limited partners each with less than 20% partnership interests therein. Lianxin Technology had 19 limited partners, none of whom held 30% or more of its partnership interests. To the best knowledge of the Company, the above entities are our Independent Third Parties.
Chen Jingxiong	Chen Jingxiong (陳敬雄) is an individual investor and an Independent Third Party of our Company.
Kungang Shuyang	Kungang Shuyang is a limited partnership established in the PRC. As of the Latest Practicable Date, Kungang Shuyang was managed by Anhui KunGang Equity Investment Co., Ltd. (安徽昆岡股權投資管理有限公司) as its general partner. Anhui KunGang Equity Investment Co., Ltd. was owned as to 60% by Zhang Lei (張蕾), an Independent Third Party, and 40% by two other shareholders, neither of whom holding 30% or more equity interests. Kungang Shuyang had six limited partners, with its largest limited partner, Zhang Jun (張俊), an Independent Third Party holding approximately 43.67% of the partnership interests. None of the other five limited partners held 30% or more of the partnership interests.

Pre-IPO Investors	Background
Juyuan Xinchuang	Juyuan Xinchuang is a limited partnership established in the PRC. As of the Latest Practicable Date, the general partner of Juyuan Xinchuang was Shenzhen Ruixin Investment Partnership (Limited Partnership) (深圳瑞芯投資合夥企業(有限合夥)) ("**Shenzhen Ruixin**"). The general partner of Shenzhen Ruixin was China Fortune-Tech Capital Co., Ltd. (中芯聚源私募基金管理(上海)有限公司), which held 70% of its partnership interests. China Fortune-Tech Capital Co., Ltd. was owned as to 35% by Shanghai Xinqi Investment Center (Limited Partnership) (上海芯齊投資中心(有限合夥)) ("**Shanghai Xinqi**") with the remaining 65% held by four other shareholders, none of whom holding 30% or more of its equity interests. The general partner of Shanghai Xinqi was Gongqingcheng Juchuang Investment Partnership (Limited Partnership) (共青城聚創投資合夥企業(有限合夥)) ("**Gongqingcheng Juchuang**"). Shanghai Xinqi had one limited partner, Gongqingcheng Xingwei Investment Partnership (Limited Partnership) (共青城興微投資合夥企業(有限合夥)) ("**Gongqingcheng Xingwei**"), with 99.5% partnership interests therein. The general partner of both Gongqingcheng Juchuang and Gongqingcheng Xingwei was Gao Yonggang (高永崗), an Independent Third Party. Gongqingcheng Juchuang and Gongqingcheng Xingwei had four and seven limited partners, respectively, each with less than 30% partnership interests therein. Juyuan Xinchuang had 13 limited partners and none of them held 30% or more of the partnership interests.

PUBLIC FLOAT

Apart from (i) 68,630,238 H Shares held by our Controlling Shareholders and (ii) 50,000,000 H Shares held by our substantial Shareholder, RealYou Investment, which are to be converted from the Unlisted Shares, all the H Shares will be counted towards the public float for the purpose of Rule 19A.13A(1) of the Listing Rules upon completion of the Global Offering and conversion of the Unlisted Shares into H Shares, assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised and no additional Shares are issued pursuant to the Pre-IPO Share Option Scheme.

Based on the Offer Price range of no less than HK$72.29 per Share (being the low-end of the indicative Offer Price range) and no more than HK$82.90 per Share (being the high-end of the indicative Offer Price range), the expected market capitalization of our Company will range from HK$34.9 billion to HK$40.0 billion. Pursuant to Rule 19A.13A(1) of the Listing Rules, the minimum prescribed public float percentage is the higher of (i) 12.90%, 12.02% and 11.25% on the basis of low-end, mid-point and high-end of the indicative Offer Price range, respectively, and (ii) 10%. Upon completion of the Global Offering and conversion of the Unlisted Shares into H Shares, assuming (i) 14,717,200 H Shares being issued in the Global Offering; (ii) no exercise of the Offer Size Adjustment Option and the Over-allotment Option and no additional Shares issued pursuant to the Pre-IPO Share Option Scheme; (iii) 260,514,300 Unlisted Shares being converted to H Shares; and (iv) 482,531,284 Shares issued and outstanding in the share capital of our Company upon completion of the Global Offering, 156,601,262 H Shares, representing approximately 32.45% of the total issued Shares, which is higher than the minimum prescribed public float percentage of H Shares required under Rule 19A.13A(1) of the Listing Rules, will be counted towards the public float for the purpose of Rule 19A.13A of the Listing Rules upon the Listing.

FREE FLOAT

Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought, that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of

listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000.

In consideration that the market value of our H Shares in issue upon Listing that are held by the public and not subject to any disposal restrictions is expected to be not less than HK$600,000,000, calculated based on the low-end of the indicative Offer Price range and assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised and no additional Shares are issued pursuant to the Pre-IPO Share Option Scheme, we believe that there will be a free and open market for our H Shares immediately upon the completion of the Global Offering in compliance with the requirements under Rule 19A.13C of the Listing Rules.

CAPITALIZATION OF OUR COMPANY

The following table is a summary of the capitalization of our Company:

	As at the Latest Practicable Date		Immediately following the completion of the Global Offering and conversion of the Unlisted Shares into H Shares (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised and no additional Shares are issued pursuant to the Pre-IPO Share Option Scheme)					
Shareholder	Number of Shares	Shareholding	Number of Unlisted Shares	Shareholding in the Unlisted Shares	Number of H Shares	Shareholding in the H Shares	Number of Total Shares	Shareholding in the Total Issued Share Capital
Controlling Shareholders								
Xinruilai	51,000,000	10.90%	30,600,000	14.76%	20,400,000	7.41%	51,000,000	10.57%
Hongxin Micro	46,813,096	10.01%	28,087,858	13.55%	18,725,238	6.80%	46,813,096	9.70%
Hongxin Chuang	24,000,000	5.13%	14,400,000	6.95%	9,600,000	3.49%	24,000,000	4.97%
Hongxintai No. 2	17,965,500	3.84%	10,779,300	5.20%	7,186,200	2.61%	17,965,500	3.72%
Hosintai	13,190,000	2.82%	7,914,000	3.82%	5,276,000	1.92%	13,190,000	2.73%
Shenzhen Jubang	9,000,000	1.92%	5,400,000	2.60%	3,600,000	1.31%	9,000,000	1.87%
Ningbo Zhaohan	4,000,000	0.86%	2,400,000	1.16%	1,600,000	0.58%	4,000,000	0.83%
Ningbo Zhaoxin	3,000,000	0.64%	1,800,000	0.87%	1,200,000	0.44%	3,000,000	0.62%
Hangzhou Feisuan	2,607,000	0.56%	1,564,200	0.75%	1,042,800	0.38%	2,607,000	0.54%
Sub-total	***171,575,596***	***36.68%***	***102,945,358***	***49.66%***	***68,630,238***	***24.94%***	***171,575,596***	***35.56%***
Core Storage	55,271,874	11.81%	55,271,874	26.66%	—	—	55,271,874	11.45%
RealYou Investment	50,000,000	10.69%	—	—	50,000,000	18.17%	50,000,000	10.36%
Sub-total	***105,271,874***	***22.50%***	***55,271,874***	***26.66%***	***50,000,000***	***18.17%***	***105,271,874***	***21.82%***
Kunhongyu	7,052,186	1.51%	—	—	7,052,186	2.56%	7,052,186	1.46%
Xiamen Kunyue	5,317,500	1.14%	—	—	5,317,500	1.93%	5,317,500	1.10%
Shenzhen Kunhong	4,761,905	1.02%	—	—	4,761,905	1.73%	4,761,905	0.99%
Sub-total	***17,131,591***	***3.66%***	***—***	***—***	***17,131,591***	***6.22%***	***17,131,591***	***3.55%***
International Way Zhaoxin	9,000,000	1.92%	—	—	9,000,000	3.27%	9,000,000	1.87%
Wang Jianfeng	2,470,000	0.53%	1,670,000	0.81%	800,000	0.29%	2,470,000	0.51%
Sub-total	***11,470,000***	***2.45%***	***1,670,000***	***0.81%***	***9,800,000***	***3.56%***	***11,470,000***	***2.38%***
Infinity Nexus	4,945,815	1.06%	—	—	4,945,815	1.80%	4,945,815	1.02%
Synergy Core	988,985	0.21%	—	—	988,985	0.36%	988,985	0.20%
Sub-total	***5,934,800***	***1.27%***	***—***	***—***	***5,934,800***	***2.16%***	***5,934,800***	***1.23%***
Zhuhai Runbo	2,000,000	0.43%	2,000,000	0.96%	—	—	2,000,000	0.41%
Wang Qihao	1,878,000	0.40%	—	—	1,878,000	0.68%	1,878,000	0.39%
Sub-total	***3,878,000***	***0.83%***	***2,000,000***	***0.96%***	***1,878,000***	***0.68%***	***3,878,000***	***0.80%***
Tianze Zhongding Phase II	295,000	0.06%	—	—	295,000	0.11%	295,000	0.06%
Wanlian Guangsheng	245,000	0.05%	—	—	245,000	0.09%	245,000	0.05%
Sub-total	***540,000***	***0.12%***	***—***	***—***	***540,000***	***0.20%***	***540,000***	***0.11%***

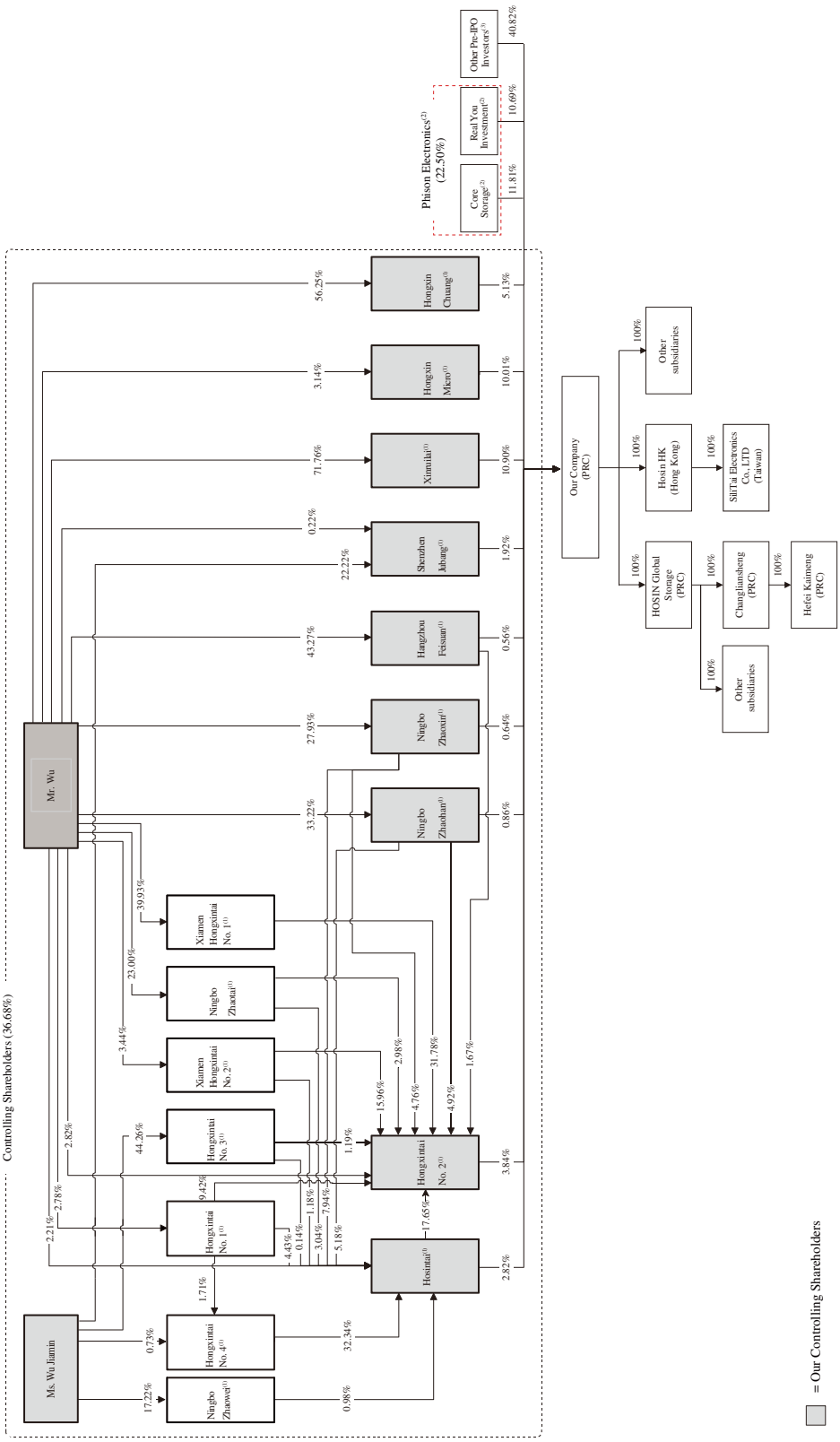
Shareholder	As at the Latest Practicable Date		Immediately following the completion of the Global Offering and conversion of the Unlisted Shares into H Shares (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised and no additional Shares are issued pursuant to the Pre-IPO Share Option Scheme)					
	Number of Shares	Shareholding	Number of Unlisted Shares	Shareholding in the Unlisted Shares	Number of H Shares	Shareholding in the H Shares	Number of Total Shares	Shareholding in the Total Issued Share Capital
Other Pre-IPO Investors								
Future Pafi	35,549,000	7.60%	18,378,155	8.87%	17,170,845	6.24%	35,549,000	7.37%
Guangzhou Ruichuang	12,000,000	2.57%	—	—	12,000,000	4.36%	12,000,000	2.49%
Wang Bangye	11,380,960	2.43%	11,380,960	5.49%	—	—	11,380,960	2.36%
Lianxin Technology	5,173,900	1.11%	—	—	5,173,900	1.88%	5,173,900	1.07%
Chen Jingxiong	4,800,000	1.03%	2,800,000	1.35%	2,000,000	0.73%	4,800,000	0.99%
Kungang Shuyang	4,785,714	1.02%	—	—	4,785,714	1.74%	4,785,714	0.99%
Juyuan Xinchuang	4,761,905	1.02%	—	—	4,761,905	1.73%	4,761,905	0.99%
Liansheng Yeke	4,347,826	0.93%	2,173,913	1.05%	2,173,913	0.79%	4,347,826	0.90%
Haixia Fuguo	3,809,524	0.81%	—	—	3,809,524	1.38%	3,809,524	0.79%
Guangzhou Zhiwei	3,809,524	0.81%	1,909,524	0.92%	1,900,000	0.69%	3,809,524	0.79%
Cai Ruixin	3,220,000	0.69%	2,250,000	1.09%	970,000	0.35%	3,220,000	0.67%
Meig Zhitou	3,000,000	0.64%	—	—	3,000,000	1.09%	3,000,000	0.62%
Xu Shiquan	3,000,000	0.64%	—	—	3,000,000	1.09%	3,000,000	0.62%
Rongchuang Lingyue	2,820,874	0.60%	—	—	2,820,874	1.02%	2,820,874	0.58%
Chen Guoliang	2,600,000	0.56%	1,820,000	0.88%	780,000	0.28%	2,600,000	0.54%
Wang Weiping	2,500,000	0.53%	—	—	2,500,000	0.91%	2,500,000	0.52%
Xu Fei	2,404,762	0.51%	—	—	2,404,762	0.87%	2,404,762	0.50%
Su Wei	2,030,000	0.43%	—	—	2,030,000	0.74%	2,030,000	0.42%
Wang Dai	2,000,000	0.43%	1,500,000	0.72%	500,000	0.18%	2,000,000	0.41%
Hefei Guoyao	2,000,000	0.43%	—	—	2,000,000	0.73%	2,000,000	0.41%
Chen Zeping	2,000,000	0.43%	—	—	2,000,000	0.73%	2,000,000	0.41%
Liu Junli	2,000,000	0.43%	—	—	2,000,000	0.73%	2,000,000	0.41%
Long Hai	1,993,571	0.43%	1,000,000	0.48%	993,571	0.36%	1,993,571	0.41%
Wang Gang	1,800,000	0.38%	1,800,000	0.87%	—	—	1,800,000	0.37%
Yan Shuai	1,700,000	0.36%	400,000	0.19%	1,300,000	0.47%	1,700,000	0.35%
Hangzhou Feikuai	1,678,500	0.36%	—	—	1,678,500	0.61%	1,678,500	0.35%
Huachuang Gongying No. 8	1,480,000	0.32%	—	—	1,480,000	0.54%	1,480,000	0.31%
Shenzhen HTI	1,428,571	0.31%	—	—	1,428,571	0.52%	1,428,571	0.30%
Hefei Industry Investment	1,428,571	0.31%	—	—	1,428,571	0.52%	1,428,571	0.30%
Guoyuan Chuangtou	1,410,437	0.30%	—	—	1,410,437	0.51%	1,410,437	0.29%
Zhengwei Hongxin	1,370,000	0.29%	—	—	1,370,000	0.50%	1,370,000	0.28%
Maosheng Ruichen	1,304,348	0.28%	—	—	1,304,348	0.47%	1,304,348	0.27%
Fengzhang Qingyu	1,304,348	0.28%	—	—	1,304,348	0.47%	1,304,348	0.27%
AW YONG CHEE KONG	1,250,000	0.27%	—	—	1,250,000	0.45%	1,250,000	0.26%
Shanghai Longyu	1,109,325	0.24%	—	—	1,109,325	0.40%	1,109,325	0.23%
PUA KHEIN SENG	1,000,000	0.21%	—	—	1,000,000	0.36%	1,000,000	0.21%
Wang Xihua	1,000,000	0.21%	—	—	1,000,000	0.36%	1,000,000	0.21%
Jiafa No. 2	1,000,000	0.21%	—	—	1,000,000	0.36%	1,000,000	0.21%
Jiang Liufang	1,000,000	0.21%	—	—	1,000,000	0.36%	1,000,000	0.21%
Xu Shaolin	918,333	0.20%	—	—	918,333	0.33%	918,333	0.19%
Lianxin Xinneng	810,000	0.17%	—	—	810,000	0.29%	810,000	0.17%
Xinhua Yangtze	740,000	0.16%	—	—	740,000	0.27%	740,000	0.15%
Yuan Ying	680,000	0.15%	—	—	680,000	0.25%	680,000	0.14%
Jiaxing Qiuye	577,000	0.12%	—	—	577,000	0.21%	577,000	0.12%
Li Zimin	500,000	0.11%	—	—	500,000	0.18%	500,000	0.10%
Champion REAL Estate	500,000	0.11%	—	—	500,000	0.18%	500,000	0.10%
Song Leping	500,000	0.11%	—	—	500,000	0.18%	500,000	0.10%
Li Heyi	500,000	0.11%	—	—	500,000	0.18%	500,000	0.10%
Li Wei	500,000	0.11%	—	—	500,000	0.18%	500,000	0.10%
Wu Gongping	476,190	0.10%	—	—	476,190	0.17%	476,190	0.10%
Mo Zhenwei	330,000	0.07%	—	—	330,000	0.12%	330,000	0.07%

Shareholder	As at the Latest Practicable Date		Immediately following the completion of the Global Offering and conversion of the Unlisted Shares into H Shares (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised and no additional Shares are issued pursuant to the Pre-IPO Share Option Scheme)					
	Number of Shares	Shareholding	Number of Unlisted Shares	Shareholding in the Unlisted Shares	Number of H Shares	Shareholding in the H Shares	Number of Total Shares	Shareholding in the Total Issued Share Capital
Jiang Yanjun	300,000	0.06%	—	—	300,000	0.11%	300,000	0.06%
Wang Lidong	300,000	0.06%	—	—	300,000	0.11%	300,000	0.06%
Lin Wei	250,000	0.05%	—	—	250,000	0.09%	250,000	0.05%
LEE HAO ZHI	220,000	0.05%	—	—	220,000	0.08%	220,000	0.05%
Wang Zhilin	180,000	0.04%	—	—	180,000	0.07%	180,000	0.04%
Han Xing	180,000	0.04%	—	—	180,000	0.07%	180,000	0.04%
KIM CHANGHWAN	149,040	0.03%	—	—	149,040	0.05%	149,040	0.03%
Cao Jiwei	50,000	0.01%	—	—	50,000	0.02%	50,000	0.01%
Su Zizhong	50,000	0.01%	—	—	50,000	0.02%	50,000	0.01%
Chen Datong	50,000	0.01%	—	—	50,000	0.02%	50,000	0.01%
Investors taking part in the Global Offering	—	—	—	—	14,717,200	5.35%	14,717,200	3.05%
Total	***467,814,084***	***100%***	***207,299,784***	***100%***	***275,231,500***	***100%***	***482,531,284***	***100%***

CORPORATE STRUCTURE

Corporate Structure Immediately before Completion of the Global Offering

The following chart illustrates the shareholding structure and simplified corporate structure of our Group immediately prior to the completion of the Global Offering and conversion of the Unlisted Shares into H Shares:



Notes:

(1) Mr. Wu, Ms. Wu Jiamin, Xinruilai, Shenzhen Jubang, Hongxin Micro, Hongxin Chuang, Hongxintai No. 2, Hosintai, Ningbo Zhaohan, Ningbo Zhaoxin and Hangzhou Feisuan together constitute a group of our Controlling Shareholders under the Listing Rules. For details, please see the section headed "Relationship with our Controlling Shareholders" in this prospectus.

As of the Latest Practicable Date, Xinruilai was held as to approximately 71.76% by Mr. Wu and approximately 28.24% by Mr. Feng Shuixing (馮水興), our non-executive Director, respectively.

As of the Latest Practicable Date, Shenzhen Jubang was held as to approximately (i) 0.22% by its general and executive partner, Mr. Wu, (ii) 77.56% by Ms. Zi Yuelian (資悅蓮), Mr. Wu's spouse, and (iii) 22.22% by Ms. Wu Jiamin (吳嘉敏), our executive Director and daughter of Mr. Wu and Ms. Zi Yuelian.

As of the Latest Practicable Date, Hongxin Micro and Hongxin Chuang were owned as to approximately 3.14% and 56.25% by Mr. Wu as the general and executive partner, respectively. As of the Latest Practicable Date, Hongxin Micro had 21 limited partners, including (i) Yung Fu Holdings Ltd., which held approximately 42.72% of its partnership interests and was owned as to 53.5% by Chang, Chih-Hao, an Independent Third Party; (ii) SMART UNION WEALTH CREATION LIMITED, which held approximately 39.73% of its partnership interests and was ultimately controlled by PUA KHEIN SENG, an Independent Third Party; and (iii) 19 other limited partners, each holding less than 30% of its partnership interests, all of whom were Independent Third Parties. As of the Latest Practicable Date, Hongxin Chuang had 27 limited partners, each of whom was an Independent Third Party holding no more than 10% of the partnership interests.

In recognition of the contributions of our employees and to incentivize them to further promote our development, we established the following employee shareholding platforms:

i. Hongxintai No. 2 is a limited partnership established in the PRC on January 9, 2023. As of the Latest Practicable Date, Mr. Wu was the general and executive partner of Hongxintai No. 2 and held 2.82% of its partnership interests. The limited partners of Hongxintai No. 2 included Mr. Zhang Yun (our executive Director, holding 4.45% of the partnership interests), Mr. Sheng Yufei (our connected person at the subsidiary level and an employee, holding 0.06% of the partnership interests), 23 employees of our Group and nine employee shareholding platforms, namely, Xiamen Hongxintai No. 1 Investment Partnership (Limited Partnership) (廈門宏芯泰壹號投資合夥企業(有限合夥)) ("**Xiamen Hongxintai No. 1**"), Hosintai, Xiamen Hongxintai No. 2 Investment Partnership (Limited Partnership) (廈門宏芯泰貳號投資合夥企業(有限合夥)) ("**Xiamen Hongxintai No. 2**"), Shenzhen Hongxintai No. 1 Enterprise Management Partnership (Limited Partnership) (深圳宏芯泰壹號企業管理企業(有限合夥)) ("**Hongxintai No. 1**"), Ningbo Zhaohan, Ningbo Zhaoxin, Ningbo Meishan Bonded Port Area Zhaotai Enterprise Management Partnership (Limited Partnership) (寧波梅山保稅港區兆泰企業管理合夥企業(有限合夥)) ("**Ningbo Zhaotai**"), Hangzhou Feisuan and Shenzhen Hongxintai No. 3 Enterprise Management Partnership (Limited Partnership) (深圳宏芯泰叁號企業管理企業(有限合夥)) ("**Hongxintai No. 3**").

ii. Hosintai is a limited partnership established in the PRC on November 6, 2019. As of the Latest Practicable Date, Mr. Wu was the general and executive partner of Hosintai and held 2.21% of its partnership interests. The limited partners of Hosintai included Ms. Liang Qiyan (our executive Director, holding 4.88% of the partnership interests), Mr. Liu Weibo (our senior management member, holding 1.61% of the partnership interests), Mr. Sun Yu (nephew of Mr. Wu and cousin of Ms. Wu Jiamin, and our business engineer, holding 1.17% of the partnership interests), Mr. Sun Jianchao (brother-in-law of Mr. Wu and uncle of Ms. Wu Jiamin, and our storage director (總監), holding 0.96% of the partnership interests), Mr. Zhu Zixuan (our senior management member, holding 0.95% of the partnership interests), 33 employees of our Group and eight employee shareholding platforms, namely, Hongxintai No. 4 Enterprise Management Partnership (Limited Partnership) (深圳宏芯泰肆號企業管理企業(有限合夥)) ("**Hongxintai No. 4**"), Ningbo Zhaoxin, Ningbo Zhaohan, Hongxintai No. 1, Ningbo Zhaotai, Xiamen Hongxintai No. 2, Ningbo Meishan Bonded Port Area Zhaowei Enterprise Management Partnership (Limited Partnership) (寧波梅山保稅港區兆維企業管理合夥企業(有限合夥)) ("**Ningbo Zhaowei**") and Hongxintai No. 3.

iii. Ningbo Zhaohan is a limited partnership established in the PRC on June 23, 2017. As of the Latest Practicable Date, Mr. Wu was the general and executive partner of Ningbo Zhaohan and held 33.22% of its partnership interests. The limited partners of Ningbo Zhaohan included Mr. Zhu Zixuan (our senior management member, holding 3.35% of the partnership interests), Ms. Liang Qiyan (our Director, holding 1.76% of the partnership interests), Mr. Liu Weibo (our senior management member, holding 1.76% of the partnership interests), Ms. Wu Qunxiang (伍群香) (our connected person at the subsidiary level and an employee, holding 0.48% of the partnership interests) and 40 employees of our Group.

iv. Ningbo Zhaoxin is a limited partnership established in the PRC on June 23, 2017. As of the Latest Practicable Date, Mr. Wu was the general and executive partner of Ningbo Zhaoxin and held 27.93% of its partnership interests. The limited partners of Ningbo Zhaoxin included 30 employees of our Group.

v. Hangzhou Feisuan is a limited partnership established in the PRC on March 21, 2017. As of the Latest Practicable Date, Mr. Wu was the general and executive partner of Hangzhou Feisuan and held 43.27% of its partnership interests. The limited partners of Hangzhou Feisuan included Mr. Wang Wenhua (our connected person at the subsidiary level and an employee, holding 36.68% of the partnership interests) and 14 employees of our Group.

vi. Xiamen Hongxintai No. 1 is a limited partnership established in the PRC on June 21, 2023. As of the Latest Practicable Date, Mr. Wu was the general and executive partner of Xiamen Hongxintai No. 1 and held 39.93% of its partnership interests. The limited partners of Xiamen Hongxintai No. 1 included Ms. Liang Qiyan (our executive Director holding 10.51% of its partnership interests), Mr. Liu Weibo (our senior management member holding 5.25% of the partnership interests), Ms. Zi Juan (sister-in-law of Mr. Wu and aunt of Ms. Wu Jiamin, and our treasury supervisor of the finance department holding 0.53% of the partnership interests) and 37 employees of our Group.

vii. Xiamen Hongxintai No. 2 is a limited partnership established in the PRC on June 21, 2023. As of the Latest Practicable Date, Mr. Wu was the general and executive partner of Xiamen Hongxintai No. 2 and held 3.44% of its partnership interests. The limited partners of Xiamen Hongxintai No. 2 included Mr. Li Wenjun (our connected person at the subsidiary level and an employee, holding 32.81% of the partnership interests), Mr. Ding Li (an associate of Ms. Wu Jiamin and an employee of our Group, holding 6.56% of the partnership interests), Mr. Zhu Zixuan (our senior management member, holding 2.62% of the partnership interests), Ms. Zi Li (an associate of Mr. Wu and Ms. Wu Jiamin, and an employee of our Group, holding 1.64% of the partnership interests), Ms. Zi Juan (sister-in-law of Mr. Wu and aunt of Ms. Wu Jiamin, and our treasury supervisor of the finance department, holding 1.64% of the partnership interests) and 42 employees of our Group.

viii. Hongxintai No. 1 is a limited partnership established in the PRC on March 8, 2021. As of the Latest Practicable Date, Mr. Zhu Zixuan was the general and executive partner of Hongxintai No. 1 and held 5.05% of its partnership interests. The limited partners of Hongxintai No. 1 include Mr. Wu (our executive Director, holding 2.78% of the partnership interests), Ms. Zi Juan (sister-in-law of Mr. Wu and aunt of Ms. Wu Jiamin, and our treasury supervisor of the finance department, holding 0.80% of the partnership interests), Ms. Liu Ling (劉玲) (our connected person at the subsidiary level and an employee, holding 0.70% of the partnership interests) and 45 employees of our Group.

ix. Ningbo Zhaotai is a limited partnership established in the PRC on July 13, 2023. As of the Latest Practicable Date, Mr. Wu was the general and executive partner of Ningbo Zhaotai and held 23.00% of its partnership interests. The limited partners of Ningbo Zhaotai included 41 employees of our Group.

x. Hongxintai No. 3 is a limited partnership established in the PRC on June 8, 2023. As of the Latest Practicable Date, Ms. Wu Jiamin was the general and executive partner of Hongxintai No. 3 and held 44.26% of its partnership interests. The limited partners of Hongxintai No. 3 included 32 employees of our Group.

xi. Hongxintai No. 4 is a limited partnership established in the PRC on October 11, 2024. As of the Latest Practicable Date, Ms. Wu Jiamin was the general and executive partner of Hongxintai No. 4 and held 0.73% of its partnership interests. The limited partners of Hongxintai No. 4 included Mr. Zi Yafeng (資亞鋒) (cousin of Ms. Wu Jiamin and an employee, holding 0.40% of the partnership interests), 46 employees of our Group and one employee shareholding platform, namely Shenzhen Hongxintai No. 1.

xii. Ningbo Zhaowei is a limited partnership established in the PRC on October 21, 2024. As of the Latest Practicable Date, Ms. Wu Jiamin was the general and executive partner of Ningbo Zhaowei and held 17.22% of its partnership interests. The limited partners of Ningbo Zhaowei included 13 employees of our Group.

As of the Latest Practicable Date, save for AW YONG CHEE KONG, who held 75.57% of the partnership interests in Hongxintai No. 4 as a limited partner, Wang Wenhua (王文華), who held 36.68% of the partnership interests in Hangzhou Feisuan as a limited partner, and Li Wenjun (李文俊), who held 32.81% of the partnership interests in Xiamen Hongxintai No. 2 as a limited partner, each of such employees held less than 30% of the partnership interests in the respective employee shareholding platforms. To the best knowledge of our Company, unless otherwise specified above, all employees participating in the employee shareholding platforms are Independent Third Parties.

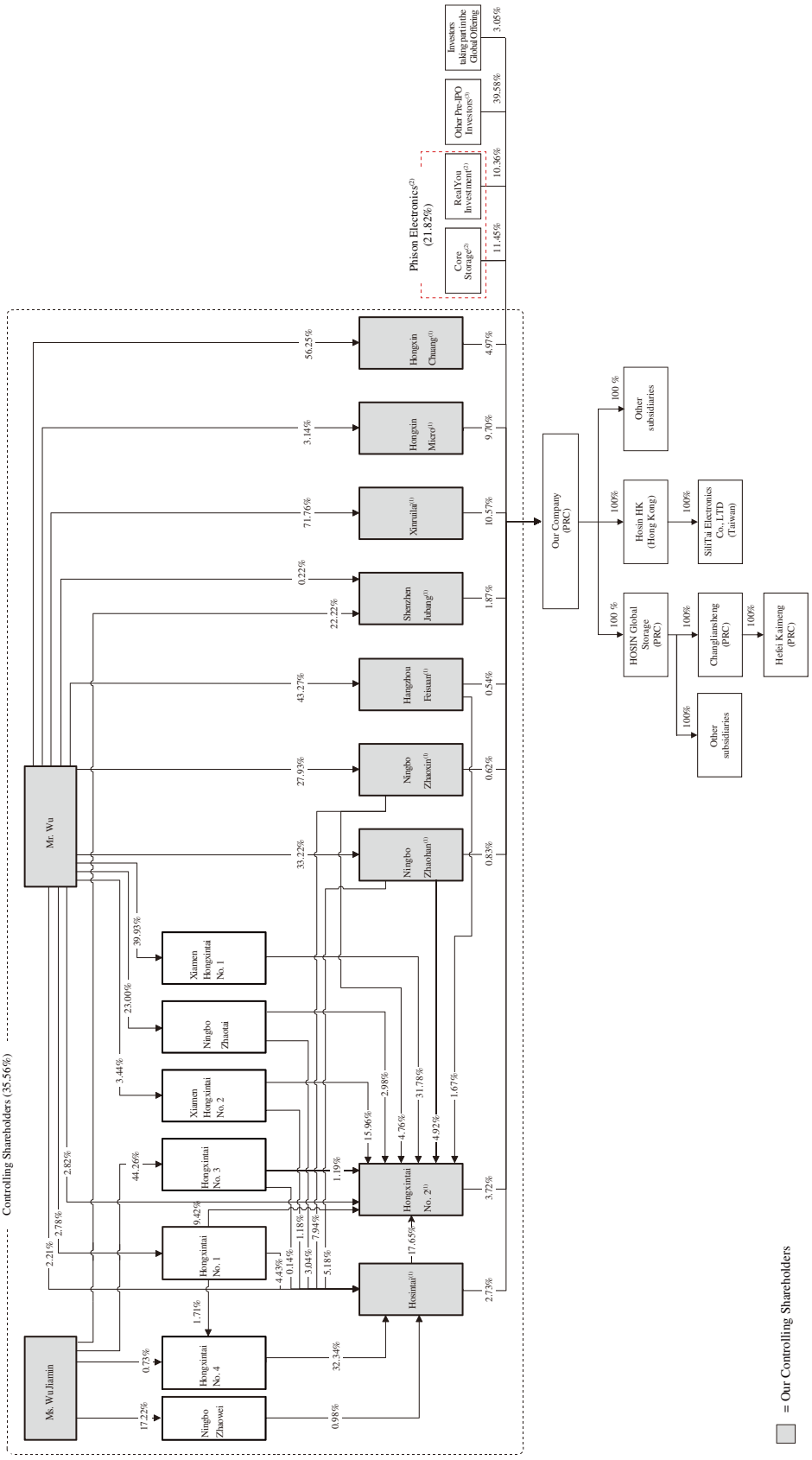
To the best knowledge of our Company, the initial investments in the Company by the shareholders or partners of each of Xinruilai, Shenzhen Jubang, Hongxintai No. 2, Hosintai, Ningbo Zhaohan, Ningbo Zhaoxin, Hangzhou Feisuan, Hongxin Micro and Hongxin Chuang were funded by their respective own funds.

(2) As of the Latest Practicable Date, both Core Storage and RealYou Investment were indirectly wholly owned by Phison Electronics.

(3) For details on the other investors, please refer to the paragraphs headed "Summary of Pre-IPO Investments," "Capitalization of our Company" and "Information about our Pre-IPO Investors" in this section.

Corporate Structure Immediately Following Completion of the Global Offering

The following chart illustrates the shareholding structure and simplified corporate structure of our Group immediately following the completion of the Global Offering and conversion of the Unlisted Shares into H Shares (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised and no additional Shares are issued pursuant to the Pre-IPO Share Option Scheme):



Notes:

(1)–(3) Please see the details contained in the preceding pages.

The information and statistics set out in this section and other sections of this prospectus were extracted from the Frost & Sullivan Report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the Global Offering. We believe that information from official government sources is an appropriate source for the information and statistics and have taken reasonable care in extracting and reproducing such information and statistics. We have no reason to believe that such information and statistics are false or misleading or that any fact has been omitted that would render such information and statistics to be false or misleading. The information from official government sources has not been independently verified by us, the Sole Sponsor, the Sole Sponsor-Overall Coordinator, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of their respective directors and advisers or any other persons or parties involved in the Global Offering, and no representation is given as to its accuracy.

OVERVIEW OF THE GLOBAL SEMICONDUCTOR INDUSTRY

Key Growth Drivers of the Semiconductor Market in the AI Era

Leveraging advanced algorithms and training on big data, AI enables machine systems to simulate, extend, and expand human cognitive and decision-making abilities across multiple dimensions. From a data perspective, the total amount of data generated globally in 2025 has approached 200ZB. This massive volume of data directly drives the semiconductor market, including memory products, towards rapid growth.

Storage power, computing power, and interconnect power are the core infrastructure of AI, and the three are interdependent. Storage power is the foundation, undertaking the storage, management, and scheduling of the massive data required for AI training, directly determining the efficiency and reliability of data supply. The exertion of computing power relies on storage power; insufficient storage power or inefficient scheduling can lead to idle computing power, failing to fully unleash computational potential. Interconnect power ensures efficient data transfer between storage and computing power. As the core infrastructure for AI data storage and supply, the performance of storage power directly constrains AI training efficiency and implementation effectiveness. Currently, the massive data demand brought by AI has directly driven the rapid growth of the memory product market.

Edge AI:

Edge AI refers to running AI functions locally on end devices (such as smartphones, PCs and vehicles) using on device computing capabilities, rather than relying primarily on remote cloud servers.

Consumer-Grade — Consumer-grade AI products have expanded the scope of AI applications, enabling traditional terminal devices to move towards intelligence transformation. With the popularization of consumer-grade products such as AI phones and AI PCs, requirements for memory product capacity, read/write speeds, etc., are increasing, promoting their iteration.

Automotive-Grade — The vehicles are accelerating their evolution towards electrification, intelligence, and connectivity. With the deep integration of features such as intelligent driving and intelligent cockpits, the complexity of electronic systems in smart vehicles has significantly increased compared to that of traditional vehicles. The increase in functional modules leads to a surge in data volume, driving the expansion of memory product capacity and performance enhancement, leading to overall growth in memory product demand in the automotive-grade application scenarios.

Cloud AI:

Enterprise-Grade — Targeting the enterprise-grade application scenarios, it is necessary to rely on large-scale data centers and cloud servers to provide stable and efficient infrastructure support for enterprise digitalization needs, AI business deployment, and massive data processing. With the increase

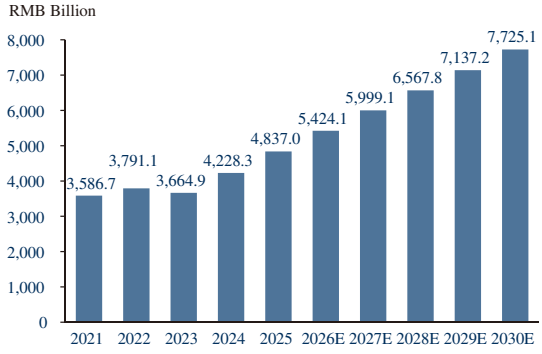
in AI model parameters and training data volume, memory products requiring ultra-large capacity, high read/write speeds, strong stability, and error correction mechanisms, along with optimized power consumption, are needed. Their development multi-dimensionally drives memory product upgrades, aiding the advancement of the AI industry.

Overview of The Global Semiconductor Market Size

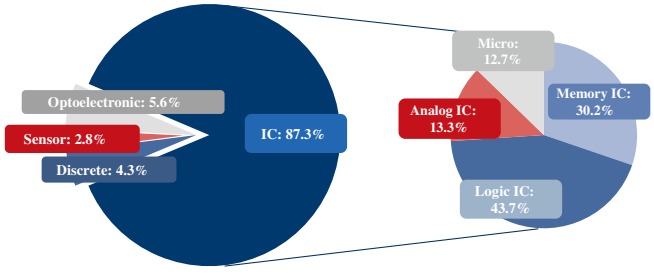
Driven by the rapid development of key fields such as consumer electronics, automotive electronics, and corporate digitalization, the global semiconductor market achieved significant growth during the period from 2021 to 2025. The market size increased from RMB3.5 trillion in 2021 to RMB4.8 trillion in 2025, with a compound annual growth rate (CAGR) of 7.8%. From 2026 to 2030, the CAGR is expected to reach 9.2%, with the market size reaching RMB7.7 trillion in 2030.

Semiconductor products include integrated circuit products which account for 87.3%, of which memory chips account for 30.2%. This indicates that memory chips occupy an important position in the global semiconductor market, and are the core infrastructure for various electronic devices to achieve data preservation and retrieval, playing a crucial role in the stable operation of electronic systems.

Global Semiconductor Market Size, by Revenue, 2021–2030



Global Semiconductor Market Structure, Breakdown by Product Type, 2025



Source: Frost & Sullivan

Core Value of Memory Products

Within the semiconductor industry chain, memory products occupy a core position, serving as the key carrier for data storage and processing and playing a vital role. They can store various types of data such as text, images, video, and audio in binary form. When data is called upon, they enable fast and accurate reading and transmission, laying a solid foundation for the stable operation of the digital world.

Memory products demonstrate key value in multiple downstream fields. In the consumer-grade application scenarios, embedded storage products such as eMMC and UFS ensure fast device loading by providing sufficient data storage space, and they enhance the user experience. Furthermore, highly integrated memory products like ePOP are important prerequisites for meeting the storage needs of space-constrained devices such as smart watches and AI glasses. In the automotive-grade application scenarios, automotive-grade embedded storage products, with high reliability and stability, ensure data security in harsh environments, safeguarding driving safety, while effectively supporting data storage and fast retrieval for in-vehicle entertainment and intelligent driving systems. For the enterprise-grade application scenarios, memory products, relying on characteristics of high capacity, high bandwidth, and low latency, meet enterprises' needs for large-scale data storage and fast access, playing a key supporting role in the operation of businesses such as cloud computing and big data analytics.

Analysis of the Core Value of the Controller Chips in Memory Products under the AI Process

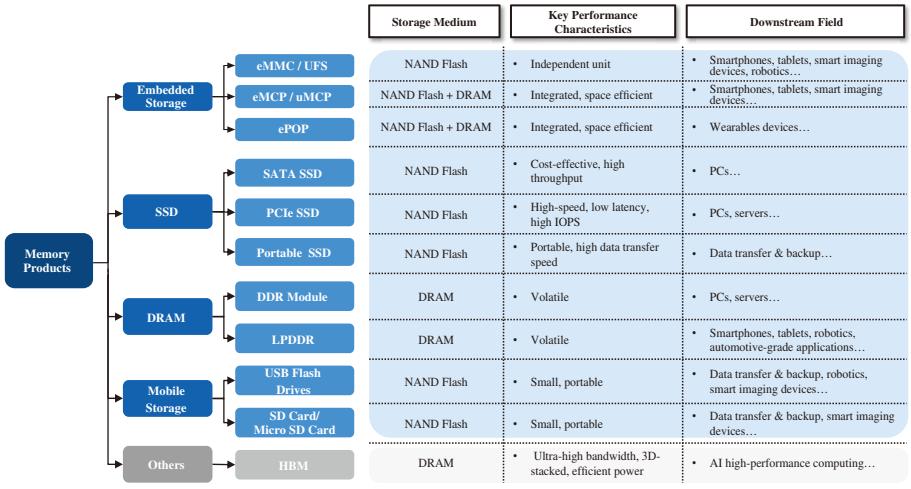
In AI scenarios, memory products need to meet clear performance requirements such as high throughput and low latency. The controller chip, as the core control unit, is the key supporting carrier to achieve these requirements. By continuously optimizing internal algorithms, the controller chip can more intelligently schedule data read/write operations within the memory product, enabling data transmission along the optimal path, avoiding congestion and delays, thereby improving overall throughput. It can be said that the controller chip acts like the control center of the memory product. Through its own optimization and upgrades, it helps memory products better meet high-demand data storage and fast response requirements in AI scenarios, becoming a key link in ensuring the smooth operation of AI applications.

INDUSTRY ANALYSIS OF MEMORY PRODUCTS

Definition and Classification of Memory Products

Memory products are hardware components used to achieve data storage for temporary or permanent access. They can be systematically classified based on the types of wafers, performance characteristics, and application scenarios, covering various forms such as embedded storage, SSDs, DRAM, mobile storage.

Definition and Classification of Memory Products



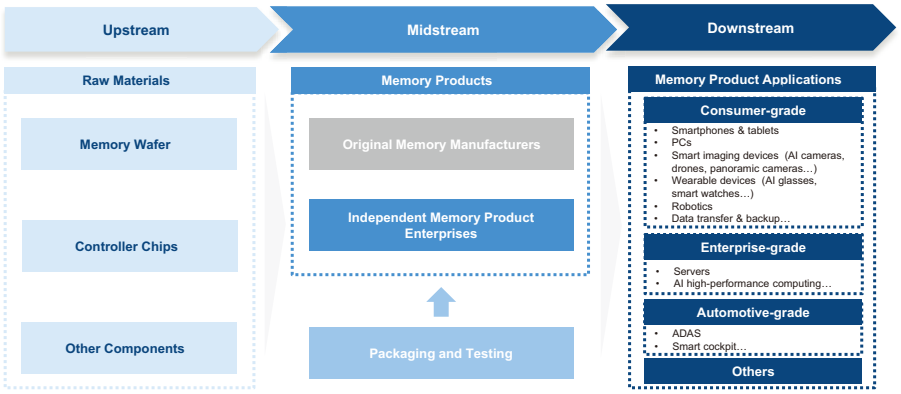
Storage Medium	Key Performance Characteristics	Downstream Field
NAND Flash	• Independent unit	• Smartphones, tablets, smart imaging devices, robotics…
NAND Flash + DRAM	• Integrated, space efficient	• Smartphones, tablets, smart imaging devices…
NAND Flash + DRAM	• Integrated, space efficient	• Wearables devices…
NAND Flash	• Cost-effective, high throughput	• PCs…
NAND Flash	• High-speed, low latency, high IOPS	• PCs, servers…
NAND Flash	• Portable, high data transfer speed	• Data transfer & backup…
DRAM	• Volatile	• PCs, servers…
DRAM	• Volatile	• Smartphones, tablets, robotics, automotive-grade applications…
NAND Flash	• Small, portable	• Data transfer & backup, robotics, smart imaging devices…
NAND Flash	• Small, portable	• Data transfer & backup, smart imaging devices…
DRAM	• Ultra-high bandwidth, 3D-stacked, efficient power	• AI high-performance computing…

Source: Frost & Sullivan, compiled from publicly available information

Memory Product Industry Chain Analysis

The memory product industry chain can be divided into three main segments: upstream wafer and controller chip design and manufacturing, midstream memory product enterprises, and downstream terminal applications. Among these, the midstream segment plays a key value-creating role as the core hub of the industrial chain, connecting upstream and downstream.

Industrial Chain of Memory Product



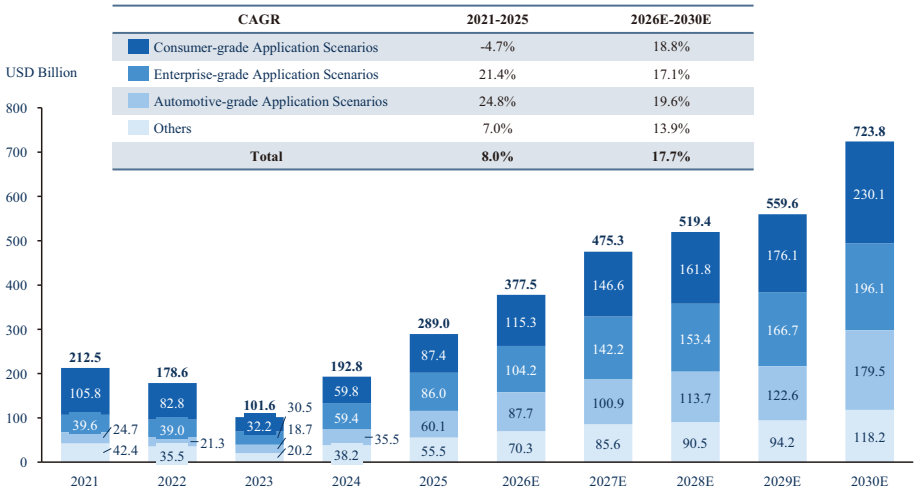
Source: Frost & Sullivan

Market Size of Memory Products

The global memory product market has shown a long-term growth trend, underpinned by a solid demand foundation. In 2021, the global market size of memory products was USD212.5 billion. Benefiting from the extensive demand for memory products across various sectors within the digital economy, the market size continued to expand, despite fluctuations and a pullback in individual years, and reached USD289.0 billion in 2025, with a CAGR of 8.0% during the period, demonstrating the resilient development of the memory product market.

Looking ahead, the semiconductor industry is entering a strong upward cycle driven by both AI-driven demand changes and supply structure optimization. This trend is not a short-term fluctuation but a long-term resonance formed by technological iteration, application upgrades, and industry chain restructuring. As a core segment of the semiconductor industry, the global memory chip industry gradually evolved into an potential AI-driven super cycle in 2025. This strong upward trend is clear and is expected to break the traditional 3-4 year cycle pattern. In the second half of 2025, pricing performance was robust, with both DRAM and NAND Flash showing an upward trend, and monthly increases exceeding 30% for certain DRAM products. Overall industry profit expectations continued to improve. On the demand side, AI-driven demand for high-performance memory products was particularly strong. On the supply side, structural tightness continued to intensify. Leading industry players were concentrating resources on high-value products and compressing traditional capacity products, leading to a shortage of traditional capacity products. Meanwhile, the expansion of advanced capacity lagged far behind demand growth, with overall capacity utilization rates expected to approach full capacity. Benefiting from the upward momentum of the semiconductor industry upward trend, the global memory product industry's market size is expected to increase continuously from USD377.5 billion in 2026 to USD723.8 billion in 2030, with an expected CAGR of 17.7% during the period.

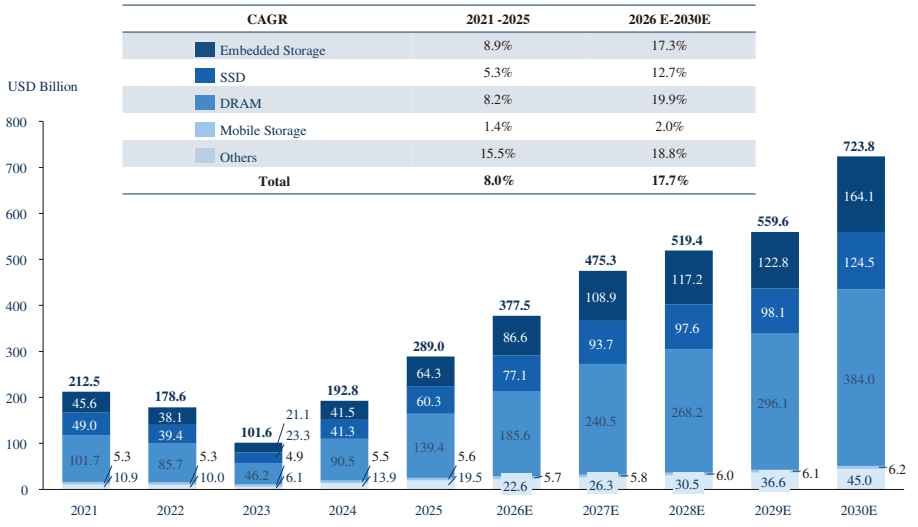
Market Size of Memory Product Market (by Application Scenarios), Global, 2021–2030E



Source: Frost & Sullivan

Analyzed by downstream application, consumer-grade application scenarios account for the largest share of the global memory product market. With the expected recovery of consumer electronics demand and the continued development of edge AI applications, consumer-grade application scenarios are expected to maintain strong growth momentum and remain the largest downstream application segment. In addition, automotive-grade and enterprise-grade application scenarios are also expected to grow rapidly, supported by increasing demand from vehicle intelligence, data centres and AI computing.

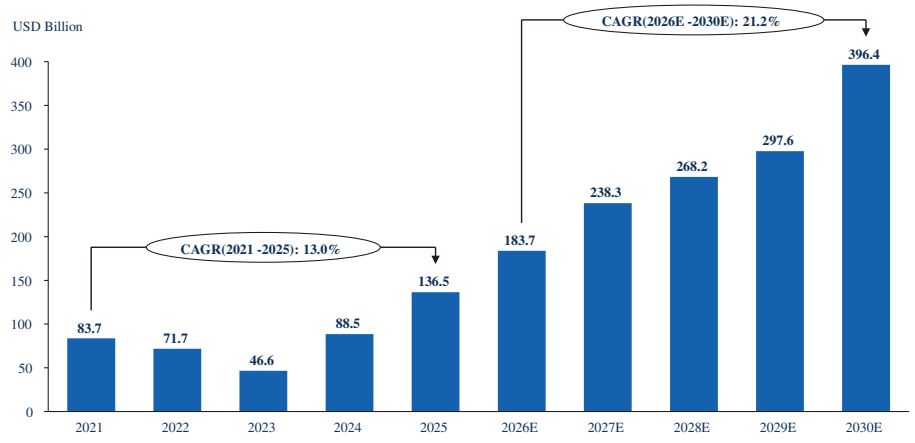
Market Size of Memory Product Market (by Product Types), Global, 2021–2030E



Source: Frost & Sullivan

Analyzed by product type, different memory products show differentiated growth trends, collectively propelling the expansion of the global memory product market. Among them, embedded storage recorded a CAGR of 8.9% from 2021 to 2025; while its market size experienced temporary fluctuations over the period, it achieved net expansion from 2021 to 2025. With the release of demand for highly integrated storage from intelligent vehicles and industrial IoT terminals, its CAGR is expected to increase to 17.3% from 2026 to 2030.

Market Size of Memory Product Market, China, 2021-2030E



Source : Frost & Sullivan

Chinese Mainland has emerged as a pivotal market for global memory products, driven by robust demand from downstream sectors and accelerated digital transformation. From 2021 to 2025, the market size witnessed resilient growth with a CAGR of 13.0%, expanding from USD83.7 billion in 2021 to USD136.5 billion in 2025. Looking ahead, the market is poised for accelerated expansion, with an expected CAGR of 21.2% from 2026 to 2030.

Analysis of Downstream Applications of Memory Products

Overview of Global Shipments of Downstream Products for Memory Products

Overview of Global Shipments of Downstream Products for Memory Products

		Unit	2021	2025	2026E	2030E	CAGR(26E-30E)
Consumer-grade Application Scenarios	Smartphone	Million	1,388.4	1,263.7	1,292.1	1,508.7	4.0%
	AI phone	Million	18.0	266.5	354.2	1,181.2	35.1%
	PC	Million	345.5	283.0	302.4	371.7	5.3%
	AI PC	Million	4.1	93.4	140.9	280.3	18.8%
	Smart camera	Million	143.2	223.1	240.7	302.1	5.8%
	AI camera	Million	20.7	65.0	78.5	155.3	18.6%
	Consumer drone	Million	6.1	9.9	11.3	17.2	10.9%
	Wearable device	Million	465.0	560.3	577.7	648.9	2.9%
	AI glasses	Million	0.1	5.7	11.4	68.8	56.7%
	smartwatch	Million	58.8	186.8	231.1	538.2	23.5%
Enterprise-grade Application Scenarios	Server	Million	15.0	16.3	16.8	19.5	3.8%
	AI server	Million	0.7	2.5	3.1	6.5	20.9%
Automotive-grade Application Scenarios	vehicle	Million	81.4	90.9	92.3	97.0	1.3%
	Smart vehicle(L2 and above)	Million	2.6	13.9	18.1	41.6	23.1%

Driving Factors and Development Trends of the Memory Product Market

- *Accelerated Digital Transformation and Explosive Data Growth Driving Storage Demand*

Deepening digital transformation across industries, coupled with widespread adoption of cloud computing, big data and IoT, has led to explosive global data growth. Data from consumer and enterprise scenarios drives strong demand for higher storage capacity, performance and reliability, forming the fundamental driver of the memory market growth.

- *Expansion of Emerging Application Scenarios to Generate Diversified Storage Demand*

Emerging scenarios including AI, intelligent driving and the metaverse have created segmented storage demands. AI requires high-bandwidth, low-latency memory for massive data access; intelligent driving relies on automotive-grade storage for reliability and real-time performance; the metaverse needs large-capacity, high-speed random-access memory. These trends drive customized product development and expand the growth boundary of the memory market.

- *Technological Innovation and Iteration Breaking Performance and Capacity Bottlenecks*

Storage technology innovation fuels market growth. 3D NAND stacking boosts storage density, controller algorithm and architecture upgrades improve read-write efficiency, and high-speed interfaces such as PCIe and UFS reduce latency. These breakthroughs meet high-performance demands, lower costs via mature processes, and unlock broader market potential.

- *Policy-Driven Market Upgrade via Data Security and Low-Carbon Development*

On the data security front, global policies are promoting the adoption of encryption, secure firmware and trusted execution environments to protect data in finance, government and other high-security fields. China's Regulations on Network Data Security Management issued in 2024 require network data processors to adopt measures including encryption, backup, access control and security authentication, increasing demand for memory products with secure data storage, firmware protection and reliable backup capabilities. The U.S. Data Security Program final rule issued in 2024 requires organizational, system-level and data-level safeguards for certain restricted data transactions, promoting the use of secure storage devices and data protection functions. The EU Cyber Resilience Act adopted in 2024 imposes lifecycle cybersecurity and vulnerability management requirements on products with digital elements, encouraging memory products integrated into connected devices and systems to support secure firmware updates and protected data storage.

On the low-carbon development front, as an important component of broader green development, low-power chips and energy-saving architectures are gaining traction under carbon neutrality goals, becoming a key evolution direction for memory products. China's guidance on accelerating the green development of manufacturing issued in 2024 promotes the application of low-power chips, directly supporting the development of energy-efficient memory products. The U.S. ENERGY STAR Computers Version 9.0 finalized in 2025 strengthens energy-efficiency and power-management requirements for computers, encouraging the adoption of lower-power DRAM, SSDs and embedded storage products. The EU Ecodesign for Sustainable Products Regulation adopted in 2024 establishes a framework covering energy performance, resource efficiency and carbon footprints, promoting the development of memory products with lower power consumption and improved environmental performance.

Analysis of the Controller Chip Sector in the Memory Product Industry

Definition and classification of controller chips in the memory product industry

The controller chip is the core logic unit of a memory product, and is regarded as the brain of the entire system. It is primarily responsible for coordinating data interaction between the host and the storage medium, realizing read/write scheduling, storage unit management and protocol conversion, and enabling the storage medium to be utilized by operating systems and applications in a standardized form. Within memory products, the controller chip is typically paired with NAND Flash. Controller chip has compensated for the physical constraints (such as requiring erasure before programming, limited lifetime and an increasing error rate) of NAND Flash through mechanisms such as logical mapping, wear leveling and error management, enabling it to stably support diverse application scenarios. From the perspective of product forms and application scenarios, the controller chip mainly includes three categories: Embedded Storage Controller Chips (such as eMMC/UFS), SSD Controller Chips (such as SATA/PCIe), and Mobile Storage Controller Chips (such as USB flash drives/SD Cards).

Technological evolution of controller chips in the memory product industry and adaptive upgrade of memory products

- **Regarding interface upgrades:** controller chips enhance data transfer bandwidth to support AI and high-performance computing, as reflected in the shift from eMMC to UFS for embedded storage and from SATA SSDs to high-speed PCIe SSDs, with PCIe iterations raising stricter requirements for controller design.
- **At the level of algorithm and architecture optimization:** the reliability and operational efficiency of controller chips in data processing have also been improved significantly. To address the inherent physical bottlenecks of the storage medium, such as endurance and error rates, controller chips commonly incorporate a DSP (Digital Signal Processor) and adopt advanced error correction algorithms such as LDPC (Low-Density Parity-Check) code, compensating for the physical limitations of the storage medium through a combination of hardware and firmware.
- **At the level of process and density breakthroughs:** process optimization is the core path for controller chips to achieve a balance of performance, power consumption, area and cost. The industry exhibits an evolution trend from intensive refinement of mature processes to active adoption of advanced processes, with process nodes continuously advancing toward refinement. Advanced process evolution improves performance, integration and cost efficiency, while density upgrades unlock storage medium potential to meet the needs of large-scale, low-cost and high-reliability data storage.

COMPETITIVE ANALYSIS OF THE GLOBAL MEMORY PRODUCT MARKET

Overview of the Global Memory Product Market Competitive Landscape

Currently, the global memory product industry landscape exhibits distinct characteristics. Original Memory Manufacturers dominate the mainstream market, accounting for over 95% of the market share, and forming a strong dominant position. Meanwhile, domestic independent memory product enterprises are accelerating their breakthroughs. Although their current share base remains small, their growth momentum is robust, and their market share is rapidly increasing, as the market share of domestic independent memory product enterprises increased from less than 1.5% in 2021 to over 3% in 2025. From the perspective of the market competitive landscape, it presents a stratified state. Original Memory Manufacturers continue to account for a relatively large share of the global market, while independent memory product enterprises are gradually expanding their market presence. Within the entire global memory product market, the Company ranked twelfth with a market share of approximately 0.6% in 2025, with leading players primarily comprising Original Memory Manufacturers. Following the path of differentiated innovation, domestic enterprises are intensifying breakthroughs in consumer-grade storage and industry customization fields, focusing on narrowing the gap in storage architecture and cost-control technologies, while leveraging unique advantages of the domestic industrial chain to meticulously develop solutions tailored to domestic demands. Their future market development space is considerable.

Cyclical Nature of the Memory Product Industry

The memory product industry exhibits distinct cyclicality tightly tethered to the broader global semiconductor cycle. This alignment stems from the foundational role of core wafers: core wafer pricing — and thus the memory product market's dynamics — are fundamentally driven by three interconnected factors: supply-demand fundamentals, production capacity dynamics, and technology iteration. These elements shape core wafer availability and costs, which directly influence memory product production, pricing, and demand, binding the memory sector's trajectory to the semiconductor industry's broader fluctuations. In addition, public health-related issues may further amplify such cyclical fluctuations by temporarily affecting upstream production, logistics and capacity utilization, while also reshaping downstream demand patterns across consumer electronics, smartphones, data centres and other end markets.

During 2020-2022, the memory product market entered an upcycle mainly driven by strong demand and constrained supply amid public health issues. Robust global semiconductor demand, supported by increased demand for remote working, online learning, cloud services and digital infrastructure, together with constrained production capacity caused by disruptions to upstream production, logistics and capacity utilization, lifted core wafer prices and memory product prices, prompting industry-wide capacity expansion.

During 2022-2023, the market entered a cyclical downturn as demand moderated and previously added capacity was gradually released. As public health-related conditions normalized, demand in certain end markets that had benefited from the previous upcycle began to moderate. In particular, demand in key downstream segments, notably consumer electronics and smartphones, weakened due to slower replacement cycles, softer end-consumer demand and inventory digestion by downstream customers. Meanwhile, the production capacity added during the previous upcycle was gradually released, resulting in underutilized capacity and a looser supply-demand balance. This imbalance depressed core wafer prices and, in turn, weighed on memory product pricing, while downstream customers became more cautious in procurement and continued to reduce inventories.

In 2024, the memory product market was generally in an early and uneven recovery phase following the cyclical downturn in 2022 and 2023. On the demand side, inventory levels across smartphones, PCs and other consumer electronics gradually normalized, while the stabilization of traditional end-market demand encouraged downstream customers to resume more normalized procurement and replenishment. On the supply side, although the production capacity added during the previous upcycle continued to weigh on the market, continued inventory digestion and more controlled supply by leading Original Memory Manufacturers gradually reduced excess supply. These factors supported a recovery during the first half of 2024. However, market conditions softened again during the second half of the year as end-market demand remained moderate and the impact of previously added capacity had not been fully absorbed. Accordingly, 2024 was characterized by a gradual but uneven recovery rather than a full industry upturn.

In 2025, the memory product market gradually transitioned from a recovery phase into a more pronounced industry upturn, with the change becoming increasingly evident in the second half of the year. During the first half of 2025, on the demand side, traditional end-market demand continued to recover and downstream procurement gradually normalized; on the supply side, continued inventory digestion and relatively disciplined supply management by leading Original Memory Manufacturers supported a gradual improvement in the supply-demand balance, while the market remained broadly in a recovery and adjustment phase. During the second half of 2025, particularly from the fourth quarter, on the demand side, the development of AI servers, AI PCs, AI phones, smart vehicles and other intelligent terminals generated incremental demand for higher-performance and higher-value memory products, while demand for mature memory products from conventional servers and consumer electronics remained resilient. On the supply side, leading Original Memory Manufacturers increasingly allocated wafer and packaging resources toward HBM, high-end DDR5 and other higher-margin products, while reducing or delaying capacity allocation for certain mature DRAM and NAND Flash products. The combination of stronger incremental demand and structural supply reallocation tightened supply-demand fundamentals and drove the industry into a more pronounced upturn in the second half of 2025.

As with memory product companies generally, the Group's product pricing, customer demand and profitability are affected by the cyclical conditions of the memory product industry. During an industry upcycle, like the more pronounced upturn since the second half of 2025, stronger downstream demand and tighter supply-demand conditions generally support higher product prices and sales demand, which in turn tend to improve the profitability of memory product companies, including the Group. Conversely, during a downcycle, weaker demand and softer pricing may place pressure on sales and profitability.

In terms of competitive advantages, memory product companies with integrated capabilities spanning controller chip design and development, firmware algorithm development, testing systems and storage medium characteristic analysis, together with comprehensive product portfolios and established customer and supply chain relationships, are generally better positioned to respond rapidly to evolving demand for higher-performance and higher-value memory products, accelerate product iteration and commercialization, and expand into emerging application scenarios. In terms of limitations, independent memory product enterprises generally have less direct control over upstream memory wafer production capacity and supply allocation than Original Memory Manufacturers, as they rely more heavily on external wafer suppliers. As a result, they may be more exposed to fluctuations in wafer availability and procurement costs, particularly during periods of tight supply or structural capacity reallocation, and may have relatively limited flexibility in responding to sudden changes in upstream supply.

In terms of required product upgrades, the rapid evolution of downstream applications and potential surges in demand place increasing requirements on market participants' underlying technologies and product development capabilities. Market participants need to continuously upgrade controller technologies, product interfaces, bandwidth and read/write performance, power efficiency, reliability, security and compatibility, while shortening product development, validation and customer qualification cycles and broadening product coverage across consumer-grade, enterprise-grade and other emerging applications.

Analysis of DRAM and NAND Flash Price Indexes in the Memory Product Market

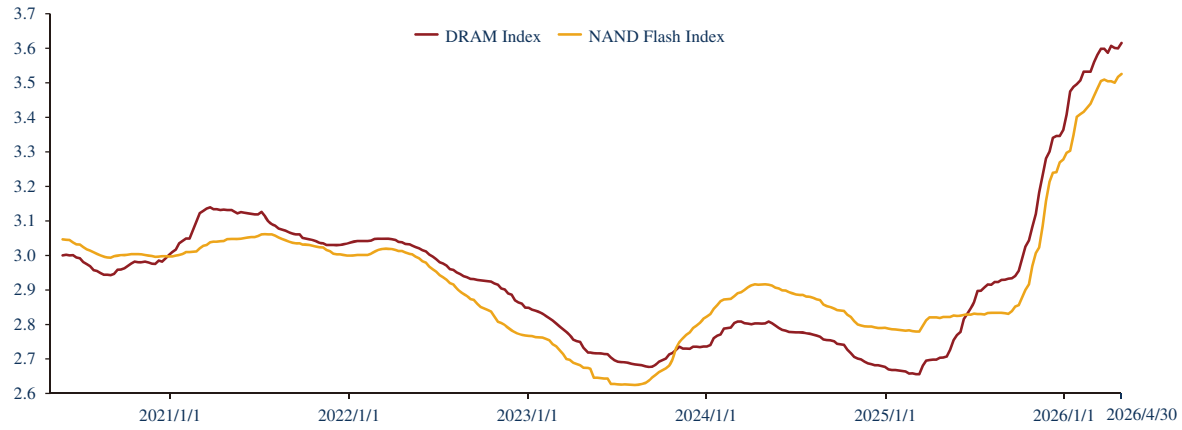
DRAM and NAND Flash wafers are key upstream inputs for memory products. Fluctuations in their prices directly affect the procurement costs of memory product enterprises and are generally transmitted to downstream memory product prices. Accordingly, movements in DRAM and NAND Flash wafer price indexes generally reflect the direction of changes in memory product prices, although the magnitude and timing of such pass-through may vary across different product types.

In 2021, driven by global supply chain constraints and robust demand from the remote work sector, the price indexes for DRAM and NAND Flash exhibited an overall upward trend and fluctuated at elevated levels. In 2022, impacted by weakening demand in terminal consumer electronics and the industry's entry into an inventory destocking cycle, the prices of the two core wafers shifted into a sharp downward trajectory with significant annual declines. From 2023 through the first half of 2025, the price indexes of DRAM and NAND Flash exhibited phased fluctuations and generally remained within a relatively low range. During the first three quarters of 2023, prices continued to decline due to the imbalance between supply and demand, before bottoming out and stabilizing toward the end of the third quarter. Prices began to rebound in the fourth quarter of 2023, with NAND Flash recovering ahead of DRAM. During 2024, continued inventory digestion, the gradual normalization of downstream inventories and the stabilization of demand from consumer electronics supported a gradual recovery in prices. However, due to the continued impact of previously expanded production capacity and the relatively moderate recovery in end-market demand, the price indexes remained at relatively low levels through the first half of 2025.

From the third quarter of 2025, the price indexes of DRAM and NAND Flash began to recover from the relatively low levels recorded in the first half of 2025, supported by improving demand conditions and supply-side adjustments. From the fourth quarter of 2025 and continuing into the first four months of 2026, however, the price indexes of both DRAM and NAND Flash increased significantly. On the demand side, incremental demand became increasingly concentrated in server- and AI-related applications, while baseline demand for conventional memory products from existing servers and consumer electronics remained resilient. As a result, demand for both high-performance and mature memory products increased concurrently. On the supply side, the continued shift of wafer and packaging resources toward higher-margin products created a crowding-out effect on the supply of conventional DRAM and NAND Flash products. Given the limited short-term flexibility of production capacity and the time required for capacity expansion, product qualification and production ramp-up, supply could not respond promptly to the simultaneous increase in demand. This widening imbalance between immediately available supply and market demand led to a rapid tightening of market conditions and drove the significant increase in memory product prices from the fourth quarter of 2025.

The DRAM price index increased more significantly, primarily because robust demand for HBM and high-end DDR5 absorbed a greater proportion of DRAM production resources and further tightened the supply of conventional DRAM products. The NAND Flash price index also increased, supported by demand from AI servers, enterprise SSDs and other storage applications, but its increase was relatively smaller as the recovery in consumer electronics demand was more moderate and its overall supply-demand tightness was less pronounced. Looking ahead, memory product prices are expected to remain on an upward trajectory in 2027 and 2028, supported by continued demand from AI- and server-related applications and the limited short-term flexibility of production capacity, which is expected to remain generally supportive of the Group's product pricing and profitability, although the pace of price increases is expected to moderate as downstream customers gradually adjust their procurement volumes and inventory levels.

DRAM and NAND Flash Price Indexes



Source: CFM, Frost & Sullivan

Analysis of Entry Barriers in the Memory Product Market

- ***Technological Barriers***

The memory market features high barriers in core R&D and system integration. As the core component, controller chips demand complex algorithm integration and deep product adaptation, while manufacturing relies on precise process control for varied scenario performance. Hardware-software co-design and architecture optimization require long-term know-how accumulation, making it hard for new entrants to build sufficient technology reserves quickly.

- ***Supply Chain Barriers***

The industry supply chain is highly concentrated and complex to coordinate. Upstream memory wafers are controlled by a handful of original memory manufacturers, leaving new entrants struggling for stable supply. Midstream development needs close coordination of controllers, firmware and particles, while downstream assembly/testing depends on specialized equipment and quality systems. Building a complete supply chain requires long-term resource and partnership accumulation.

- ***Customer Retention Barriers***

High switching costs deter customers from changing suppliers, as new products demand full testing, delay launches and carry quality risks. Customers prefer long-term stable cooperation, and mature suppliers' brand trust and reliable supply further strengthen customer stickiness amid market volatility.

- ***Policy and Regulatory Barriers***

Multilateral compliance requirements form policy barriers, including mandatory certifications for information security and local adaptation in major markets. International tech export controls also restrict access to advanced equipment and technologies. New entrants face complex policy constraints and compliance cost pressures.

FROST & SULLIVAN REPORT

We engaged Frost & Sullivan to conduct market research on the semiconductor industry and to prepare the Frost & Sullivan Report. Frost & Sullivan is an independent global consultancy established in New York in 1961, providing industry research and market strategy services. We have contracted to pay Frost & Sullivan RMB550,000 for the preparation of the Frost & Sullivan Report. In preparing the Frost & Sullivan Report, Frost & Sullivan conducted detailed primary research, including discussions with several leading industry participants and interviews with relevant parties. Frost & Sullivan also conducted secondary research, which included reviewing company reports, independent research reports, and data from its own research database. Frost & Sullivan compared historical data analysis with macroeconomic data and, considering the primary drivers of the aforementioned industry, derived figures estimating the total market size. Its market engineering forecasting approach combines various forecasting techniques with a system based on market engineering metrics, relying on the expertise of the analyst team to integrate key market elements investigated during the project research phase. These elements mainly include expert opinion forecasting methods, integration of market drivers and constraints, integration of market challenges, integration of market engineering metric trends, and consolidation of economic variables.

The Frost & Sullivan Report was prepared based on the following assumptions: (i) the social, economic, and political environments globally and in China are likely to remain stable during the forecast period; and (ii) the primary drivers of the relevant industry may propel the market during the forecast period.

THE PRC LAWS, REGULATIONS AND POLICIES

This section sets out summaries of certain aspects of the laws, regulations and policies of the PRC, which are relevant to business operations of the Company.

Laws, Regulations and Policies Relating to the Integrated Circuit Industry

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

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

On March 28, 2018, the Ministry of Finance (the "**MOF**"), the State Taxation Administration (the "**STA**"), the NDRC and the Ministry of Industry and Information Technology (the "**MIIT**") jointly promulgated the Notice on Issues Concerning Corporate Income Tax Policies for Integrated Circuit Manufacturers (《關於集成電路生產企業有關企業所得稅政策問題的通知》), which grants income tax exemptions or reductions to some integrated circuit manufacturing companies. The next year, the MOF and the STA jointly promulgated the Announcement on Income Tax Policies for Integrated Circuit Design and Software Enterprises (《關於集成電路設計和軟件產業企業所得稅政策的公告》), which provides that integrated circuit design enterprises and software enterprises satisfying the criteria shall enjoy an incentive period with effect from their profit-making years prior to December 31, 2018, and be exempted from enterprise income tax for the first year to the second year, and pay enterprise income tax based on 50% off the statutory 25% tax rate from the third year to the fifth year, until the incentive period expires.

The Notice on Administrative Measures on Import Tax Policies to Support the Development of the Integrated Circuit Industry and the Software Industry (《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》), which was jointly promulgated by the MOF, the NDRC, the MIIT and other departments and became effective on July 27, 2020, and the Notice of the MOF, the General Administration of Customs and the STA on Import Tax Policies to Support the Development of the Integrated Circuit Industry and the Software Industry (《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》), which took effect on the same day, provide some installment tax payment policies and import tariff exemption policies.

On March 12, 2021, the National People's Congress (the "**NPC**") approved the Outline of the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and Long-Range Objectives for 2035 of the PRC (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》), which clarifies that the PRC should foster advanced manufacturing clusters and promote the innovation and development of industries including integrated circuits.

On May 21, 2022, the STA issued the Guidelines on Tax Preference Policies for Software and Integrated Circuit Enterprises (《軟件企業和集成電路企業稅費優惠政策指引》). Pursuant to the Notice of the MOF and the STA on the Weighted Deduction Policy for Value-added Tax on Integrated Circuit Enterprises (《財政部、稅務總局關於集成電路企業增值稅加計抵減政策的通知》) promulgated on April 20, 2023, from January 1, 2023 to December 31, 2027, integrated circuit enterprises are allowed to deduct extra 15% of the deductible input tax in the current period from the value-added tax payable. The Announcement on Increasing the Proportion of Weighted Deduction of R&D Expenses of

Enterprises for Integrated Circuit and Industrial Master Machine (《關於提高集成電路和工業母機企業研發費用加計扣除比例的公告》) jointly promulgated by the MOF, the STA, the NDRC and the MIIT on September 12, 2023, sets out preferential tax policies for integrated circuit enterprises and industrial master machine enterprises.

Laws and Regulations Relating to Company

On December 29, 1993, the Standing Committee of the National People's Congress (the "**SCNPC**") issued the Company Law of the PRC (《中華人民共和國公司法》) (the "**Company Law**"), which was most recently amended by the SCNPC on December 29, 2023 and came into effect on July 1, 2024. All companies established in the PRC are subject to the Company Law. The Company Law regulates the establishment, operation, corporate structure and management of corporate entities in China and classifies companies into limited liability companies and limited companies by shares.

Transfer of Shares

Shares may be transferred in accordance with relevant laws and regulations. Registered shares shall be transferred by means of endorsement or other means prescribed by laws or regulations; after the transfer, the company shall record the name and domicile of the transferee in the register of shareholders of the company. The transfer of bearer shares shall take effect when the shareholder delivers the shares to the transferee.

Restrictions on Shareholding and Transfer of Shares

Where domestic investors subscribe for H shares issued by domestic enterprises, domestic investors shall be compliant with relevant provisions of the cross-border investment, such as qualified domestic institutional investors (QDII) or overseas direct investment filing (ODI), etc.

Pursuant to the Company Law, shares issued prior to the public offering shall not be transferred within one year from the date a company's shares are listed and traded on a stock exchange. The directors and senior management personnel of the company shall report to the company the shares held by them and their changes. During the term of office as determined when they assume the posts, the shares transferred each year shall not exceed 25% of the total shares they hold of the company. The above-mentioned personnel shall not transfer their shares of the company within half a year after their resignation. The Articles of Association of the Company may make other restrictive provisions.

Laws and Regulations Relating to Foreign Investment

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), which was promulgated by the NPC on March 15, 2019, and came into effect on January 1, 2020 and the Implementation Regulations for the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), which was promulgated by the State Council on December 26, 2019 and came into effect on January 1, 2020, establish principles and measures aimed at encouraging foreign investment, and explicitly stipulate that China provides legal protection for the investments, profits and other lawful rights and interests of foreign investors in China. The Special Administrative Measures (Negative List) for Foreign Investment Access (Edition 2024) (《外商投資准入特別管理措施(負面清單) (2024年版)》), which was jointly promulgated by the Ministry of Commerce (the "**MOFCOM**") and the NDRC on September 6, 2024, and came into effect on November 1, 2024, comprehensively enumerates restrictive measures for foreign investment market access. Industries not included on the list shall be subject to administration pursuant to the principle of equal treatment for domestic and foreign investment.

Laws and Regulations Relating to Securities and Overseas Listing

Securities

The Securities Law of the PRC (《中華人民共和國證券法》) (the "**Securities Law**"), which was promulgated by the SCNPC on December 29, 1998, most recently amended on December 28, 2019 and came into effect on March 1, 2020, comprehensively regulates activities in the Chinese securities market, including issuance and trading of securities, takeovers by listed companies, securities

exchanges, securities companies and the duties and responsibilities of securities regulatory authorities, etc. 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 according to law, maintain order in the market, and ensure the market operates in a lawful manner. Currently, the issuance and trading of H shares are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

Overseas Listing

On February 17, 2023, the CSRC issued a series of regulations governing the filing and administration of overseas issuance and listing by domestic enterprises. These included the trial measures and five supporting guidelines (collectively known as the "**Overseas Listing Regulations**"). According to the Overseas Listing Regulations, the domestic enterprises that seek to offer and list securities in overseas markets, either by direct or indirect means, are required to submit the requisite documents to the CSRC within three business days after submitting their overseas listing application.

Pursuant to the Provisions on Strengthening Confidentiality and Archives Administration in Respect of Overseas Issuance and Listing of Securities by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), which was jointly promulgated by the CSRC and other three relevant government departments on February 24, 2023 and became effective on March 31, 2023, in the course of overseas issuance and listing of domestic enterprises, domestic enterprises and securities companies and securities service agencies which provide the corresponding services shall strictly comply with the relevant laws and regulations, establish a sound system for confidentiality and archives work, adopt the requisite measures to perform the responsibilities of confidentiality and archives administration, and shall not divulge state secrets and work secrets of state agencies or harm state and public interests.

The Administrative Measures for Overseas Investments (《境外投資管理辦法》) was promulgated by the MOFCOM on September 6, 2014, which came into effect on October 6, 2014. The Administrative Measures for the Outbound Investment by Enterprises (《企業境外投資管理辦法》) was promulgated by the NDRC on December 26, 2017, which came into effect on March 1, 2018. According to these measures, sensitive projects carried out by the investing entities directly or through overseas enterprises controlled by them shall be subject to approval. Overseas investments involving any sensitive country or region, or any sensitive industry shall be subject to the approval by the NDRC, and overseas investments under other circumstances shall be subject to filing. The MOFCOM and provincial competent commerce authorities manage overseas investments through the "Overseas Investment Management System", and issue the Enterprise Overseas Investment Certificate to enterprises that have obtained filing or approval.

The Notice of the People's Bank of China and the State Administration of Foreign Exchange on Issues Concerning Capital Management for Overseas Listings of Domestic Enterprises (《中國人民銀行國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》) was promulgated on December 26, 2025, and came into effect on April 1, 2026. According to the Notice, in principle, the funds raised by domestic enterprises from overseas issuance and listing shall be remitted back to China in a timely manner. If such funds are retained overseas for purposes such as overseas direct investment, overseas securities investment, or overseas lending, the enterprises must obtain approval or filing documents from the competent governmental authorities before the completion of the overseas offering or the over-allotment option, and shall comply with the relevant regulations concerning cross-border funds management.

Laws and Regulations Relating to Intellectual Property Rights

Patent

The Patent Law of the PRC (《中華人民共和國專利法》) was enacted by the SCNPC on March 12, 1984 and implemented on April 1, 1985. It was most recently amended on October 17, 2020 and implemented on June 1, 2021. The Implementing Rules for the Patent Law of the PRC (《中華人民共和國專利法實施細則》) was promulgated on January 19, 1985 and implemented on April 1, 1985. It was most recently amended on December 11, 2023 and implemented on January 20, 2024. Pursuant to these

laws, regulations and implementing rules, patents in China are categorized into three types: invention, utility model and design. The duration of an invention is 20 years, the duration of a utility model is 10 years, and the duration of a design is 15 years, all calculated from the date of application.

Trademark

The Trademark Law of the PRC (《中華人民共和國商標法》) was promulgated by the SCNPC on August 23, 1982 and implemented on March 1, 1983. It was most recently amended on April 23, 2019 and implemented on November 1, 2019. The Implementing Rules of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) were promulgated by the State Council on August 3, 2002 and implemented on September 15, 2002. It was most recently amended on April 29, 2014 and came into effect on May 1, 2014. Pursuant to these laws and regulations, the duration of a registered trademark is 10 years, commencing from the date of approval. If the trademark registrant intends to continue using the trademark, it shall complete renewal formalities pursuant to the provisions within the 12-month period before the expiry date; where renewal formalities are not completed within the stipulated period, a six-month extension may be allowed.

Copyright

The Copyright Law of the PRC (《中華人民共和國著作權法》) was promulgated by the SCNPC on September 7, 1990 and implemented on June 1, 1991, was last amended on November 11, 2020, and became effective on June 1, 2021. The Implementing Regulations for the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》) were promulgated on May 30, 1990 and implemented on June 1, 1991, were last amended on January 30, 2013, and became effective on March 1, 2013. According to these laws and regulations, works of Chinese citizens, legal persons, or other organizations, including but not limited to works of literature, art, natural science, social science, engineering technology and computer software, shall enjoy copyright whether published or not.

According to the Measures for Registration of Computer Software Copyright (《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 on March 1, 2013, the National Copyright Administration is primarily responsible for the registration and management of software copyright in the Chinese Mainland, and recognizes the China Copyright Protection Center as the software registration organization.

Layout-Design of Integrated Circuits

The Regulations for the Protection of Layout-Designs of Integrated Circuits (《集成電路佈圖設計保護條例》) were promulgated by the State Council on April 2, 2001, and implemented on October 1, 2001. 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》) were promulgated by the National Intellectual Property Administration on September 18, 2001, and implemented on October 1, 2001. According to these regulations, natural persons, legal persons or other organizations that create layout-designs in China enjoy the exclusive rights to their designs. The term of protection for the exclusive right of layout-designs is 10 years, calculated from the date of filing the application for registration of the layout-design or the date on which it is first put into commercial use anywhere in the world, whichever is earlier. However, a layout-design shall no longer be protected by these regulations 15 years after the date of the completion of its creation.

Domain Name

According to the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》), which were promulgated by the MIIT on August 24, 2017, and implemented on November 1, 2017, the principle of "first to file" is adopted for domain name registration services.

Laws and Regulations Relating to Employment and Social Welfare

Employment

The Labor Law of the PRC (《中華人民共和國勞動法》) (the "**Labor Law**"), was promulgated by the SCNPC on July 5, 1994, implemented on January 1, 1995, and was last amended and implemented on December 29, 2018. The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) (the "**Labor Contract Law**") was promulgated by the SCNPC on June 29, 2007, and implemented on January 1, 2008, with the latest amendment taking effect on July 1, 2013. The Implementation Regulations for the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) were promulgated and implemented by the State Council on September 18, 2008. The aforementioned laws and regulations impose stringent requirements on employers regarding the signing of employment contracts, hiring temporary employees and dismissal of employees.

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)》) was promulgated by the Supreme People's Court of the PRC on July 31, 2025, which took effect on September 1, 2025. Article 19(1) thereof stipulates that if an employer and an employee agree or the employee undertakes that social insurance contributions need not be paid, the People's Court shall deem such agreement or undertaking invalid. Furthermore, 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 Labor Contract Law, the People's Court shall support such claims in accordance with the law, which clarifies that employees are entitled to request termination of their labor contracts and receive corresponding economic compensation under the Labor Contract Law if the employer fails to make social insurance contributions in accordance with the law.

Social Welfare

The Social Security Law of the PRC (《中華人民共和國社會保險法》) (the "**Social Security Law**") was promulgated by the SCNPC on October 28, 2010 and was last amended on December 29, 2018. It establishes a social insurance system covering basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance, and maternity insurance, and elaborates on the legal liabilities of employers who fail to comply with social insurance-related laws and regulations. According to the Social Security Law and the Provisional 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 last amended and effective on March 24, 2019, enterprises shall register for social insurance with local social insurance agencies and pay or withhold relevant social insurance premiums for their employees. Any employer failing to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a specified period, and shall pay a late fee. If the employer still fails to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

According to the 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 last amended on March 24, 2019, employers shall make registration of contribution to the housing provident fund with the housing provident fund management center, and go through the formalities of opening housing provident fund accounts on behalf of their employees. In case of overdue payment or underpayment by employers, orders for payment within a specified period will be made by the housing provident fund management center, and where employers fail to make payment within such period, enforcement by the people's court will be applied.

Laws and Regulations Relating to Foreign Exchange

According to the Foreign Exchange Control Regulations of the PRC (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996, and implemented on April 1, 1996, with its latest amendment taking effect on August 5, 2008, RMB is generally freely convertible for current

account transactions, such as foreign exchange transactions related to trade and services and dividend payments. However, unless prior approval is obtained from the foreign exchange administrative authorities, capital account transactions, including capital transfers, direct investment, securities investment, derivatives or loans, are not allowed to be freely converted.

The Administrative Regulations on Settlements, Sales and Payments in Foreign Exchange (《結匯、售匯及付匯管理規定》) were promulgated by the People's Bank of China on June 20, 1996, and implemented on July 1, 1996. The Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) was promulgated on March 30, 2015. According to these regulations, domestic institutions must open foreign exchange accounts with banks authorized to conduct foreign exchange business in their registration area and handle foreign exchange settlement, purchase and payment according to these regulations. Domestic institutions opening foreign exchange accounts in different locations or abroad must apply to the State Administration of Foreign Exchange (the "**SAFE**"). Foreign-invested enterprises can open foreign exchange settlement accounts with banks authorized to conduct foreign exchange business in their registration area for foreign exchange income under current accounts with approval.

Pursuant to the Notice of the SAFE on Optimizing Foreign Exchange Administration to Support the Development of Foreign-Related Businesses (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》), which was issued and implemented by the SAFE on April 10, 2020, enterprises meeting certain conditions are permitted to use income under the capital accounts, including capital funds, foreign debts and overseas listing proceeds, for domestic payments without needing to provide proof of authenticity to banks on a transaction-by-transaction basis in advance, as long as the fund usage is genuine, compliant and in accordance with current capital account income management regulations.

The Notice of the SAFE on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) was issued by the SAFE on February 13, 2015 and implemented on June 1, 2015, which was partially repealed by the Notice of the SAFE on Repeal and Invalidation of Five Regulatory Documents on Foreign Exchange Administration and Some Clauses of Seven Regulatory Documents on Foreign Exchange Administration (《國家外匯管理局關於廢止和失效5件外匯管理規範性文件及7件外匯管理規範性文件條款的通知》) issued and implemented on December 30, 2019. As per this notice, banks directly review and handle foreign exchange registration under domestic direct investment and foreign direct investment, while the SAFE and its branches exercise indirect supervision over foreign exchange registration for direct investments through banks.

Laws and Regulations Relating to Taxation

The Corporate Income Tax Law of the PRC (《中華人民共和國企業所得税法》) was promulgated by the SCNPC on March 16, 2007, implemented on January 1, 2008, and last amended and implemented on December 29, 2018. The Implementing Regulations for the Corporate Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》) were promulgated by the State Council on December 6, 2007, implemented on January 1, 2008, and last amended on December 6, 2024. The Administrative Measures on Accreditation of High-tech Enterprises (《高新技術企業認定管理辦法》) were issued by the Ministry of Science and Technology (the "**MOST**"), the MOF and the STA on January 29, 2016, and implemented on January 1, 2016. According to these laws and regulations, both resident enterprises and non-resident enterprises are subject to a uniform enterprise income tax rate of 25%. Enterprises recognized as High-tech Enterprises are subject to a tax rate of 15%, while eligible small and low-profit enterprises are subject to a tax rate of 20%. However, non-resident enterprises that have not established institutions or places in China, or whose income is not effectively connected with their established institutions or places in China, shall pay enterprise income tax on their income derived from within China at a tax rate of 20%.

Issued and implemented by the STA on February 20, 2009, the Notice of the STA on Issues Relating to the Implementation of Dividend Clauses in Tax Treaties (《國家税務總局關於執行税收協定股息條款有關問題的通知》) stipulates that when a Chinese resident company pays dividends to a resident of a tax treaty counterpart, and the recipient (or the beneficiary of the dividends) is the beneficial owner of the dividends, the recipient is entitled to the preferential treatment under the tax treaty, i.e., the income tax in China is calculated at the rate specified in the tax treaty in China. If the treaty rate is higher than the domestic tax rate of China, the taxpayer may still be taxed according to Chinese domestic tax laws. If the resident of a tax treaty counterpart directly owns a certain percentage of the capital (generally 25% or 10%) of the Chinese resident company paying the dividends, the dividends received by the resident of a tax treaty counterpart will be taxed at the treaty-specified rate.

Published by the STA on February 3, 2018, and implemented on April 1, 2018, the Announcement of the STA on Issues Relating to the "Beneficial Owner" in Tax Treaties (《國家税務總局關於税收協定中"受益所有人"有關問題的公告》) defines the "beneficial owner" in the dividend, interest and royalties articles of double taxation avoidance agreements signed by the PRC government as a person who has ownership and control over the income or the rights or property from which the income is derived. The determination of the status of a "beneficial owner" who is a resident of a treaty counterpart seeking treaty benefits should be made based on the factors listed in the Announcement, combined with a comprehensive analysis of the specific circumstances of each case.

Issued by the STA on October 14, 2019, and implemented on January 1, 2020, the Administrative Measures on Non-resident Taxpayers Enjoying Treaty Benefits (《非居民納税人享受協定待遇管理辦法》) state that non-resident taxpayers claiming treaty benefits shall be handled in accordance with the principles of "self-assessment, declaration of entitlement, and retention of relevant materials for future inspection." A non-resident taxpayer who determines that he or she meets the conditions for enjoying treaty benefits may enjoy such benefits at the time of tax declaration or through the withholding agent at the time of withholding declaration. Non-resident taxpayers should also collect and retain relevant materials according to the provisions of the Administrative Measures and accept subsequent management by the tax authorities.

According to the PRC Value-Added Tax Law (《中華人民共和國增值税法》) latest amended by the SCNPC on December 25, 2024 and became effective on January 1, 2026, and the Implementation Rules of the Value-Added Tax Law of the PRC (《中華人民共和國增值税法實施條例》) latest amended by the State Council on December 25, 2025 and became effective on January 1, 2026, all entities and individuals engaged in sale of goods or provision of processing, repair and maintenance services or importation of goods in Chinese mainland are subject to the Value-Added Tax (the "**VAT**"). Unless otherwise specified, the VAT rate is generally 13% in respect of the sale or importation of goods.

Laws and Regulations Relating to Environmental Protection and Fire Control

Environmental Protection

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) was promulgated and implemented by the SCNPC on September 13, 1979, latest revised on April 24, 2014, and implemented on January 1, 2015. The Law on Environmental Impact Assessment of the PRC (《中華人民共和國環境影響評價法》), was promulgated by the SCNPC on October 28, 2002, and implemented on September 1, 2003. It was latest revised and implemented on December 29, 2018. According to these laws, the state implements a categorized management system for environmental impact assessments of construction projects. The construction entity is responsible for the content and conclusions of the environmental impact assessment documents of its project. Without review and approval by the relevant authorities in accordance with the law, the construction entity shall not commence construction.

Fire Control

The Fire Control Law of the PRC (《中華人民共和國消防法》) was first promulgated by the SCNPC on April 29, 1998, and came into effect on September 1, 1998 and was latest revised and implemented on April 29, 2021. The Interim Provisions on the Administration of Fire Protection Design Review and Acceptance of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) were

first promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020, latest revised on August 21, 2023, and implemented on October 30, 2023. According to the aforementioned laws and regulations, for construction projects which are completed and for which fire protection acceptance is required as stipulated by the competent housing and urban-rural development authority under the State Council, the construction entity must apply to the competent housing and urban-rural development department for fire protection acceptance. For other construction projects not covered by the preceding provision, the construction entity shall, after conducting its own acceptance, submit the relevant information to the competent housing and urban-rural development department for record-filing, and the said department shall conduct spot checks.

Laws and Regulations Relating to Product Quality

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) , promulgated by the SCNPC on February 22, 1993, and latest amended and implemented on December 29, 2018, producers and sellers shall establish a sound internal product quality control system and strictly adhere to a job responsibility system in relation to quality standards and quality liabilities together with implementing corresponding examination and inspection measures, and they shall bear liability for product quality accordingly.

Laws and Regulations Relating to Leasing of Real Estate

The Civil Code of the PRC (《中華人民共和國民法典》) (the "**Civil Code**") was promulgated by the NPC on May 28, 2020 and implemented on January 1, 2021. According to the Civil Code, the establishment, change, transfer and elimination of real estate rights become effective after being registered according to law. Without registration, it will not take effect, unless otherwise stipulated by law. The registration of real estate shall be handled by the registration authority where the real estate is located. However, if the parties to a lease contract fail to go through the registration formalities of the lease contract in accordance with the provisions of laws and administrative regulations, the validity of the contract will not be affected.

According to the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》) promulgated on December 1, 2010 and implemented on February 1, 2011, the parties to a house lease shall conclude a lease contract according to law.

Laws and Regulations Relating to Investment Projects

The Administrative Regulations on Approval and Filing of Enterprise Investment Projects (《企業投資項目核准和備案管理條例》) was promulgated on November 30, 2016 and implemented on February 1, 2017. The Measures for the Administration on Approval and Filing of Enterprise Investment Projects (《企業投資項目核准和備案管理辦法》) was promulgated on March 8, 2017 and implemented on April 8, 2017. According to these laws and regulations, approval administration or filing administration shall be implemented respectively in accordance with the circumstances of the projects, and projects relating to national security or involving nationwide significant productivity layout, development of strategic resources and significant public interests shall be subject to approval administration, and other projects shall be subject to filing administration.

Laws and Regulations Relating to the Import and Export of Goods

The Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) was promulgated by the SCNPC on May 12, 1994, and implemented on July 1, 1994. It was last promulgated and implemented on December 30, 2022; the Measures for the Record and Registration of Foreign Trade Operators (《對外貿易經營者備案登記辦法》) were promulgated by the MOFCOM on June 25, 2004 and implemented on July 1, 2004, and were most recently promulgated and implemented on May 10, 2021. According to these laws, regulations and measures, the state allows the free import and export of goods and technologies.

The Administrative Provisions on Record-filing of Customs Declaration Entities of the People's Republic of China (《中華人民共和國海關報關單位備案管理規定》) was promulgated by the General Administration of Customs on November 19, 2021, and implemented on January 1, 2022. According to this regulation, the consignor and consignee of import and export goods and the customs declaration enterprise shall obtain the qualification of market entity when applying for filing.

The Administrative Regulations on the Import and Export of Goods of the People's Republic of China (《中華人民共和國貨物進出口管理條例》) was promulgated by the State Council on December 10, 2001 and implemented on January 1, 2002. It was last revised on March 10, 2024 and implemented on May 1, 2024. According to this regulation, goods that are prohibited from import shall not be imported, and goods that are prohibited from export shall not be exported. Quota management shall be implemented for restricted import goods with quantitative restrictions stipulated by the state; other restricted import and export goods shall be subject to license management. Goods that are freely importable and exportable shall not be subject to restrictions.

Pursuant to the Export Control Law of the People's Republic of China (《中華人民共和國出口管制法》) issued by the SCNPC on October 17, 2020, China adopts a unified export control system, which is subject to administration through the formulation of a control list, directory or catalogue, the implementation of export permission, or otherwise, and adopts a licensing system for the export of controlled items.

Laws and Regulations Relating to Cybersecurity and Data Security

The National Security Law of the People's Republic of China (《中華人民共和國國家安全法》) was promulgated by the SCNPC on July 1, 2015, which became effective on the same day, pursuant to which the state shall establish a national security review and supervision system to review, among other things, foreign investment, key technologies, network and information technology products and services, projects relating to national security matters and other important activities that are likely to impact national security of the People's Republic of China.

The Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》) (the "**Cybersecurity Law**") was promulgated by the SCNPC on November 7, 2016, which became effective on June 1, 2017 and was latest amended on October 28, 2025. According to the Cybersecurity Law, network operators must comply with applicable laws and regulations and fulfill their cybersecurity protection obligations in conducting business and providing services.

The Cybersecurity Review Measures (《網絡安全審查辦法》) was issued by the Cyberspace Administration of China (the "**CAC**") and other relevant regulatory authorities of the PRC on December 28, 2021, which became effective on February 15, 2022. Pursuant to the Measures, where operators of critical information infrastructure purchase network products and services and operators of network platforms carry out data processing activities, and such acts affect or may affect national security, cybersecurity review shall be conducted.

The Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), which was promulgated by the SCNPC on June 10, 2021, and became effective on September 1, 2021, sets out various obligations for data processors in conducting data processing activities. Regulations on Network Data Security Management (《網絡數據安全管理條例》) (the "**Network Data Security Regulations**") promulgated by the State Council on September 24, 2024, which became effective on January 1, 2025, stipulate that where network data processors carry out network data processing activities that affect or may affect national security, they shall undergo a national security review in accordance with relevant national regulations. The Network Data Security Regulations optimize regulations on cross-border data security management, specifying conditions under which network data processors may provide personal information abroad in accordance with international treaties or agreements.

The Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) (the "**PIPL**") was promulgated by the SCNPC on August 20, 2021 and became effective on November 1, 2021. The PIPL defines the scope of personal information and the ways of processing personal information, establishes rules for processing personal information and for providing personal information to overseas recipients, and clarifies the individual's rights and the processor's obligations in the process of personal information processing. On July 7, 2022, the CAC promulgated the Measures for Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》) (the "**Security Assessment Measures**"), which came into effect on September 1, 2022. The Security Assessment Measures specifies the circumstances where a cross-border data transfer is subject to security assessment.

LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN HONG KONG

The major applicable laws and regulations of Hong Kong which relate to the business operations and the subsidiary incorporated in Hong Kong are set out below. This summary does not purport to be a comprehensive description of all the laws and regulations applicable to the business and operations in Hong Kong, and/or which may be important to potential investors.

Business

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

Section 5 of the Business Registration Ordinance requires every person (including a company or an individual) carrying on a business in Hong Kong to register with the Inland Revenue Department and obtain a business registration certificate within one month after the commencement of the business. Business registration follows an application-based procedure and does not involve government approval. A business registration certificate will be issued upon satisfaction of the statutory requirements.

Import and Export Ordinance (Chapter 60 of the Laws of Hong Kong)

The Import and Export Ordinance provides for the regulation and control of the import of articles into Hong Kong, the export of articles from Hong Kong, the handling and carriage of articles within Hong Kong which have been imported into Hong Kong or which are intended to be exported from Hong Kong, and any matter incidental to or connected with the foregoing. The import and export of certain articles are prohibited unless accompanied by the relevant licences issued under the Import and Export Ordinance.

Import and Export (Registration) Regulations (Chapter 60E of the Laws of Hong Kong)

Pursuant to the Import and Export (Registration) Regulations, every person, including company, who imports or exports or re-exports any article (other than an exempted article set out therein) shall lodge with the Commissioner of Customs and Excise and any Deputy or Assistant Commissioner of Customs and Excise an accurate and complete import or export declaration relating to such article within 14 days after the importation or exportation of the article, in accordance with the requirements that the Commissioner of Customs and Excise may specify.

Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong)

The Inland Revenue Ordinance imposes taxes on property, earnings and profits in Hong Kong and provides, among others, that persons, which include corporations, partnerships, trustees and bodies of persons, carrying on any trade, profession or business in Hong Kong are chargeable to tax on all profits (excluding profits arising from the sale of capital assets) arising in or derived from Hong Kong from such trade, profession or business.

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

The Sale of Goods Ordinance regulates the sale of goods by the Group in Hong Kong, under which:

(a) there is an implied condition that the goods shall correspond with the description where there is a contract for the sale of goods by description;

(b) there is an implied condition that the goods supplied under the contract are of merchantable quality where a seller sells goods in the course of a business, except that there is no such condition (i) as regards defects specifically drawn to the buyer's attention before the contract is made; or (ii) if the buyer examines the goods before the contract is made, as regards defects which that examination ought to reveal; or (iii) if the contract is a contract for sale by sample, as regards defects which would have been apparent on a reasonable examination of the sample; and

(c) where there is a contract for sale by sample, there are implied conditions that (i) the bulk shall correspond with the sample in quality, (ii) the buyer shall have a reasonable opportunity of comparing the bulk with the sample, and (iii) the goods shall be free from any defect rendering them unmerchantable which would not be apparent on reasonable examination of the sample.

On the other hand, any right, duty or liability which arises under a contract of sale of goods by implication of law may be negated or varied by express agreement, or by course of dealings between the parties, or by usage if the usage is such as to bind both parties to the contract, subject to the Control of Exemption Clauses Ordinance (Chapter 71 of the Laws of Hong Kong).

Intellectual Property

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

The Trade Marks Ordinance provides for the registration of trademarks, the use of registered trademarks and related matters. Hong Kong provides territorial protection for trademarks. Therefore, trademarks registered in other countries or regions are not automatically entitled to protection in Hong Kong. In order to enjoy protection under the laws of Hong Kong, trademarks must be registered with the Trade Marks Registry of the Intellectual Property Department.

In particular, under the Trade Marks Ordinance:

(a) a registered trademark is a property right acquired through due registration under such ordinance, and the owner of a registered trademark is entitled to such rights provided by the ordinance;

(b) the owner of a registered trademark is conferred exclusive rights in the trademark from the date of the registration of the trademark which is the filing date of the application for registration; and

(c) unless otherwise provided, any use of the trademark by third parties without the consent of the registered owner is an infringement of the trademark. Infringement proceedings may be brought if an infringement of trademark takes place and the registered owner is entitled to remedies under the ordinance.

Trademarks which are not registered under the Trade Marks Ordinance may still be protected by the common law action of passing off, which requires proof of the owner's reputation in the unregistered trademark and that use of the trademark by third parties will cause the owner damage.

Patents Ordinance (Chapter 514 of the Laws of Hong Kong)

The Patents Ordinance provides for the registration of patents for the protection of inventions, being products, substances, or processes which are novel and inventive. Hong Kong provides territorial protection for patents. Therefore, patents registered in other countries or regions are not automatically entitled to protection in Hong Kong. In order to enjoy protection under the laws of Hong Kong, patents must be registered with the Trade Marks Registry of the Intellectual Property Department. Once registered, the patent owner or inventor of the invention has the right to exclude others from using the invention in Hong Kong for the term of protection granted by the patent.

In particular, under the Patents Ordinance, there are two types of patents:

(a) Standard patent — this offers a patent protection term of up to 20 years for the invention and may be obtained through two routes:

  (i) Re-registration (standard patent (R)) — this patent is granted on the basis of a corresponding patent application for the same invention previously filed with a designated patent office outside Hong Kong (namely China, the EU or the UK); and

  (ii) Original grant patent (standard patent (O)) — the applicant can file their standard patent (O) application directly in Hong Kong without first filing the patent application in a designated patent office.

(b) Short-term patent — this offers a protection term of up to eight years.

Information Security

Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong)

The Personal Data (Privacy) Ordinance (the "**PDPO**") covers any data relating directly or indirectly **to a person**, namely the data subject, from which it is practicable to ascertain the identity of the individual and which are in a form in which access to or processing of the data is practicable. It applies to a data user, namely any person who, either alone or jointly or in common with other persons, controls the collection, holding, processing or use of personal data.

Under the PDPO, no mandatory product-specific information security certification is required for marketing general memory products in Hong Kong.

We may have access to personal data of our customers. In doing so, we must comply with the PDPO and its six principles, which are as follows:

Principle 1 — Purpose and manner of collection **of personal data**. This principle provides for the lawful and fair collection of personal data and sets out the information a data user must give to a data subject when collecting personal data from that subject.

Principle 2 — Accuracy and duration of retention **of personal data**. This principle provides that personal data shall be accurate, up-to-date and kept no longer than necessary.

Principle 3 — Use of personal data. This principle provides that unless the data subject gives consent otherwise, personal data shall be used for the purposes for which they were collected or a directly related purpose.

Principle 4 — Security of personal data. This principle requires appropriate security measures to be applied to personal data.

Principle 5 — Information to be generally available. This principle provides for openness by data users about the categories of personal data they hold and the main purposes for which personal data are used.

Principle 6 — Access to personal data. This principle provides for data subjects to have rights of access to and correction of their personal data.

Non-compliance with the data protection principles may lead to a complaint being lodged with the Privacy Commissioner for Personal Data (the "**Privacy Commissioner**") and the Privacy Commissioner may serve an enforcement notice to direct the data user to take steps to remedy the contravention.

Contravention of an enforcement notice is an offence under the PDPO which could result in a fine and imprisonment. A claim for compensation may also be made by a data subject who suffers damage by reason of a contravention of a requirement under the PDPO.

Employment

Employment Ordinance (Chapter 57 of the Laws of Hong Kong)

The Employment Ordinance regulates the general conditions of employment and matters related thereto in Hong Kong. It provides for a comprehensive range of employment protection and benefits for employees, including but not limited to wage protection, paid annual leave, maternity protection, statutory holidays, severance payment and long service payment.

Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong)

Under the Mandatory Provident Fund Schemes Ordinance, an employer must take all practicable steps to ensure that employees who are at least 18 but under 65 years of age and employed for 60 days or more become members of a registered scheme (except for certain exempt persons) within the first 60 days of employment.

It is also mandatory for an employer to make mandatory contributions to the Mandatory Provident Fund scheme. An employer employing the relevant employee must, for each contribution period occurring after the commencement of employment, (i) contribute to the relevant registered scheme from the employer's own funds the amount determined in accordance with the Mandatory Provident Fund Schemes Ordinance; and (ii) deduct from the employee's relevant income for that period, as a contribution by the employee to that scheme, the amount determined in accordance with the Mandatory Provident Fund Schemes Ordinance.

Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong)

The Employees' Compensation Ordinance provides that an employer is liable for any personal injury by accident arising out of and in the course of the employment to the employee.

It further provides that no employer shall employ any employee in any employment unless there is in force in relation to such employee a policy of insurance issued by an insurer for not less than the specified amount in respect of the liability of the employer.

Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong)

The Minimum Wage Ordinance provides that the wages payable to an employee in respect of any wage period, when averaged over the total number of hours worked in the wage period, should be no less than the statutory minimum wage rate. The statutory minimum wage with effect from May 1, 2026 is HK$43.1 per hour and it applies to all employees being engaged under a contract of employment under the Employment Ordinance, except those employed as domestic workers in, or in connection with, a household and who dwell in that household free of charge, student interns and work experience students during a period of exempt student employment.

LAWS AND REGULATIONS RELATING TO TAIWAN'S OUTBOUND INVESTMENT IN CHINESE MAINLAND ENTITIES

Act Governing Relations between the People of the Taiwan Area and the Mainland Area of China ("Cross-Strait Act")

Article 35 of the Cross-strait Act stipulates that individuals, juristic persons and other similar organizations from Taiwan Area of China shall obtain approval from the Ministry of Economic Affairs ("**MOEA**") for investment or technical cooperation in the Chinese Mainland. For investments with a cumulative amount below US$1 million in the same Mainland enterprise, they may be reported and filed with MOEA after the completion of investment.

Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China (the "Regulations")

Forms of Investment and Technical Cooperation: Investment forms include establishing new business entities, increasing capital in existing Mainland enterprises, acquiring equity in unlisted companies, and establishing or expanding branch offices. Technical cooperation refers to the direct or indirect transfer or licensing of know-how, patent rights, or computer program copyrights from relevant entities in Taiwan Area of China to relevant entities in the Chinese Mainland. Note that prior to December 30, 2020, technical cooperation referred to authorizing specialized technology or intellectual property rights to people in the Mainland Area and agreeing to obtain certain remuneration in a manner other than equity, and did not include the act of transferring specialized technology or intellectual property rights to people in the Mainland Area.

Sector-specific Limitations: Investors from Taiwan Area of China shall not invest in prohibited industries/projects in the Chinese Mainland (including certain agricultural, manufacturing, service and BOT infrastructure projects). Conditionally permitted industries/projects, such as wafer foundries, integrated circuit design, packaging and testing, LCD panel manufacturing, real estate development, and products such as ethylene, require prior approval from MOEA. All other industries and projects are open to investment. When a parent company from Taiwan Area of China applies to establish a subsidiary in the Chinese Mainland, MOEA's approval already covers the technical aspects of the investment, so no separate approval for technical cooperation is required; if know-how or patent rights are subsequently transferred or licensed to the subsidiary, separate approval from MOEA is necessary. As confirmed with MOEA, the abovementioned sector-specific limitations apply in such a way that when dealing with investment applications, MOEA looks into whether the operations of the Mainland enterprise involve prohibited or conditionally permitted industries/projects. On the other hand, when reviewing technical cooperation applications, sector-specific limitations do not concern operations of the Mainland enterprise itself; rather, MOEA looks into whether the contents of technology or intellectual property involve the use or application in prohibited or conditionally permitted industries/projects.

Ongoing Reporting Requirements: Approved investors shall submit designated documents to MOEA for filing within six months after the completion of investment and regularly fill in the Investment Enterprise Operational Status Survey Form; those with cumulative investment below US$1 million in the same Mainland enterprise shall also file relevant documents within six months after investment completion. For approved technical cooperation, the start date shall be reported to MOEA within six months after implementation. If a single investor from Taiwan Area of China has a cumulative investment of US$50,000,000 or more in the same Mainland enterprise, it shall report the implementation status of the investment plan within 10 days after the end of each quarter, and submit the annual implementation status and financial statements certified by a certified public accountant within five months after the end of each fiscal year.

FINAL RULE BY THE U.S. DEPARTMENT OF THE TREASURY

On October 28, 2024, the U.S. Department of the Treasury (the "**Department of Treasury**") issued the "Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern" (the "**Final Rule**") to implement an outbound investment program that restricts investments by U.S. persons and U.S.-controlled entities imposed by Executive Order 14105, "Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern". The Final Rule became effective on January 2, 2025.

Application Scope of the Final Rule

The Final Rule applies to investments by U.S. persons as to "covered transactions" involving "covered foreign person" associated with a "country of concern" in "covered activities."

- "Covered activities" include activities in (1) semiconductors and microelectronics sectors, (2) quantum information technologies sectors and (3) AI sectors that pertain to national security technologies and products.
- "Covered transactions" under the Final Rule include (1) acquisition of equity (including purchases of shares in an initial public offering) or contingent equity, (2) debt financing, (3) conversion of contingent equity interest, (4) greenfield and brownfield investments, (5) joint ventures, and (6) investments made as a limited partner.
- "Covered foreign person" means (1) a person of a country of concern who or who is engaged in activities involving one or more of the three sectors of semiconductors and microelectronics, quantum information technologies, and AI, and (2) a person that directly or indirectly holds a board seat on, a voting or equity interest in, or any contractual power to direct the management or policies of a person of a country of concern.
- "Country of concern" for now is the People's Republic of China, including Hong Kong and Macau.

Major Components of the Final Rule

Under the Final Rule, a "covered transaction" may be a "prohibited transaction" which is outright prohibited or a "notifiable transaction" which is subject to notification requirements. In addition, certain transactions that would have been considered prohibited or notifiable transactions may be exempt from the prohibition or notification requirements and may be considered an "excepted transaction" under the Final Rule if certain conditions are met. Details of the prohibited transactions, notifiable transactions and excepted transactions are set forth below.

Prohibited Transactions

Prohibited transactions refer to the prohibition on certain U.S. investments in a covered foreign person engaged in covered activities pertaining to specified categories of advanced technologies and products. A U.S. person may not engage in such transactions unless an exemption for that transaction has been granted. For instance, investments by U.S. persons in covered foreign persons engaged in the following activities in the semiconductor industry reach the threshold for "prohibited transactions" under the Final Rule:

- Developing or producing any electronic design automation software for the design of integrated circuits or advanced packaging;
- Developing or producing specified front-end semiconductor fabrication equipment, equipment for performing volume advanced packaging, or commodity, material, software, or technology designed exclusively for use in or with extreme ultraviolet lithography fabrication equipment;

- Designing (1) integrated circuits that have a total processing performance of 4800 or more, or have a total processing performance of 1600 or more and a performance density of 5.92 or more, as described in ECCN 3A090.a under the EAR, where total processing performance is calculated as 2 × MacTOPS × the bit length of the operation, aggregated over all processing units on the integrated circuit, and "MacTOPS" refers to the theoretical peak number of Tera (10^12) operations per second for multiply-accumulate computation (D = A × B + C); or (2) integrated circuits designed for operation at or below 4.5 Kelvin;

- Fabricating any of the following advanced integrated circuits: (1) logic integrated circuits using a non-planar transistor architecture or with a production technology node of 16/14 nanometers or less, including fully depleted silicon-on-insulator (FDSOI) integrated circuits; (2) NOT-AND (NAND) memory integrated circuits with 128 layers or more; (3) dynamic random-access memory (DRAM) integrated circuits using a technology node of 18 nanometer half-pitch or less; (4) integrated circuits manufactured from a gallium-based compound semiconductor; (5) integrated circuits using graphene transistors or carbon nanotubes; or (6) integrated circuits designed for operation at or below 4.5 Kelvin;

- Packaging any integrated circuit using advanced packaging techniques.

Notifiable Transactions

Notifiable transactions refer to the transactions where the business activities conducted by a covered foreign person do not reach the threshold for prohibited transactions but still require notification by a U.S. person of their transactions to the Department of Treasury. For instance, transactions are notifiable if the covered foreign person in the semiconductor sector is engaged in the design, fabrication and packaging of any integrated circuits that do not meet the specific threshold for "prohibited transactions" under the Final Rule. A U.S. person shall file a notification of their covered transactions with the Department of Treasury.

Excepted Transactions

The Final Rule provides certain categories of excepted transactions from coverage, provided that such transactions do not afford the U.S. person certain rights beyond standard minority shareholder protection. Excepted transactions include (1) investments in publicly traded securities, (2) securities issued by investment companies, (3) certain limited partner or equivalent investments, (4) derivatives, (5) full buyouts from a person of a country of concern, (6) intracompany transactions, (7) certain syndicated debt financings, (8) equity-based compensation, and (9) certain transactions involving a person of a country or territory outside of the U.S. based on a determination by the U.S. Secretary of the Treasury.

Notably, under the Final Rule, the "publicly traded security" exception exempts investments in publicly traded securities of covered foreign persons. However, any acquisition of an equity interest in a covered foreign person that is not yet publicly traded for the purpose of facilitating an initial public offering would not be an excepted transaction under the Final Rule.

Impact of the Final Rule

Based on the assessment conducted by our international sanctions legal adviser, we are a "covered foreign person" engaged in one of the "covered activities" (each as defined in the Final Rule) as we design (and do not fabricate or package) integrated circuits as described in the definition of "notifiable transactions" in 31 C.F.R. §850.217. The integrated circuits we design do not have a total processing performance of 4,800 or more, or have a total processing performance of 1,600 or more and a performance density of 5.92 or more, as described in ECCN 3A090.a under the EAR, and are not designed for operation at or below 4.5 Kelvin. Therefore, our designing of integrated circuits does not meet the threshold for "prohibited transactions" under the Final Rule, but still falls under the "notifiable transactions." Pursuant to the Final Rule, any U.S. person's acquisition of our equity interest

prior to the completion of the Global Offering, including during the bookbuilding process of the Global Offering, may constitute "notifiable transactions," which a U.S. person may be required to file a notification within 30 days of the completion date of a "notifiable transaction."

Nevertheless, under the Final Rule, if at the time of acquisition the equity interest is publicly traded, investments by U.S. persons in such "publicly traded securities" are categorized as "excepted transactions," provided that U.S. persons do not acquire rights beyond standard minority shareholder protections with respect to us. It should be noted, however, that this exception only applies once our shares are officially listed and become available for trading following the Global Offering. Prior to the commencement of the Global Offering, there is generally a subscription or allocation period during which investors and underwriters (including U.S. persons) may acquire an equity interest or a contingent equity interest in us. Any such U.S. person's acquisition of an equity interest in us that is not yet publicly traded for the purpose of facilitating the Global Offering, such as a purchase with the intent to create a market or to resell the security on a secondary market, may constitute a "notifiable transactions." Accordingly, our international sanctions legal adviser is of the view that upon the completion of our Global Offering and in reliance on the publicly traded securities exception under the Final Rule, subscription of our H shares by U.S. persons in the Global Offering would not constitute a "notifiable transactions", as long as the investment made does not afford a U.S. person certain rights beyond standard minority shareholder protections. Based on the foregoing, our Directors and our international sanctions legal adviser are of the view that the Final Rule will not have any material impact on the Group's operations, financial performance or investment prospect (including the post-listing trading).

However, the Final Rule nonetheless may increase the compliance burden of U.S. investors and may cause certain U.S. investors to adopt a more cautious approach in their investments, affecting the investor sentiment towards us, and therefore negatively impacting our ability to raise capital. Even though U.S. persons' investment of certain publicly traded securities (such as purchasing our H Shares in the open market) falls under an exception under the Final Rule, the U.S. laws and regulations could still limit our ability to raise capital or contingent equity capital from U.S. investors after the Listing given that the relevant laws, regulations and policies continue to evolve.

OVERVIEW

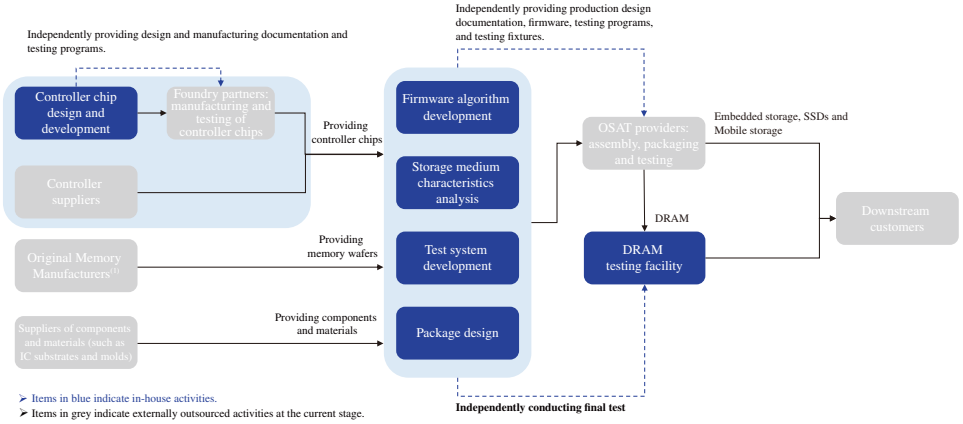
Who We Are

We are a memory product enterprise. According to Frost & Sullivan, in 2025, we held a market share of 0.6% by revenue in the entire global memory product market and ranked 12th globally among all memory product enterprises. We have built a platform encompassing four key technologies, including (i) controller chip design and development, (ii) firmware algorithm development, (iii) testing system development and (iv) storage medium characteristic analysis. This platform allows us to provide memory products. Our memory products mainly include (i) embedded storage, (ii) SSDs, (iii) DRAM and (iv) mobile storage.

Fast growth: We were established in December 2018. In 2023, our revenue exceeded US$1.0 billion. We turned around from a net loss of RMB117.5 million in 2023 to net profit of RMB482.9 million in 2024 and RMB1,363.9 million in 2025, representing a 182.5% increase from 2024 to 2025, and further recorded a 3,020.8% increase in net profit from RMB123.1 million for the four months ended April 30, 2025 to RMB3,840.6 million for the same period in 2026. Since our establishment, we have focused on the applications of memory products. We have maintained deep relationship with prominent enterprises in consumer-grade application scenarios. We have developed competitive strengths in the consumer-grade application scenarios, including (i) understanding of customer needs, (ii) technological expertise in transforming customer needs into product features and (iii) ability to commercialize new memory products. These competitive strengths allow us to replicate our success in diverse application scenarios. We began to provide memory products for automotive-grade application scenarios in 2023 and successfully entered into the supply chains of Tier 1 Suppliers, being suppliers that directly provide components, modules, systems or solutions to automotive manufacturers and are subject to their relevant qualification, validation, quality control and delivery requirements. We have begun mass production of memory products used in enterprise-grade application scenarios.

AI opportunities: The AI technology is entering a phase of accelerated adoption. The total data generated globally in 2025 has approached 200ZB. This surge in data generation has been a key driver of rapid growth in the semiconductor market. The core infrastructure of AI technology comprises (i) storage power, (ii) computing power and (iii) interconnect power. Storage power supports the management, storage and orchestration of the vast datasets used in AI training, and as a key component of storage power, memory products contribute to the deployment efficiency, operational reliability and scalability of AI technology. By leveraging our customer network, we will continue to expand the application scenarios of our memory products and connect to more customers in the AI era.

The following diagram illustrates our fabless business model and our role within the industrial chain of memory products:



We operate primarily as a memory product enterprise in the midstream segment of the memory product value chain. Under our fabless business model, we do not operate memory wafer fabrication facilities, foundries or OSAT facilities. We source key upstream inputs such as memory wafers (and,

where applicable, controller chips and other components) from supply chain partners, and we focus on product definition, controller chip and firmware development (for our memory products) and product engineering and quality management. Depending on the relevant product requirements, the controller chips used in our memory products may be procured from third-party controller chip suppliers or designed and developed by us. With respect to our self-designed controller chips, we independently undertake controller chip design and development and provide the relevant design and manufacturing documentation, while our foundry partners provide wafer processing services using their fabrication facilities, process technologies and manufacturing capacity. Our OSAT partners primarily perform assembly, packaging and testing and, where applicable, SMT and related testing for our memory products. We provide the relevant production design documentation, firmware, testing programs and testing fixtures, and retain responsibility for product engineering, internal validation, supplier management and quality management. Our testing system development, in contrast, refers to our in-house capabilities for internal validation and quality management, rather than the provision of third-party testing services.

The following are the major steps in which we participate in the industrial chain:

- ***Memory Technology Platform***:
  - ***Controller chip design and development.*** We have developed the ability to independently design and develop controller chips. Through proprietary chip architecture and circuit design, we transform key generic firmware algorithms into hardware-accelerated native functions for high read/write speeds and low power consumption. Meanwhile, we optimize chip size to achieve an effective balance between performance and cost within a limited footprint. Our self-design and development of controller chips form a solid technological moat and a key source of our competitive advantage in the market. Our controller chip design and development is primarily for use in our own memory products, and the wafer processing/manufacturing of such controller chips is outsourced to foundry partners.

    We plan the design and development of controller chips from a commercialization perspective, guided by the mainstream demand of the storage product market. As of the Latest Practicable Date, in addition to controller chips that had entered into mass production phase, we had eight models of self-designed and developed controller chips at different R&D stages, including sample delivery as well as tape-out, back-end and front-end design, forming our controller chip R&D capability characterized by high efficiency, a diversified product portfolio, and a tiered development pipeline. Specifically:

    - *Sample delivery phase:* controller chips for (i) UFS2.2 and (ii) eMMC5.1;
    - *Tape-out phase:* controller chips for (i) USB3.2, (ii) UFS4.1 and (iii) PCIe4.0 SSDs;
    - *Back-end design phase:* controller chips for (i) PCIe5.0 SSDs and (ii) low-power UFS2.2; and
    - *Front-end design phase:* controller chips for UFS5.0.

    As the application of our self-designed and developed controller chips in our memory products further deepens, we expect our R&D capabilities to further strengthen our competitiveness, reduce our cost of sales and enhance our gross profit margin.

  - ***Firmware algorithm development.*** We independently develop core firmware algorithms, including advanced flash translation layers, garbage collection mechanisms, wear-leveling algorithms and dynamic low-power balancing algorithms. These technologies not only elevate read/write speeds to industry-leading levels but also significantly reduce latency and dynamic power consumption.

  - ***Testing system development.*** We have established an internal testing system spanning from the chip level to the system level for product development, validation and quality management, including to support and manage our outsourced manufacturing and OSAT partners' packaging and testing processes. This system enables effective identification and resolution of design defects and potential failures, significantly enhancing product quality and reliability.

  - ***Storage medium characteristic analysis.*** For storage medium sourced from different suppliers, such as NAND Flash, we conduct in-depth characterization at the intrinsic properties, precisely analyzing electrical characteristics and degradation patterns trend under varying process nodes, voltages and temperatures. This research forms the technical foundation for firmware algorithm development and controller chip design and development.

- ***Memory Products*** (We manufacture our memory products primarily through outsourcing wafer processing to third-party foundries and assembly, packaging and testing to third-party OSAT providers.):

  - ***Embedded storage:*** Embedded storage is our core product. Embedded storage refers to memory module integrated into the main system of an electronic product. Leveraging years of technological accumulation, we have built a diversified embedded storage product lineup encompassing eMMC, UFS, ePOP and uMCP. Our embedded storage products can be used in fields such as smartphones, tablets, AI cameras, drones, AI glasses, smart watches, cameras, in-vehicle central control systems, intelligent cockpit systems and T-boxes.

  - ***SSDs:*** SSD refers to an internal storage component installed within a computer or server, providing enhanced performance and reliability over traditional hard disk drives. Across SATA and PCIe product lines, we support multiple interface generations such as SATA 3.0, PCIe3.0 and PCIe4.0. The application scenario coverage of our SSDs is extending from consumer grade to automotive grade and enterprise grade. Our SSDs products can be used in fields such as PCs, data centers and in-vehicle central control systems.

  - ***DRAM:*** DRAM refers to 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. Our DRAM portfolio covers multiple product categories, including DDR4 and DDR5, LPDDR4X and LPDDR5X low-power memory, as well as DDR4 and DDR5 DRAM modules. Our DRAM products can be used in fields such as smartphones and PCs.

  - ***Mobile Storage:*** Mobile storage refers to portable storage devices. Our mobile storage products include USB flash drives and microSD memory cards.

Our Customer Base and Supply Chain

Customer structure: Our customer base primarily comprises industry-leading enterprises. Our customer portfolio is concentrated on major application fields for memory products, such as smartphones, tablets, PCs, smart imaging devices, and in-vehicle central control systems. These fields not only serve as critical drivers of the digital economy but also represent key areas underpinning the rapid expansion of AI-driven demands. These customers have large-scale, stable demand and a consistent need for technological innovation, which propels the ongoing advancement and iteration of our products to address their diverse and evolving requirements.

Customer collaboration: We place emphasis on deep collaboration with leading customers. Leveraging our expertise in key technologies, we collaborate with customers to align with their technical requirements and conduct joint validation. This enables us to optimize memory products across dimensions such as capacity, speed, and power consumption, tailored to the specific needs of

various application scenarios. For example, we have established joint validation laboratories in collaboration with smartphone providers, allowing us to anticipate industry trends in memory product technology.

Supply chain support: We have established a globalized supply chain system. We have established deep collaboration with industry-leading companies across our supply chain, including (i) globally leading memory manufacturers and controller suppliers for our raw material supply, (ii) foundries such as United Semiconductor (Xiamen) Co., Ltd. ("**USC**") for the wafer processing and (iii) OSAT providers such as Orient Semiconductor Electronics, Ltd. ("**OSE**") and Payton Technology (Shenzhen) Co., Ltd. ("**PTN**") for (a) assembly and testing, and (b) SMT and testing. Such collaborations enhance our ability to secure production capacity in advance, ensuring the scalability and reliability necessary to fulfill large-scale orders. This supply chain foundation strengthens our ability to integrate resources and support the sustainable growth of our ecosystem.

We operate an asset-light fabless model under which we primarily outsource wafer processing, packaging and testing to third-party foundries and OSAT service providers, rather than making substantial capital investments in in-house packaging and testing facilities. The packaging and testing of memory products are supported by a relatively mature industry chain, and there are numerous foundry and OSAT service providers in the market, which gives us flexibility in selecting service providers and, as of the Latest Practicable Date, we had not experienced any material production capacity constraints in our cooperation with such partners. We believe this model is commercially and strategically beneficial because it reduces upfront capital expenditure and fixed costs, allows us to access the technology, scale and process capabilities of established foundry and OSAT partners, enhances production flexibility and scalability across different product categories and customer requirements, and enables us to focus our resources on our core competencies in controller chip design and development, firmware algorithm development, testing system development and storage medium characteristic analysis. At the same time, compared with peers that conduct packaging and testing in-house, our asset-light model may provide us with less direct control over certain packaging and testing processes, and we may be more exposed to third-party capacity allocation, lead-time fluctuations, quality control coordination and supply chain disruptions.

Our Market Opportunities

Market Demand Driven by Data-intensive Applications, including AI-related Applications

AI-related and other data-intensive applications may contribute to demand for memory products with higher capacity, performance and reliability requirements. According to Frost & Sullivan, the global memory product market is expected to grow from US$377.5 billion in 2026 to US$723.8 billion in 2030, representing a CAGR of 17.7%. We believe these market trends may create opportunities for memory product enterprises. However, such forecasts relate to the overall memory product market, and there is no assurance that the anticipated growth in AI-related or other data-intensive applications will be sustained or translate into sustained demand for our products. Our ability to benefit from these trends remains subject to industry cyclicality, supply-demand conditions, product adoption and other market factors.

- ***Consumer-grade application scenarios***: AI-powered upgrades in consumer applications are increasingly aligned with user-centric demands. Terminal manufacturers are evolving from developing AI functionalities for individual devices to building comprehensive hardware ecosystems centered around localized edge computing (meaning processing and analyzing data locally on end devices or nearby gateways, rather than primarily sending data to remote cloud servers for processing), which can reduce latency, enhance responsiveness and support certain functions when network connectivity is limited. This shift encompasses the continued iteration of AI phones, AI tablets and AI PCs and the expansion of AI capabilities in intelligent imaging and wearable devices. These consumer-grade applications demand stringent performance from memory products, including faster read-write speeds, higher capacity, lower latency, compact designs, and improved energy efficiency. Consumer grade

was the largest group of application scenarios in the global memory product market in 2025. The global market size of consumer-grade application scenarios was US$87.4 billion in 2025 and is expected to further grow from 2026 to 2030.

- ***Enterprise-grade application scenarios***: Data centers represent the cornerstone infrastructure for the large-scale deployment of AI technology. The expansion of large-model training, cloud computing services and enterprise data volumes has increased demand for higher-capacity and higher-performance memory products used in servers and data centers. The market size of enterprise-grade application scenario is expected to grow from US$104.2 billion in 2026 to US$196.1 billion in 2030, representing a CAGR of 17.1%. Furthermore, Enterprise grade was the second largest group of application scenarios in the global memory product market in 2025.

- ***Automotive-grade application scenarios***: Memory products used in automotive-grade application scenarios shall adhere to rigorous standards for temperature tolerance, shock resistance and reliability, and the mass production requires complex certification processes. The automotive-grade application scenarios accelerated transition towards electrification, intelligence and IoT. Key drivers of this demand include the continuous evolution of intelligent cockpit technologies and intelligent driving technologies. The market size of automotive-grade application scenarios is expected to grow from US$87.7 billion in 2026 to US$179.5 billion in 2030, representing a CAGR of 19.6%.

Industry Cycle and Demand from Data-intensive Applications

According to Frost & Sullivan, demand from AI-related and other data-intensive applications, together with changes in supply structure, contributed to upward price movements in certain memory products in 2025. However, the memory product industry has historically been cyclical and may continue to experience price volatility, inventory adjustments and supply-demand imbalances. Such demand and pricing trends may be temporary and remain subject to the cyclical nature of the memory product industry. We cannot assure you that AI-related or other data-intensive demand will continue, translate into sustained demand for our products, or support our future selling prices, revenue, gross profit margin or profitability.

OUR STRENGTHS

Our market position as a memory product enterprise

Our market position: We were established in December 2018. In 2023, our revenue exceeded US$1.0 billion. In less than a decade since our establishment, we continue to achieve milestone breakthroughs in technology R&D, product innovation and commercialization. According to Frost & Sullivan, in 2025, we held a market share of 0.6% by revenue in the entire global memory product market and ranked 12th globally among all memory product enterprises, and we are one of the few memory product enterprises in China with the ability to independently design, develop and commercialize controller chips.

Four key elements: Based on our market position, we reinforce the four key elements in our operation, namely, (i) technological innovation, (ii) products, (iii) supply-and-customer ecosystem, and (iv) management team. The four key elements further reinforce our market position and create a virtuous cycle of growth. Technological innovation is the foundation of the competitiveness of our products, and high-quality products attract high-value customers who not only contribute stable orders but also provide market insight and supply chain optimization. A supply-and-customer ecosystem helps ensure product realization, and an experienced management team drives the continuous forward momentum. The above four key elements form a self-reinforcing business closed loop.

Awards and recognitions: We were recognized as the National High-Tech Enterprise (國家級高新技術企業) and the National Specialized, Refined, Featured and Innovative "Little Giant" Enterprise (國家級專精特新"小巨人"企業), ranked the 166th among the China's Unicorn Enterprises (中國獨角獸企業), ranked among the CCID Top 100 Sci-Tech Innovation Unicorns (賽迪科創獨角獸百強), ranked the

243rd among Top 500 Enterprises in Guangdong 2024 (2024年廣東500強企業), ranked the 70th among the Top 100 Private Enterprises in Guangdong Province (廣東省民營企業100強), recognized as the Shenzhen Gazelle and Unicorn Enterprise (深圳瞪羚獨角獸企業), ranked 132nd among the Top 500 Enterprises in Shenzhen 2024 (2024年深圳500強企業) and granted Guangdong Manufacturing Single Champion Enterprise — Embedded Storage Chip (廣東省製造業單項冠軍企業 — 嵌入式存儲芯片).

Continuous technological innovation

R&D and commercialization capability: Our R&D team has product development capabilities, covering major application scenarios including consumer-grade application scenarios, enterprise-grade application scenarios and automotive-grade application scenarios. They have formed a complete R&D chain that spans "fundamental research — product solutions — mass-production validation". We have developed the full-stack design and development capabilities for controller chips, and our self-designed and developed controller chips have already been applied in our memory products. We offer both customized and standard memory products, and meet the diverse customer needs. Our product can accelerate the commercialization of new technologies, which in turn fuels further R&D investment, thus creating a virtuous production and R&D cycle.

R&D investment: We have been continuously investing in R&D. During the Track Record Period, our accumulative R&D investments exceeded RMB1.3 billion, providing support for our memory technology platform. According to Frost & Sullivan, the amount and proportion of our R&D expenses during the Track Record Period are higher than the industry average in the memory product industry. In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, our R&D expenses were RMB282.6 million, RMB392.2 million, RMB493.2 million, RMB151.4 million and RMB199.6 million, respectively, representing 3.2%, 4.5%, 4.4%, 5.4% and 2.5% of our total revenue in the same periods, respectively.

R&D team: Our R&D team is the driving force behind our continuous innovation and breakthroughs. We place great emphasis on attracting top R&D talent, fostering the development of skilled professionals, and building a R&D team. Our R&D centers are located in Shenzhen, Hefei, Shanghai, Xiamen and Hangzhou. Our core technical personnel have extensive experience in the semiconductor industry. As of April 30, 2026, R&D personnel accounted for over 60.0% of our total employees, with nearly half of them holding master's or doctoral degrees.

R&D results: Our R&D capabilities for memory products is our technical barrier. As of April 30, 2026, we had 416 granted patents in China and overseas, including 320 invention related patents. In 2022, we were recognized as the "Guangdong Engineering Technology Research Center for High-Performance Storage Control Chips" (廣東省高性能存儲控制芯片工程技術研究中心) by the Department of Science and Technology of Guangdong Province.

Product portfolio with strong performance and designed for diverse application scenarios

Our products are designed for major application scenarios, including (i) consumer-grade application scenarios, (ii) enterprise-grade application scenarios, and (iii) automotive-grade application scenarios. By precisely addressing the technical challenges specific to each application scenario, we provide memory products well-suited for a variety of application scenarios. Specifically:

- ***Consumer-grade application scenarios:*** Our memory products cover wide spectrum of consumer-grade application scenarios. For example, our embedded storage product portfolio spans a wide range of capacity grades and is designed to support diverse terminal scenarios, catering to the evolving demands of AI-driven upgrades in consumer-grade application scenarios. Our eMMC, UFS, ePOP, and uMCP not only cover mainstream models but also deliver tailored solutions through a diversified product matrix to address specific application scenario needs:
  - *Normal device end:* For instance, our UFS2.2 and eMMC5.1 ensure stable and seamless system performance. In the wearable device field, our compact, low-power customized ePOP and eMMC products optimize PCB space and reduce device power consumption.

  - *High-end device end:* For instance, our UFS3.1 and UFS4.1 significantly enhance read and write speeds, drastically reducing application installation times, large-scale game loading durations, and 4K video processing times.

  - *AI applications:* For instance, our LPDDR5X features ultra-high transfer speeds of 8,533 Mbps and dual-channel technology, providing support for high-performance edge AI computing. Designed to meet the multimodal interaction needs of devices such as AI phones and AI tablets, our products efficiently handle high data throughput, eliminate lag during multitasking, optimize system responsiveness, and comprehensively address the storage demands of the AI era.

- ***Enterprise-grade application scenarios:*** For instance, our PCIe5.0 eSSDs under development will achieve a dramatic leap in performance, with bandwidth doubled from the previous generation and sequential read/write speeds reaching 13 GB/s and 10 GB/s, respectively. These capabilities perfectly align with the higher bandwidth requirements of AI training, ensuring rapid, stable and low-latency data flow. In terms of capacity, it is expandable up to a remarkable 122.88TB, which can accommodate massive AI training samples, extensive model parameters and intermediate inference data, meeting the requirements for high-intensity data processing in enterprise-grade application scenarios.

- ***Automotive-grade application scenarios:*** We have launched three core automotive-grade series product: eMMC, UFS, and BGA SSDs, all of which have passed the stringent AEC-Q100 Grade 2/3 certification and comply with ISO 26262:2028 ASIL D functional safety standards. For instance, our automotive-grade UFS products deliver read/write speeds of up to 4,300MB/s/3,700MB/s, meeting the high-speed transmission requirements of massive data in intelligent driving scenarios. Currently, these products have already started to apply in key scenarios such as in-vehicle intelligent systems. We have established stable partnerships with domestic automotive Tier 1 suppliers.

Supplier-and-customer ecosystem covering industry-leading enterprises

We have established a fully integrated and synergistic memory product ecosystem based on end users demands and levering supply chain resources. This ecosystem fosters mutual empowerment between end-customers and supply chain partners.

Our cooperation with customers: We have established deep collaborations with industry-leading customers during our R&D process. These industry-leading companies have high requirements for product reliability, quality consistency and timely delivery. To meet these requirements, we have assembled a dedicated service team comprising sales, R&D, and production personnel. We provide real-time support and conduct R&D in alignment with the specific project requirements of our end customers, thereby establish interactive, close and mutual-benefit relationship with customers.

Our supply chain system: We have established a globalized supply chain system. We have established deep collaboration with industry-leading companies across our supply chain, including (i) globally leading memory manufacturers for our raw material supply, (ii) foundries such as USC for the wafer processing and (iii) OSAT providers such as OSE, PTN, and HT-Tech for (a) assembly and testing, and (b) SMT and testing. Such collaborations enhance our ability to secure production capacity because we generally enter into multi-year framework agreements with our foundry and OSAT service providers and, based on our production planning and customer order schedule, place work orders in advance to allow them to arrange production schedules and processing resources. In addition, we implement supplier management and quality control measures (including rigorous qualification, regular performance reviews focusing on delivery reliability and quality assurance, and our own product inspections with contractual return rights for products that fail inspection), which supports the scalability and reliability of our outsourced manufacturing and packaging and helps us fulfill large-scale orders. In addition, we have established long-term strategic relationships of over three years with a number of memory manufacturers and controller suppliers. We enter into annual procurement agreements with such memory manufacturers and controller suppliers and conduct quarterly and

monthly technical exchanges on topics such as next-generation storage media, process advancements and architectural upgrades. This supply chain foundation strengthens our ability to integrate resources and support the sustainable growth of our ecosystem.

Building bridges: To ensure efficient integration across the ecosystem, we act as a bridge between our customers and the technical teams of Original Memory Manufacturers, facilitating the alignment of customer-specific requirements with upstream production capabilities. This enables Original Memory Manufacturers to develop memory wafers precisely tailored to our customers' needs, ensuring that our memory products are optimally suited for downstream application scenarios. By leveraging the scale of aggregated demand, we secure priority access to upstream manufacturing resources, achieving the dual objectives of precise demand fulfillment and stable, controllable supply chains. This integrated model not only enhances the stability and continuity of critical raw material supply but also strengthens cost efficiency, further solidifying our competitive edge.

Experienced management team

Our leadership: Our core management team comprises experienced leaders. They have been deeply rooted in the memory product industry, and have witnessed and have been deeply involved in the development of the memory product industry in China. With a commitment to long-term growth, our management team leverages industry expertise and strategic acumen to provide leadership across key domains, including business strategy, market expansion, product innovation, financing and industrial resource integration. Our core management team include R&D experts specialized in the fundamental technologies of memory products, as well as experienced business leaders in the memory product industry. This multidimensional expertise enables us to adeptly manage the rapid technological advancements and complex challenges inherent in the memory product industrial chain. Our management team excels in identifying and capitalizing on market opportunities at pivotal points in technological evolution, while seamlessly aligning technological innovation with market demands through a highly responsive system that integrates technology, production, and market operations.

Our corporate culture: Our management team is committed to fostering an innovative yet pragmatic corporate culture that drives cohesion and long-term vitality throughout the organization. A stable and well-structured team ensures the seamless transfer of institutional knowledge and the continuity of strategic development, while a cultural foundation further reinforces team unity and alignment. This enduring cultural framework serves as a critical engine for the company's sustained growth and competitive resilience in an ever-evolving market landscape.

OUR STRATEGIES

Continuously investing in technology capabilities and product development

Continuous investments in next-generation controller chip R&D: As the central control hub of memory products, controller chips are pivotal to technological breakthroughs. In AI applications, controller chips play a critical role in data read/write speeds, protocol conversion and performance optimization. Our controller chip design and development are expanding from consumer-grade application scenarios to automotive-grade application scenarios and enterprise-grade application scenarios, facilitate the expansion of application scenarios of our memory products. Our R&D of controller chip design and development plan to focus on (i) interface upgrades, (ii) process optimization and (iii) density breakthroughs.

Continuously building advanced testing centers: As technical and performance requirements for memory products continue to evolve, advanced testing has become a cornerstone of product quality and a critical factor in maintaining a competitive edge. We plan to continuously build advanced testing centers equipped with cutting-edge testing equipment and software systems, covering key processes in wafer and controller chip validation and testing. These efforts will strengthen the reliability of our products and enable us to meet the stringent quality and performance standards demanded by our customers.

Continuously developing high-performance memory products and cutting-edge technologies: We plan to launch high-performance memory products, with ranging from TB to PB, designed specifically for the data center field. Through continuous technological optimization, we aim to deliver memory products with high-bandwidth transmission to meet the increasing data read/write speed demands of AI training. We plan to incorporate low power consumption designs in our memory products to support power-sensitive scenarios, such as mobile devices and IoT terminals. Furthermore, we plan to enhance product compatibility to ensure seamless integration with diverse hardware platforms and operating systems. We will actively explore storage-computation integration technologies, offering transformative solutions for edge AI inference, real-time sensor processing and other disruptive application scenarios.

Continuously developing memory products, expanding diverse application scenarios

We have developed competitive strengths in the consumer-grade application scenarios, including (i) understanding of customer needs, (ii) technological expertise in transforming customer needs into product features and (iii) ability to commercialize new memory products. We will leverage our competitive strengths to solidify our market position in consumer-grade application scenarios while strategically expanding into diverse application scenarios. To ensure product reliability and performance, we will continue to enforce rigorous testing protocols across all stages of development. Specifically:

- ***Consumer-grade application scenarios:*** We will remain closely aligned with the evolving demands of the consumer-grade application scenarios of the AI era, driving continuous innovation and functional enhancements to deepen customer collaboration and expand market opportunities. For example:
  - *Customer collaborations:* We plan to strengthen partnerships with leading manufacturers by aligning with the evolving product requirements for AI phones and AI computers. By transitioning from a traditional supplier role to a strategic partner, we will engage deeply in the early stages of product R&D to deliver highly customized memory products tailored to diverse customer needs.
  - *Product development:* Through sustained investment in R&D, we aim to develop memory products with smaller size but higher read/write speeds, meeting the increasing demand for portable, high-definition data memory products.
- ***Enterprise-grade application scenarios:*** We plan to enhance our influence in the enterprise-grade application scenarios through collaborating with industry-leading customers. We have begun mass production of memory products used in enterprise-grade application scenarios. For example:
  - *Customer collaborations:* We aim to establish deep collaboration with server providers, cloud computing providers and telecom operators, prioritizing strategic partnerships with industry-leading customers to accelerate market penetration.
  - *Product development:* We plan to continuously provide memory products optimized for enterprise-grade application scenarios, such as AI servers and edge computing nodes, addressing the critical need for efficient, high-capacity data storage and rapid access. Additionally, we will enhance data security protocols to ensure the reliability and protection of AI training datasets and enterprise-critical data.
- ***Automotive-grade application scenarios:*** We aim to fully cover diverse customer needs and focus on key fields of the automotive-grade application scenario, primarily including (i) in-vehicle central control systems and (ii) intelligent cockpit systems. For example:

- *Customer collaborations:* We plan to deepen our relationship with industry-leading automotive companies and Tier 1 suppliers. We plan to establish a full-lifecycle service response mechanism. This will enable us to actively participate in customers' R&D processes, thereby increasing our integration into the supply chain of industry-leading customers.

- *Product development:* We plan to further develop memory products which meet stringent environment and performance requirements in the automotive-grade application scenarios. By expanding our product portfolio to include multi-protocol, high-capacity memory products.

Deepening our global presence

We will continue to build an open, collaborative and mutually beneficial global ecosystem network. By closely aligning with customer needs, we will focus on cutting-edge global markets and high-potential sectors, enhancing product visibility and accelerating customer acquisition in international markets. Through sustained overseas market expansion and customer development, we aim to gradually increase the revenue proportion from overseas markets, establishing a dual-engine growth model driven by a stable domestic market and accelerated international growth.

To support the advancement of our global business strategy, we will implement a more efficient and collaborative corporate structure, primarily including (i) establishing teams for specific key geographical regions who will timely respond to the market demand; and (ii) establishing global support teams that integrate R&D and supply chain personnel to address the needs of our overseas customers. Additionally, we aim to enhance the timely fulfillment of overseas orders while achieving our dual objectives of global market expansion and supply chain stability.

Building multi-level talent development framework

Talents are at the forefront of our strategic priorities. Anchored by the principle of value creation, we are committed to establishing a talent development system that spans recruitment, training, promotion and retention. Specifically:

- ***Talent recruitment:*** We plan to further broaden our global recruitment efforts, targeting top-tier talents in specialized fields such as chip design, advanced packaging and testing, and AI applications. In addition, we aim to attract multidisciplinary professionals with a deep understanding of the global market and cross-industry resource integration.

- ***Talent training:*** We plan to continuously implement training programs to support employees' professional growth and long-term development. We plan to continuously develop a multi-tiered, role-specific skill enhancement framework will be designed to address the unique needs of employees at various levels and departments.

- ***Talent promotion:*** We plan to continuously optimize our talent structure. By identifying and promoting high-performing employees and emerging talent, we will strengthen the backbone of our workforce. Regular, merit-based performance evaluations will ensure that promotions and rewards are focused on employees who demonstrate exceptional ability and potential.

- ***Talent retention:*** We will adopt a market-competitive compensation and benefits framework to align rewards with individual contributions and value. Additionally, we will introduce long-term equity incentive plans targeting core team members, fostering a shared sense of ownership and aligning employee interests with the company's success. This approach reinforces our ability to retain top talent and fortify the company's talent moat.

OUR PRODUCTS

Overview

Below is a picture of our product portfolio:



The following table sets forth the details of our products during the Track Record Period, the key functionalities of which are data storage.

Product category	Segment	Major products	Key performance metrics	Typical application scenarios	Development status	Target customers	Price range per piece *(RMB)*	Illustrative examples
Embedded Storage	Consumer-grade	• eMMC	• Technology: eMMC5.1 • Capacity: 4GB to 256GB • Read/Write speed: up to 320MB/s/260MB/s • Operating temperature: -25℃ to 85℃	Smartphones	Commercialized	Smartphone manufacturers	31-66	eMMC products are used in terminal devices such as phones and TVs, primarily for operating system installation and data storage. They are characterized by high integration and low cost, while offering relatively basic performance in terms of speed.
		• UFS	• Technology: UFS2.2/UFS3.1/ UFS4.1 • Capacity: 32GB to 1TB • Read/Write speed: up to 4,300MB/s/3,700MB/s • Operating temperature: -25℃ to 85℃	Smartphones and tablets	Commercialized	Smartphone manufacturers and tablet manufacturers	10-108	UFS products are used in flagship and high-end smartphones and tablets as internal storage for data read and write operations. They are characterized by superior read and write performance, enabling faster application launch and smoother multitasking.
		• ePOP	• Technology: ePOP5X • Capacity: 64GB+4GB to 128GB+4GB • Read/Write speed: up to 320MB/s/260MB/s • LPDDR data rate: up to 8,533Mbps • Operating temperature: -25℃ to 85℃	Smart watches and AI glasses	Under development	Wearable device manufacturers	N/A	ePOP products are used in wearable devices such as smart watches and AI glasses. By integrating storage and memory in a stacked package, they significantly reduce printed circuit board space and are well suited for compact electronic devices with highly constrained internal space.
		• uMCP	• Technology: uMCP4X • Capacity: 64GB+4GB to 512GB+16GB • Read/Write speed: up to 1,020MB/s/880MB/s • LPDDR data rate: up to 4,266Mbps • Operating temperature: -25℃ to 85℃	Smartphones and tablets	Commercialized	Module manufacturers	36-295	uMCP products are used in mid- to high-end smartphones. By integrating UFS flash and LPDDR memory into a single package, they reduce footprint and free up space for components such as batteries or camera modules, while maintaining fast read and write performance.
	Automotive-grade	• eMMC	• Technology: eMMC5.1 • Capacity: 8GB to 256GB • Read/Write speed: up to 320MB/s/260MB/s • Operating temperature: -40℃ to 105℃	Intelligent cockpit systems, in-vehicle central control systems and T-BOX	Commercialized	Tier 1 Suppliers and automobile manufacturers	22-160	Automotive-grade eMMC is used in applications such as vehicle instrument clusters, in-vehicle navigation systems and dash cameras, primarily for storing map data, system firmware and other information. It is characterized by more stringent requirements on temperature tolerance and endurance compared to consumer-grade products, ensuring stable and reliable performance during vehicle operation.

Product category	Segment	Major products	Key performance metrics	Typical application scenarios	Development status	Target customers	Price range per piece *(RMB)*	Illustrative examples
		• UFS	• Technology: UFS2.1/UFS3.1/UFS4.1 • Capacity: 64GB to 512GB • Read/Write speed: up to 4,300MB/s/3,700MB/s • Operating temperature: -40℃ to 105℃	Intelligent cockpit systems and in-vehicle central control systems	Commercialized	Tier 1 Suppliers and automobile manufacturers	65-103	Automotive-grade UFS is used in applications such as intelligent cockpit systems and in-vehicle central control systems, primarily for high-speed read and write of large volumes of sensor data and map information. It is characterized by fast read and write performance, enabling it to meet the stringent real-time data processing requirements of vehicles.
SSDs	Consumer-grade	• SATA SSD	• Technology: SATA3.0 • Capacity: 128GB to 16TB • Read/Write speed: up to 540MB/s/500MB/s • Operating temperature: 0℃ to 70℃	PCs and tablets	Commercialized	Computer manufacturers and tablet manufacturers	47-4,392	SATA SSDs are used in PCs and tablets as system drives or storage drives. Compared to traditional hard disk drives, they offer significantly improved read and write speeds, enabling faster boot times and quicker application loading.
		• PCIe SSD	• Technology: PCIe3.0/PCIe4.0 • Capacity: 128GB to 4TB • Read/Write speed: up to 7,400MB/s/6,500MB/s • Operating temperature: 0℃ to 70℃	PCs and tablets	Commercialized	Computer manufacturers and tablet manufacturers	63-3,239	PCIe SSDs are used in applications such as high-performance PCs and tablets. Leveraging higher-speed interfaces, they are suitable for scenarios such as large-scale gaming and video editing. They are characterized by sequential read and write speeds that can reach several times those of SATA SSDs, enabling more efficient large file transfers.
		• Portable SSD	• Technology: USB3.2 • Capacity: 128GB to 2TB • Read/Write speed: up to 2,000MB/s/2,000MB/s • Operating temperature: 0℃ to 70℃	PCs and tablets	Commercialized	PSSD brand manufacturer	78-541	Portable SSDs are used for personal data backup, cross-device file transfer and external storage for smartphones and computers. They feature a compact form factor and plug-and-play functionality via USB interfaces, offering a balance of high-speed read and write performance and portability for convenient access to important data on the go.
	Enterprise-grade	• PCIe5.0 enterprise SSD	• Technology: PCIe5.0 eSSD • Capacity: 3.84TB to 122.88TB • Read/Write speed: up to 13GB/s/10GB/s • Operating temperature: 0℃ to 77℃	Data centers	Certain capacities are commercialized	Internet companies, cloud service providers and AI-native enterprises	18,881-35,008	Enterprise-grade PCIe SSDs are used in applications such as data centers and AI servers, primarily for handling high-concurrency read and write operations and database workloads. They are characterized by stable performance under prolonged continuous operation and incorporate features such as power-loss protection.

Product category	Segment	Major products	Key performance metrics	Typical application scenarios	Development status	Target customers	Price range per piece *(RMB)*	Illustrative examples
	Automotive-grade	• Automotive BGA SSD	• Technology: BGA SSD PCIe4.0 • Capacity: 256GB to 1TB • Read/Write speed: up to 3,700MB/s/2,900MB/s • Operating temperature: -40℃ to 105℃	In-vehicle central control systems	Commercialized	Tier 1 Suppliers and automobile manufacturers	251-1,247	Automotive-grade BGA SSDs are used in intelligent vehicles (including cockpit and driving systems). Featuring chip-level packaging and direct soldering onto the mainboard, they offer a compact form factor and strong vibration resistance, enabling stable operation under prolonged vehicle vibration and wide temperature ranges.
DRAM	Consumer-grade	• LPDDR	• Technology: LPDDR4X/LPDDR5X • Capacity: 512MB to 18GB • Data rate: up to 8,533Mbps • Operating temperature: -25℃ to 85℃	Smartphones	Commercialized	Smartphone manufacturers	5-323	LPDDR products are used in mobile devices such as smartphones and tablets as system memory for temporarily storing active application data. They are characterized by low power consumption and low voltage, helping to extend battery life.
		• DDR	• Technology: DDR3/DDR4/DDR5 • Capacity: 256MB to 3GB • Data rate: up to 6,400Mbps • Operating temperature: 0℃ to 85℃	PCs	Commercialized	Computer manufacturers	5-63	DDR products are used in desktop computers and standard laptops as memory modules installed in motherboard slots for fast data exchange with the CPU. They are characterized by flexible capacity configurations and stable performance, and represent a common form of computer memory.
		• DRAM modules	• Technology: DDR3/DDR4/DDR5 DRAM module • Capacity: 2GB to 64GB • Data rate: up to 6,400Mbps • Operating temperature: 0℃ to 70℃	PCs	Commercialized	Computer manufacturers	14-925	DRAM modules are commonly used as memory modules in laptops, desktops and servers. Installed in devices through standardized interfaces, they are used for temporarily storing data being processed by the CPU. They are characterized by upgradability and replaceability.
	Enterprise-grade	• DRAM modules — RDIMM	• Technology: DDR4/DDR5 DRAM module • Capacity: 16GB to 96GB • Data rate: up to 5,600Mbps • Operating temperature: 0℃ to 95℃	Servers and work stations	Certain capacities are commercialized	Server manufacturers, internet companies, AI companies and data center operators	249-3,250	RDIMM modules are developed for high-performance computing scenarios, including enterprise servers, data centers, HPC and AI applications. Integrating ECC functionality, they are designed to meet the demand for parallel processing of multiple system tasks. With high reliability and stability, they effectively support the operation of servers under high-load environments.

Product category	Segment	Major products	Key performance metrics	Typical application scenarios	Development status	Target customers	Price range per piece *(RMB)*	Illustrative examples
Mobile storage	Consumer-grade	• USB Flash Drive	• Technology: USB2.0/USB3.0 • Capacity: 1GB to 1TB • Read/Write speed: up to 220MB/s/130MB/s • Operating temperature: 0℃ to 70℃	PCs and servers	Commercialized	Surveillance equipment manufacturers, automobile manufacturers, audio equipment manufacturers and computer manufacturers	6-134	USB flash drives are used for temporary personal file storage, document transfer and creating system installation media. They connect to devices such as computers and televisions via USB interfaces and are characterized by plug-and-play functionality, a compact form factor and ease of use.
		• microSD	• Technology: microSDHC/ microSDXC/ UHS-I/V30/A2 • Capacity: 2GB to 256GB • Read/Write speed: up to 95MB/s/85MB/s • Operating temperature: 0℃ to 70℃	Smartphones, cameras and drones	Commercialized	Smartphone manufacturers, action camera manufacturers, automobile manufacturers, surveillance equipment manufacturers and drone manufacturers	11-73	MicroSD cards are used in applications such as smartphone storage expansion, action cameras, drones and surveillance devices. As removable storage media, they are used to store files such as photos and videos. They are characterized by a compact form factor, a wide range of capacity options and ease of replacement.

The following table sets forth a breakdown of our revenue by product type, in absolute amounts and as percentages of the total revenue, for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Embedded storage	3,732,376	42.5	5,687,730	65.2	5,369,884	47.8	1,333,001	47.5	5,432,943	67.8
SSDs	1,932,012	22.0	776,110	8.9	963,989	8.6	290,391	10.4	335,604	4.2
DRAM	112,087	1.3	1,062,748	12.2	2,784,062	24.8	755,854	27.0	1,088,245	13.6
Mobile storage	321,041	3.7	227,486	2.6	345,603	3.1	100,569	3.6	213,546	2.7
Memory IC	2,360,469	26.9	784,166	9.0	1,719,397	15.2	298,874	10.6	927,309	11.5
Others[1][2]	322,714	3.6	180,172	2.1	54,641	0.5	25,821	0.9	14,628	0.2
Total	**8,780,699**	**100.0**	**8,718,412**	**100.0**	**11,237,576**	**100.0**	**2,804,510**	**100.0**	**8,012,275**	**100.0**

(1) Primarily include (i) controller chips, sold as separate units, which are chips used to standardize communication between the host and the NAND storage medium and are primarily responsible for logical-to-physical address mapping and optimization of NAND endurance and performance based on NAND characteristics; (ii) technical services, primarily comprising customized firmware development services provided to customers; and (iii) servers, primarily comprising high-performance servers, including integrated computing appliances and TPU 2U servers, which integrate CPUs/GPUs, memory, high-speed storage, network interface cards, heat dissipation and power supply systems and are designed for high-density parallel computing and large-scale AI model computing scenarios.

(2) The continued decrease in revenue generated from others during the Track Record Period was primarily attributable to lower revenue from controller chips sold as separate units, as we used a greater proportion of controller chips in our own memory products. In addition, the decrease from 2023 to 2024 was attributable to lower revenue from technical services, as we allocated more resources to the research and development of our own products, while the decrease in the four months ended April 30, 2026 compared with the corresponding period in 2025 was also attributable to the absence of server revenue, compared with RMB6.0 million in the corresponding period in 2025, as such server sales were undertaken in response to customer demand at the time.

During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge, our products were not applied in industrial application scenarios. For the purpose of classifying our revenue by downstream application, we categorize our products into consumer-grade, enterprise-grade and automotive-grade application scenarios based primarily on the intended end-use, product specifications, performance requirements, reliability requirements and applicable certification standards of the relevant products. Consumer-grade application scenarios refer to application scenarios for personal daily office, entertainment and other general consumer uses, where memory products are designed to provide relatively high read/write speeds and capacity while maintaining cost efficiency. Enterprise-grade application scenarios refer to application scenarios for data centers and mission-critical business operations, where memory products are designed to support 24/7 high-load operation and meet higher requirements for performance, reliability and endurance. Automotive-grade application scenarios refer to application scenarios for automotive electronics, where memory products are designed to satisfy automotive-grade reliability and safety requirements, including relevant qualifications or certifications such as AEC-Q100, and to maintain stable operation in demanding automotive operating environments. The following table sets forth a breakdown of our revenue by downstream application, in absolute amounts and as percentages of the total revenue, for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Consumer-grade	8,779,065	100.0	8,707,986	99.9	11,189,030	99.6	2,787,538	99.4	7,929,849	99.0
Enterprise-grade	—	—	4,121	0.0	14,562	0.1	14,404	0.5	80,760	1.0
Automotive-grade	1,634	0.0	6,305	0.1	33,984	0.3	2,568	0.1	1,666	0.0
Total	**8,780,699**	**100.0**	**8,718,412**	**100.0**	**11,237,576**	**100.0**	**2,804,510**	**100.0**	**8,012,275**	**100.0**

We provide both standard and customized memory products. The scope and extent of customization vary depending on the customer, product category, application scenario and technical requirements. Our customization primarily includes firmware customization, controller solution adaptation and module design. Firmware customization may include customer-specific functions, firmware adaptation and optimization for compatibility, performance, power consumption and reliability based on customers' product specifications and application requirements. Controller solution adaptation may include the selection, matching, adaptation or, where applicable, development of controller solutions for use in our memory products. Module design customization may include capacity configuration, package or form factor, hardware circuit design, PCB layout, component selection and testing and validation parameters. The extent of customization is determined on a case-by-case basis, taking into account technical feasibility, customer requirements, product development timetable and commercial considerations.

The following table sets forth a breakdown of our gross profit margin by downstream application for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	%	%	%	%	%
				(Unaudited)	
Consumer-grade	4.8	16.1	21.8	13.8	62.1
Enterprise-grade	—	5.2	13.6	17.1	53.9
Automotive-grade	(6.9)	(4.4)	13.2	9.9	5.8

The following table sets forth the sales volume in GB and average selling price per GB of our products by downstream application during the Track Record Period:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	(million GB)	*(RMB per GB)*	*(million GB)*	*(RMB per GB)*	*(million GB)*	*(RMB per GB)*	*(million GB)*	*(RMB per GB)*	*(million GB)*	*(RMB per GB)*
Consumer-grade	37,224.0	0.24	21,076.9	0.41	34,995.6	0.32	8,106.5	0.34	14,210.0	0.56
Enterprise-grade	—	—	0.3	12.88	1.6	9.27	1.6	9.27	5.7	14.15
Automotive-grade	0.7	2.26	2.8	2.26	25.8	1.31	1.2	2.10	1.4	1.16

As our average selling price of embedded storage products in 2024 and 2025 was affected by the Customer Supply Arrangement, the following table sets forth, for reference, the sales volume and average selling price of embedded storage products after excluding the impact of the Customer Supply Arrangement.

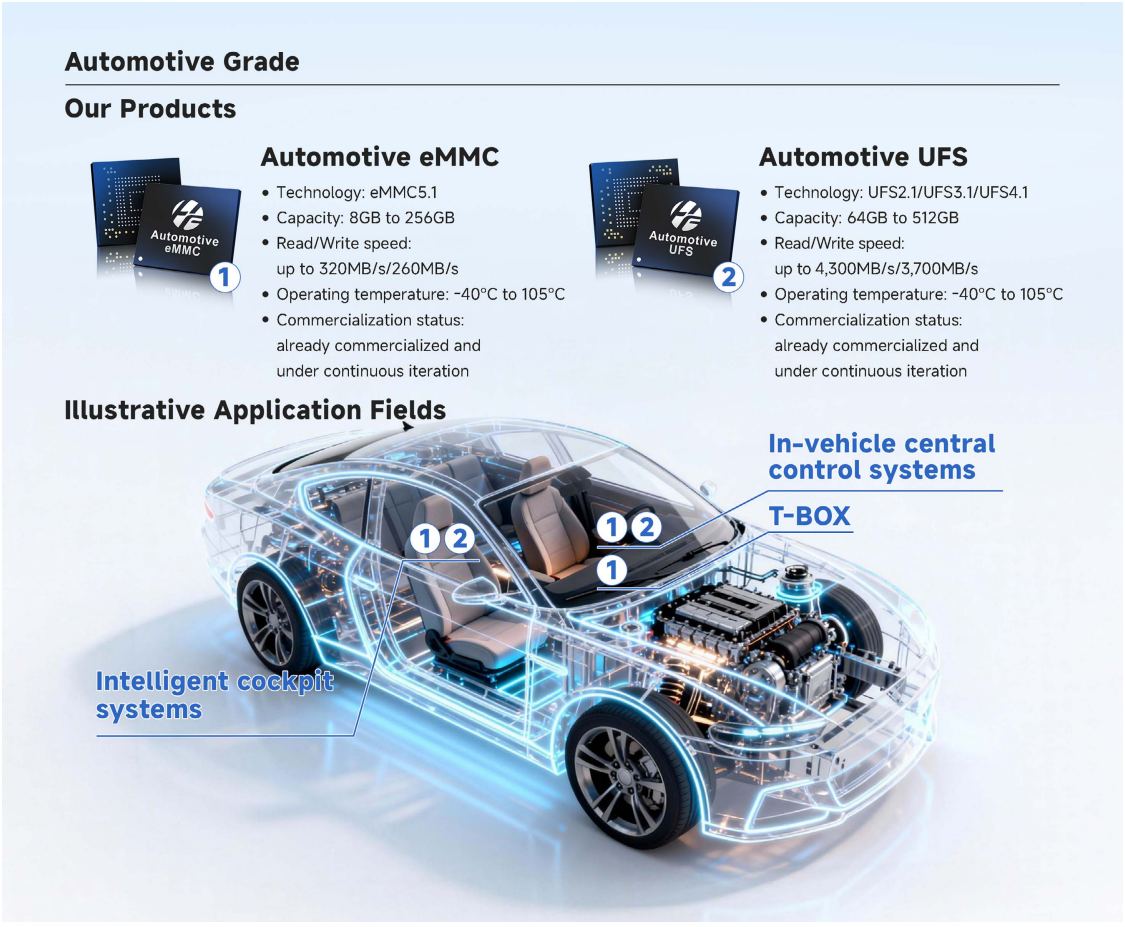
	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	(million GB)	*(RMB per GB)*	*(million GB)*	*(RMB per GB)*	*(million GB)*	*(RMB per GB)*	*(million GB)*	*(RMB per GB)*	*(million GB)*	*(RMB per GB)*
Embedded storage	12,410.7	0.30	15,462.7	0.37	26,307.0	0.20	5,694.6	0.23	10,684.5	0.51
Embedded storage, excluding the Customer Supply Arrangement[(1)]	12,410.7	0.30	11,190.9	0.48	8,291.2	0.47	2,759.4	0.40	2,574.7	1.75

(1) Represents the sales volume and average selling price of embedded storage products after excluding revenue and sales volume generated under the Customer Supply Arrangement. The average selling price is calculated by dividing revenue generated from embedded storage products excluding revenue generated under the Customer Supply Arrangement by the corresponding sales volume of embedded storage products excluding sales volume under the Customer Supply Arrangement. There was no Customer Supply Arrangement prior to April 2024. This information is presented for comparative operating data analysis only. For details of the Customer Supply Arrangement, see "— Customer Supply Arrangement."

Embedded Storage

Embedded storage refers to memory module integrated into the main system of an electronic product. Leveraging years of technological accumulation, we have built a diversified embedded storage product lineup to support both mainstream industry specifications and specific customer requirements. The following diagram sets forth (i) the illustrative images and features of our key embedded storage products and (ii) the illustrative images of part of their major application fields:





Below are the applications of our embedded storage in the consumer-grade and automotive-grade application scenarios:

- ***Consumer-grade application scenarios***. Our embedded storage cover the full spectrum of performance requirements in the consumer-grade application scenarios, enabling us to meet a wide range of customer requirements and continuously strengthen our customer acquisition capabilities. Specifically, our UFS3.1 and UFS4.1 deliver high speeds that support fast application installation, large-scale game loading and high-bitrate video recording and real-time editing for high-end devices. Our UFS2.2 and eMMC5.1 provide stable and cost-effective solutions for mainstream models, balancing performance and reliability. For compact and wearable devices, ePOP and eMMC5.1 adopt package design smaller than conventional modules, enabling device manufacturers to optimize PCB layouts.

- ***Automotive-grade application scenarios***. Our automotive eMMC and UFS products are designed to be used in the automotive-grade application scenarios. These products meet stringent reliability and safety standards, having passed AEC-Q100 Grade 2/3 qualification and complied with the ISO 26262 ASIL B functional safety standard. Automotive-grade UFS achieves read/write speeds of up to 4,300MB/s/3,700MB/s, supporting the high data bandwidth requirements of intelligent driving systems and advanced infotainment platforms. Our embedded storage has been adopted in high-volume applications such as intelligent cockpit systems, in-vehicle central control systems, and T-box.

SSDs

SSD refers to an internal storage component installed within a computer or server, providing enhanced performance and reliability over hard disk drives. Our SSD product portfolio supports both mainstream industry requirements and specific customer needs. The following diagram sets forth (i) the illustrative images and features of our key SSDs and (ii) the illustrative images of part of their major application fields:







Below are the applications of our SSDs in the consumer-grade, enterprise-grade and automotive-grade application scenarios:

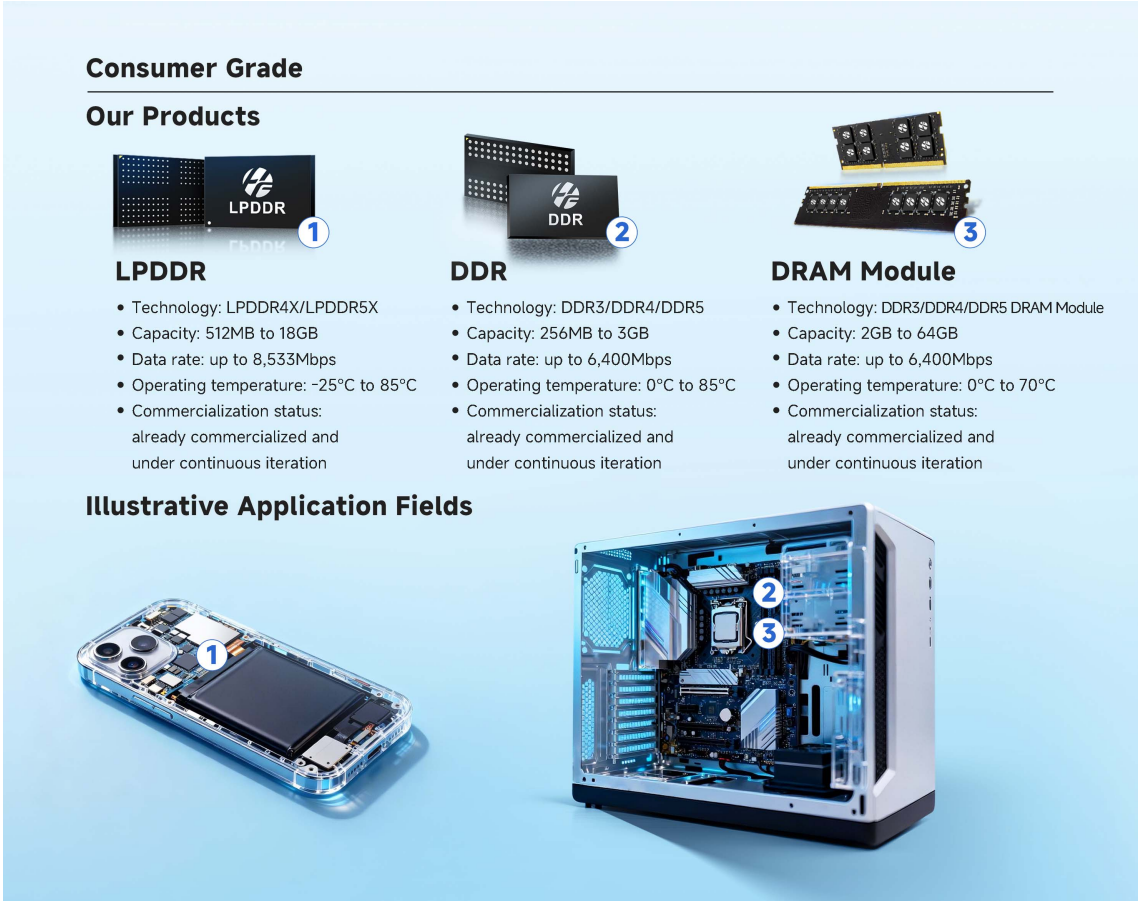
- ***Consumer-grade application scenarios***. Our consumer-grade SSD lineup includes SATA SSDs, PCIe SSDs and portable SSDs, covering a full range of performance and capacity needs. To be specific, SATA SSDs provide a responsive and reliable upgrade option for mainstream devices. For users requiring higher throughput, our PCIe SSDs support both PCIe3.0 and PCIe4.0 standards. Our PCIe SSDs are suitable for performance-oriented application fields such as gaming, content creation and multitasking. In addition, our portable SSDs utilize USB3.2 interface, achieving read/write speed of up to 2,000MB/s/2,000MB/s and support capacities from 128GB to 2TB, offering users convenient high-speed external storage for mobile work and content creation.

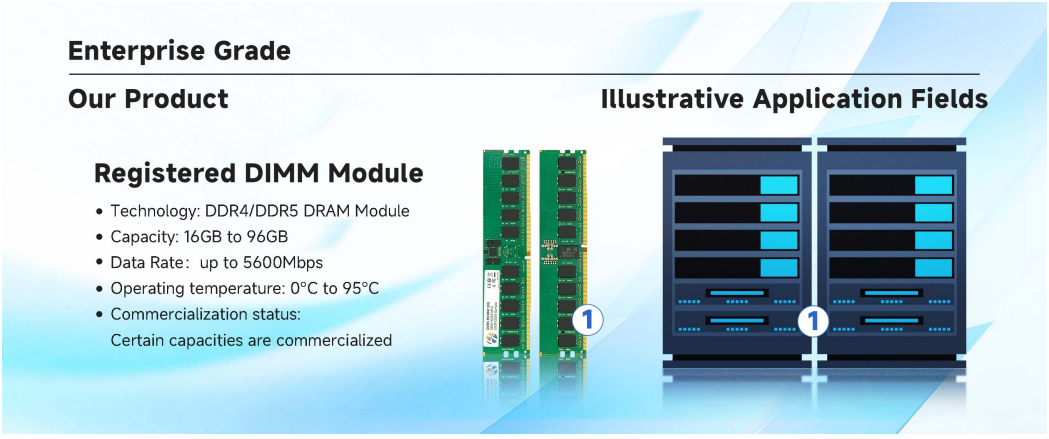
- ***Enterprise-grade application scenarios***. Our in-development PCIe5.0 enterprise SSDs are intended to support capacities up to 122.88TB and are expected to achieve sequential read/write speeds of up to 13GB/s/10GB/s. Once commercialized, their performance and capacities are expected to make them well suited for AI training, large-scale data analytics and other enterprise workloads that require sustained high throughput, low latency and scalable storage resources.

- ***Automotive-grade application scenarios***. Our automotive BGA SSDs are able to operate reliably under the demanding conditions of automotive environments. They support an extended operating temperature range from −40°C to 105°C and to pass AEC-Q100 Grade 2/3 qualification while complying with ISO 26262 ASIL B functional safety standards. With strong durability and high bandwidth performance, these SSDs provide dependable storage support for intelligent cockpit systems and other in-vehicle computing applications that require stable, high-speed data processing.

DRAM

DRAM refers to 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. The following diagram sets forth (i) the illustrative images and features of our key DRAM products and (ii) the illustrative images of part of their major application fields:





Our LPDDR lineup is designed to meet requirements for high bandwidth and low power consumption in mobile and edge applications, supporting data rates of up to 8,533Mbps. In application involving local AI inference, our LPDDR helps reduce latency and improves task execution efficiency, enhancing system smoothness in applications ranging from image generation to assisted video editing.

For AI-enabled smartphones and tablets, LPDDR delivers stable high-throughput performance, prevents lag during multitasking and strengthens overall system responsiveness. Our DRAM module products, including DDR3, DDR4 and DDR5, UDIMM and SODIMM modules, are designed in compliance with JEDEC standards and support data rates of up to 6,400 Mbps with capacities ranging from 2GB to 64GB. In addition, our DRAM module products also include enterprise-grade RDIMM modules, which support data rates of up to 5,600 Mbps with capacities ranging from 16GB to 96GB.

Mobile Storage

Mobile storage refers to portable storage devices such as USB flash drives and memory cards which serves as tools for data transfer and backup. The following diagram sets forth (i) the illustrative images and features of our key mobile storages and (ii) the illustrative images of part of their major application fields:



Our USB flash drives adopt advanced high-performance controller chips and firmware, and can be configured with Type-A, Type-C or dual-interface designs to meet different device requirements. Our microSD memory cards offer sequential read/write speeds of up to 95MB/s/85MB/s and capacities ranging from 2GB to 256GB.

Memory IC

Our memory IC mainly include (i) NAND Flash wafer and dies, and (ii) DRAM wafer and dies. The memory IC we sell are used for the production of embedded storage, SSDs, DRAM and mobile storage. By establishing strong partnerships with suppliers, we engage in large-scale procurement of memory IC, achieving procurement economies of scale and supply chain stability. After satisfying our internal production needs, we may sell the memory IC externally, taking into comprehensive consideration factors such as market conditions, cash flow efficiency, inventory turnover, and customer demand.

Others

During the Track Record Period, we sold controller chips and servers and provided technical services to leverage our technical and system integration capabilities, deepen customer relationships and better understand customers' application needs.

- ***Controller Chips:*** During the Track Record Period, we provide controller chips based on customers' demands. In certain cases, our customers may had already procured, or were able to independently source, the raw materials and components required to produce memory products and therefore only required us to supply the controller chips.
- ***Technical Services:*** During the Track Record Period, we provided technical services, primarily comprising customized firmware development services for eMMC, UFS and SSD products, as well as FPGA-based products that use configurable integrated circuits programmable to perform specific functions, to address customers' specific functional and performance requirements across different application scenarios. Such services generally include the development or modification of product functionalities, performance optimization, compatibility adaptation and testing based on customers' specific product configurations and application requirements. For example, we may develop customized application software based on FPGA designs specified by customers for their particular application scenarios.
- ***Servers:*** During the Track Record Period, we provided servers such as compute servers and accelerated servers in response to customer demand for integrated computing solutions.

In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, revenue generated from others was RMB322.7 million, RMB180.2 million, RMB54.6 million, RMB25.8 million and RMB14.6 million, respectively. The continued decrease during the Track Record Period was primarily attributable to lower revenue from controller chips sold as separate units, as we used a greater proportion of controller chips in our own memory products. In addition, the decrease from 2023 to 2024 was attributable to lower revenue from technical services, as we allocated more resources to the research and development of our own products. The decrease in the four months ended April 30, 2026 was also attributable to the absence of server revenue, compared with RMB6.0 million in the corresponding period in 2025, primarily because such server sales were undertaken in response to customer demand at the time.

OUR MEMORY TECHNOLOGY PLATFORM

Our memory technology platform primarily include the following key technologies:

- ***Controller chip design and development.*** We have developed the ability to independently design and develop controller chips. Through proprietary chip architecture and circuit design, we transform key generic firmware algorithms into hardware-accelerated native functions for high read/write speeds and low power consumption. Meanwhile, we optimize chip size to achieve an effective balance between performance and cost within a limited footprint. Our self-design and development of controller chips form a key source of our competitive advantage in the market.

  We plan the design and development of controller chips from a commercialization perspective, guided by the mainstream demand of the storage product market. As of the Latest Practicable Date, in addition to controller chips that had entered into mass production phase, we had eight models of self-designed and developed controller chips at different R&D stages, including sample delivery as well as tape-out, back-end and front-end design, forming our controller chip R&D capability characterized by high efficiency, a diversified product portfolio, and a tiered development pipeline. Specifically:

  - *Sample delivery phase:* controller chips for (i) UFS2.2 and (ii) eMMC5.1;
  - *Tape-out phase:* controller chips for (i) USB3.2, (ii) UFS4.1 and (iii) PCIe4.0 SSDs;
  - *Back-end design phase:* controller chips for (i) PCIe5.0 SSDs and (ii) low-power UFS2.2; and
  - *Front-end design phase:* controller chips for UFS5.0.

The tape-out phase refers to the stage that finalized controller chip designs are submitted to a foundry for the production of trial wafers and physical chip samples for testing and validation. If the samples do not meet the relevant requirements, the design may be revised and re-taped out before pilot production and mass production. Depending on the project stage and requirements, we may adopt either multi-project wafer, or MPW, tape-out or full-mask wafer tape-out. Under MPW tape-out, multiple chip designs share the same photomasks and wafer run, allowing the participating chip designers to share the related costs. It is generally used for cost-effective early-stage prototyping and design validation. Under full-mask wafer tape-out, dedicated photomasks are prepared for a specific chip design. Although more costly, it provides greater flexibility in production scheduling, design area and sample volume and is generally used for engineering validation, product qualification and preparation for commercialization or mass production. These tape-out activities are expected to support the development and iteration of our controller chips and the memory products incorporating such controller chips.

As the application of our self-designed and developed controller chips in our memory products further deepens, we expect our R&D capabilities to further strengthen our competitiveness, reduce our cost of sales and enhance our gross profit margin.

- ***Firmware algorithm development.*** We independently develop core firmware algorithms, including advanced flash translation layers, garbage collection mechanisms, wear-leveling algorithms and dynamic low-power balancing algorithms, enabling precise scheduling and optimization of storage medium based on hardware capabilities. These technologies not only elevate read/write speeds to industry-leading levels but also significantly reduce latency and dynamic power consumption, achieving an optimal balance between high performance and low power usage to deliver a smoother and more enduring user experience.

- ***Testing system development.*** We have established a self-developed testing development spanning from the chip level to the system level. At the chip level, leveraging our self-developed MBIST/LBIST frameworks, we conduct automated unit testing, simulated aging and extreme-condition verification. At the system level, we deploy full-platform stress testing and extensive compatibility tests to build a quality assurance barrier. This system enables effective identification and resolution of design defects and potential failures, significantly enhancing product quality and reliability. In addition, we have developed a fully autonomous mass-production testing system that employs highly automated testing programs, simulation-based test methodologies and advanced diagnostic tools to rapidly complete assessments of product performance, reliability, compatibility and aging behavior.

- ***Storage medium characteristic analysis.*** For storage medium sourced from different suppliers, such as NAND Flash, we conduct in-depth characterization at the intrinsic properties, precisely analyzing electrical characteristics and degradation patterns trend under varying process nodes, voltages and temperatures. By thoroughly understanding the characteristics of media from various suppliers, we can accurately match customers with the most suitable components for their application scenarios, delivering optimized and cost-effective products. This research also forms the technical foundation for firmware algorithm development and controller chip design and development, supporting precise sorting and grading of components, maximizing medium performance and predicting and mitigating potential risks associated with medium usage. As a result, this capability ensures exceptional reliability and long-term stability of our products throughout their entire lifecycle.

RESEARCH AND DEVELOPMENT

We invested significant resources into the R&D of our products and technologies. Our R&D team is led by three core members, namely Mr. AW YONG CHEE KONG, Mr. Zhu Qi'ao and Mr. Zhang Xinghua. As of April 30, 2026, our R&D team consists of 867 dedicated talents, of whom

approximately 50% holds a master's degree or above. As of April 30, 2026, we had R&D centers located in multiple cities, including Shenzhen, Hefei, Shanghai, Xiamen, and Hangzhou. The following table sets forth certain information relating to our R&D centers as of April 30, 2026.

Location	Area (sq.m.)	Principal functions	Number of R&D personnel
Shenzhen	11,510	Our headquarters for management and operations, primarily responsible for core controller chip design and development, full-series product R&D, product sales and business promotion	347
Hefei	6,462	Primarily responsible for controller chip design and development and serving as an R&D center for storage modules	422
Shanghai	1,183	Primarily responsible for controller chip design and development	30
Xiamen.	970	Primarily responsible for controller chip design and development and serving as an R&D center for storage modules	32
Hangzhou	1,216	Primarily responsible for the R&D of Field-Programmable Gate Array ("**FPGA**")-based hardware acceleration products	36

In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, our R&D expenses amounted to RMB282.6 million, RMB392.2 million, RMB493.2 million, RMB151.4 million and RMB199.6 million, respectively, representing 3.2%, 4.5%, 4.4%, 5.4% and 2.5% of our revenue for the corresponding periods.

Our R&D Pipeline

We maintain an active product and component development pipeline to support the upgrade and expansion of our controller chip and storage solution offerings. Our current pipeline focuses on enhancing product functionality, improving compatibility with different NAND Flash configurations (including QLC NAND), strengthening performance, power efficiency and security features, and advancing our self-developed controller chip capabilities. The following table sets forth the key products and components currently under development, their principal target functionalities and features, current status and expected commercialization timelines based on our current development plan.

Project	Key target functionalities and features	Current status / expected commercialization timeline[(1)]
eMMC 5.1 controller chip .	Designed to optimize our existing eMMC 5.1 controller solution based on market feedback and to address functional gaps in the current product generation. The project also targets performance adaptation for QLC NAND Flash, where market-compatible eMMC 5.1 controller solutions are currently relatively limited	Under development; expected to be commercialized in 2026
UFS 2.2 controller chip . . .	Designed to optimize our existing UFS 2.2 controller solution based on market feedback and to address functional gaps in the current product generation. The project also targets performance adaptation for QLC NAND Flash to enhance market competitiveness	Under development; expected to be commercialized in 2026

Project	Key target functionalities and features	Current status / expected commercialization timeline[1]
USB 3.2 Gen1 controller chip	Designed to strengthen our USB controller capabilities, including by adding LDPC functionality to better support QLC NAND Flash applications. The controller is also intended to support both Type-A and Type-C USB PHY designs for dual-interface USB storage products	Under development; expected to be commercialized in 2026
PCIe Gen4 high-speed SSD controller chip	Designed as a high-speed SSD controller based on PCIe Gen4 x4 technology and a 12nm process node. Target features include support for the NVMe 2.0 protocol based on PCIe Gen4 16GT/s, support for multi-mode NAND Flash with interface speeds of up to 2400MT/s, and a coordinated self-developed hardware and firmware architecture. The project also targets high-performance and low-power design capabilities, with enhanced compatibility, security features and cost competitiveness for applications in sectors such as internet, cloud computing, finance and telecommunications	Under development; expected to be commercialized in 2026
UFS 4.x controller chip	Designed to optimize our UFS 4.x controller solution based on market feedback and to address functional gaps in the current product generation. The project also aims to provide performance adaptation for QLC NAND Flash in anticipation of more cost-effective QLC UFS 4.x products entering the market	Under development; expected to be commercialized in 2027
PCIe Gen5 high-speed SSD controller chip	Designed as a next-generation SSD controller with a PCIe Gen5 host interface, targeting sequential read/write performance of up to 14.8GB/s / 14GB/s. The project is intended to support a Flash PHY interface speed of up to 4,800MT/s for compatibility with future high-performance NAND Flash, and adopts a DRAM-less architecture with support for capacities of up to 16TB. The controller is expected to support both TLC and QLC NAND Flash, and to address a broad range of application scenarios, including traditional PC and terminal markets at lower capacities and storage-node applications in data centers and distributed storage at higher capacities.	Under development; expected to be commercialized in 2027
Low-power UFS 2.2 controller chip	Designed to enhance our existing UFS 2.2 controller solutions by further optimizing power consumption and chip size based on the previous generation	Under development; expected to be commercialized in 2027
UFS 5.0 controller chip	Designed to develop core technologies for UFS 5.0 controller chips in line with the JEDEC UFS 5.0 standard, addressing gaps in domestic high-end storage controller capabilities. The project is intended to foster a domestic UFS ecosystem through collaboration with domestic NAND Flash suppliers and brand customers, covering memory IC, controller chips, modules and terminal devices, thereby reducing supply chain risks. The project targets leading domestic smartphone manufacturers as initial customers and aims to enter the supply chain for flagship smartphone models	Under development; expected to be commercialized in 2028

(1) Our expected commercialization timelines are based on our current development progress, internal testing and validation schedule, and expected tape-out, qualification and customer adoption timetable. Such timelines are subject to change depending on, among others, the progress of product development and testing, tape-out and manufacturing schedules, customer qualification requirements, and market conditions.

We have achieved a number of milestones in our R&D efforts. In particular, we have developed compact packaging solutions with dimensions of 7.5 x 12.5 x 0.78 mm and 9 x 7.5 x 0.8 mm, reflecting our miniaturization capabilities for memory products. In 2024, we achieved the first-batch domestic commercialization of UFS 4.1 modules, and we have also successfully implemented a hybrid UFS 4.1 solution combining QLC and TLC NAND, demonstrating our product development capability in high-performance and differentiated storage solutions.

Our R&D Process

We have established a management process that covers the R&D of controller chips and modules. This process mainly consists of three key phases: project initiation, design & development and validation.

- ***Project initiation phase:*** Project requirements primarily come from market research, strategic planning, and customer needs. The fundamental technical specifications are sourced from associations such as JEDEC/PCI-SIG, while also taking into account customer-specific functions and technical parameters as defined by the marketing team. The application team translates these into specific product functions and technical specifications. The R&D team then conducts a technical feasibility analysis of the controller chips or module solution, completing the project initiation report and R&D plan. Upon completion of internal review, the final development solution and product specifications for the controller chips and modules are confirmed.
- ***Design and development phase:*** Based on the approved specifications, the R&D team carries out end-to-end design for the controller chips and modules. The controller chips design and development phase includes architecture analysis and specification definition, RTL design and coding, design verification, logic synthesis, and physical implementation. The module design and development phase involves selecting controller chips and NAND Flash, hardware circuit design, PCB layout, and firmware design and development. Simultaneously, the validation and verification team formulates the corresponding test plans and standards for the controller chips and modules. Upon completion of physical implementation and design verification, the finalized design is submitted to a foundry for tape-out, producing controller chip samples for probing, testing and validation.
- ***Validation phase:*** After chip probing and final testing, our application team, R&D team, and validation and verification team collaborate to conduct system testing, performance evaluation, and reliability validation to ensure the product meets design and application requirements. Once validated, the product moves into pilot production. Based on the results from pilot production, we conduct a mass production release review for the controller chips and modules.

SALES AND MARKETING

Sales Network

The table below sets forth our revenue by the region of the place of registration of counter-parties to our sales contract during the Track Record Period:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Chinese Mainland	**1,824,779**	**20.8**	**1,264,609**	**14.5**	**4,125,496**	**36.7**	**891,622**	**31.8**	**2,675,665**	**33.4**
Overseas	**6,955,920**	**79.2**	**7,453,803**	**85.5**	**7,112,080**	**63.3**	**1,912,888**	**68.2**	**5,336,610**	**66.6**
Hong Kong[(1)]	6,334,055	72.1	6,717,361	77.0	5,493,413	48.9	1,682,048	60.0	3,601,823	45.0
U.K.	307,775	3.5	358,163	4.1	118,407	1.1	14,065	0.5	63,443	0.8
Taiwan	167,853	1.9	213,586	2.4	454,487	4.0	163,452	5.8	237,075	3.0
Singapore	10,796	0.1	14,023	0.2	753,368	6.7	7,552	0.3	1,259,573	15.7
Others	135,441	1.6	150,670	1.8	292,405	2.6	45,771	1.6	174,696	2.1
Total	**8,780,699**	**100.0**	**8,718,412**	**100.0**	**11,237,576**	**100.0**	**2,804,510**	**100.0**	**8,012,275**	**100.0**

(1) Within our overseas markets, the majority of our revenue was generated from Hong Kong, as Hong Kong is a popular delivery hub for the semiconductor industry.

Sales Channels

Our sales channels consist of both direct sales and distributorship. During the Track Record Period, the majority of our products were sold through direct sales, while the rest were sold through distributorship. The table below sets forth our revenue breakdown by sales channel for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Direct sales	5,072,553	57.8	6,410,628	73.5	7,388,174	65.7	1,797,720	64.1	4,348,085	54.3
Distributorship	3,708,146	42.2	2,307,784	26.5	3,849,402	34.3	1,006,790	35.9	3,664,190	45.7
Total	**8,780,699**	**100.0**	**8,718,412**	**100.0**	**11,237,576**	**100.0**	**2,804,510**	**100.0**	**8,012,275**	**100.0**

Direct Sales

We reach our direct sales customers through targeted marketing efforts, including industry exhibitions, technology forums and seminars, which allow us to showcase our expertise and engage with potential clients effectively.

We typically enter into framework direct sales agreements with our direct sales customers. Salient terms of our framework direct sales agreements with direct sales customers are set out below:

- *Order placement*. The product name, quantity, specification, purchase price and delivery date are specified in purchase orders based on the demand of our customers.
- *Duration*. The duration of the direct sales agreements with our direct sales customers is typically one to two years.
- *Credit Term*. We generally grant our direct sale customers a credit period of up to four months.
- *Shipment and delivery*. We assume the cost and risks associated with the shipment of ordered products to locations designated by our direct sales customers. The risks transfer to direct sales customers after they confirm receipt of our products.
- *Product return arrangements*. We typically do not allow our direct sales customers to return products to us except for product quality issues caused by us.
- *Termination*. Either party has the right to unilaterally terminate the agreement in the event of a material breach by the other party.

Distributorship

We adopt a distributorship model mainly due to (i) the diversity and large volume of our product offerings and end customers; and (ii) the significant variations in customer preferences across different countries. Our distributors primarily include trading partners and authorized agents. The relationships between distributors and us are seller-buyer relationships — they buy our products from us and then resell the products to downstream customers. We recognize revenue upon our distributor's confirmation

of receipt of our products. According to Frost & Sullivan, our distribution model is in line with industry norms. The following table sets forth the movement in the number of our distributors during the periods indicated:

	As of or for the year ended December 31,			As of or for the four months ended April 30,
	2023	2024	2025	2026
Distributors at the beginning of year/period	102	102	106	89
Addition of new distributors	59	54	39	22
Terminated distributors[(1)]	59	50	56	57
Distributors at the end of year/period	102	106	89	54

(1) Terminated distributors refer to distributors from whom we recorded revenue in the previous year/period but did not record any revenue in the current year/period.

The number of our distributors decreased from 106 as of December 31, 2024 to 89 as of December 31, 2025 and further to 54 as of April 30, 2026, primarily because we became more selective in admitting new distributors. In particular, while the number of terminated distributors remained stable, the number of newly added distributors decreased from 54 in 2024 to 39 in 2025 and further to 22 in the four months ended April 30, 2026. In selecting new distributors, we placed greater emphasis on the coverage and quality of their sales networks, customer resources, market reach, reputation, creditworthiness, financial condition, logistics and warehousing capabilities, for maintaining a distributor base capable of effectively serving our end-customers. There were no disagreements or disputes between us and the terminated distributors.

Notwithstanding the decrease in the number of distributors, our revenue generated through distributorship increased by 66.8% from RMB2,307.8 million in 2024 to RMB3,849.4 million in 2025 and increased significantly by 263.9% from RMB1,006.8 million in the four months ended April 30, 2025 to RMB3,664.2 million in the four months ended April 30, 2026. Such increases reflected the higher sales contribution from our remaining active distributors, as our distributorship sales became increasingly concentrated among distributors with stronger customer coverage and sales capabilities, resulting in substantially higher sales despite the reduction in the number of distributors. Accordingly, the reduction in the number of distributors did not adversely affect our distributorship sales, as the remaining active distributors generated substantially higher sales on an aggregate and per-distributor basis.

Trading Partners

Our trading partners purchase our products under sales agreements, and we do not exercise any control over the business operations of these trading partners. Specifically, with respect to our business arrangements with trading partners: (i) we do not have any control over the business operations of these trading partners, including their sales or pricing policies or marketing activities; (ii) we do not impose any restrictions or requirements on their geographical coverage; and (iii) these trading partners are not required to provide us with information regarding their sales, inventory levels, whether they resell our products to their customers, or, if they do resell our products, the identity of the end users of such products or the demand of their customers for our products. According to Frost & Sullivan, our collaboration with trading partners is in line with industry norms.

Our Directors are of the view that we do not have any material channel stuffing risks, considering that (i) we do not set sales targets or minimum purchase obligations on trading partners; (ii) our trading partners are generally not permitted to return products except for instances of product design defects and quality issues, (iii) our trading partners typically place orders with us after they have received purchase orders, and (iv) we did not identify any material channel stuffing risks during the Track Record Period and up to the Latest Practicable Date.

Salient terms of our framework sales agreements with trading partners are set out below:

- *Order placement*. The product name, quantity, specification and purchase price are specified in purchase orders based on the demand of our trading partners.
- *Duration*. The duration of the framework sales agreements with our trading partners is typically one year.
- *Credit Term*. We generally grant our trading partners a credit period of up to 30 days.
- *Shipment and delivery*. We generally assume the cost and risks associated with the shipment of ordered products to locations designated by our trading partners. The risks transfer to trading partners after they confirm receipt of our products.
- *Product Return Arrangements*. We do not allow our trading partners to return products to us except for product quality issues.

Authorized Agents

Our authorized agents purchase our products under product agency agreements, pursuant to which we may determine the resale prices together with our authorized agents and obtain information on their inventory levels and downstream customers. We maintain proactive approach to authorized agent management to ensure market order, compliance and business alignment. Our authorized agents are selected based on comprehensive criteria, including their coverage and quality of their sales network, reputation, creditworthiness, financial condition, sales strategies and logistics and warehousing. We establish clear operational guidelines for our authorized agents, covering pricing policies and payment requirements, to ensure they operate in accordance with our market strategies and legal requirements.

We regularly review authorized agent performance based on their sales volume, customer engagement and operational compliance and assess contract renewals accordingly. As part of our authorized agent management policy, we communicate with our authorized agents to evaluate their sales progress and minimize inventory risks. Our authorized agents typically place orders with us after they have received purchase orders, which inherently reduces their inventory risks and accelerates their inventory turnover.

Salient terms of our product agency agreements with authorized agents are set out below:

- *Order placement*: The product name, quantity, specification, purchase price and delivery date are specified in purchase orders based on the demand of our authorized agents.
- *Duration.* The duration of the product agency agreement is typically 1–2 years.
- *Pricing*. The pricing of our products to downstream customers is determined through joint negotiation between us and the authorized agents.
- *Credit Term*. We generally grant our authorized agents a credit period of up to 30 days.
- *Service capabilities:* We generally require our authorized agents to allocate enough sales personnel and to regularly train and assess their service and support capabilities.
- *Designated region:* Authorized agents are typically authorized to sell our products to downstream customers within designated regions.
- *New customer registration:* Before initiating cooperation with any new downstream customer, the authorized agent is generally required to report such customer to us. After verifying whether the proposed customer is already covered by another authorized agent, we will inform the authorized agent whether it may proceed with the cooperation.
- *Shipment and delivery*. We generally assume the cost and risks associated with the shipment of ordered products to locations designated by the authorized agents. The risks transfer to authorized agents after they confirm receipt of our products.

- *Product Return Arrangements*. We typically do not allow authorized agents to return products to us except for product quality issues.

To the best of our knowledge, as of the Latest Practicable Date, all of our distributors were Independent Third Parties. To the best of our knowledge, we do not have any sub-distributor during the Track Record Period. During the Track Record Period and up to the Latest Practicable Date, we have no material unresolved disputes or lawsuits with our distributors.

Product Return

Based on our policy and agreements with our customers, products sold to customers cannot be returned except for instances of product design defects and quality issues. During the Track Record Period and up to the Latest Practicable Date, we did not receive any material product return, exchange, complaints or product liability claims from our customers. Since we received no material customer complaints or request for product exchange due to product quality and defects which were material to our business, we did not incur any material warranty expense or made any provision for such warranty expense during the Track Record Period and up to the Latest Practicable Date.

Pricing

We price our products based on real-time market quotations. We typically do not enter into long-term agreements with fixed pricing with our customers. In determining our product pricing, we consider a range of factors, including raw material costs, estimated production capacity, administrative, sales and distribution expenses, current market prices of similar products, overall market conditions and the duration of our customer relationships.

In particular, the pricing of our products is closely tied to the cost of memory wafers, which are our primary raw materials. Fluctuations in the market prices of memory wafers can directly impact the pricing of our products. Generally, the sales prices of our memory products align with trends in memory wafer procurement costs. However, there is a time lag between wafer procurement and product sales. To mitigate these risks, we have strengthened our business relationship with key customers who regularly place large orders. Such relationships enhance predictability of demand and product pricing, enabling us to better manage the inventory level of raw materials and production schedule.

Sales and Marketing Team

As of April 30, 2026, we had a sales and marketing team of 152 personnel, focusing on business development, customer service and industry coverage. Our sales and marketing staff regularly contact our existing and potential customers about our current offerings and development plans, communicate the details of our products with our customers, such as the designs, functionalities or technologies from time to time, with a focus on building long-term relationships with our customers. They also conduct market research, monitor competitors' technology development trends and price movements, analyze the marketing environment, such as competitor intentions and customer needs, and tailor our marketing strategy. We also seek to promote our brand awareness and product recognition through multiple marketing channels including industry exhibitions, technology forums and seminars. In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, our selling and distribution expenses amounted to RMB41.9 million, RMB52.9 million and RMB65.9 million, RMB20.0 million and RMB28.4 million, respectively.

OUR CUSTOMERS

Our customers include, among others, smartphone and tablet manufacturers, wearable device manufacturers, module manufacturers, Tier 1 Suppliers, automobile manufacturers and computer manufacturers. In 2023, 2024, 2025 and the four months ended April 30 2026, revenue generated from our five largest customers amounted to RMB5,210.6 million, RMB5,740.0 million, RMB5,226.5 million and RMB3,273.9 million, respectively, accounting for 59.4%, 65.7%, 46.6% and 40.8% of our total revenue in the same periods, respectively. Revenue from our largest customer in each period of the Track Record Period accounted for 20.9%, 33.4%, 15.4% and 15.6% of our total revenue, respectively. All of our five largest customers were Independent Third Parties during the Track Record Period. To the best of our knowledge and as of the Latest Practicable Date, we were not aware of any information or arrangement that would lead to the termination of our relationships with any of our major customers. None of our Directors and their respective associates, or Shareholders who own 5% or more of the total issued Shares had any interest in any of our five largest customers during the Track Record Period.

The following table sets forth the details of our five largest customers in each period during the Track Record Period:

Rank	Customer	Sales amount	Percentage of total revenue	Type of major product/services purchased*	Credit terms	Payment method	Year of commencement of business relationship
		RMB'000	*%*				
For the year ended December 31, 2023							
1	Customer A[(1)]	1,836,063	20.9	Embedded storage	60 days	Bank transfer	2021
2	Customer B and its related parties[(2)]	1,059,147	12.1	SSDs	45 days	Bank transfer	2020
3	Customer C and its subsidiary[(3)]	867,615	9.9	Embedded storage	90 days	Bank transfer	2022
4	Customer D[(4)]	727,008	8.3	Memory IC	Prepayments	Bank transfer	2019
5	Customer E and its subsidiary[(5)]	720,745	8.2	Embedded storage and memory IC	Prepayments	Bank transfer	2022

Rank	Customer	Sales amount	Percentage of total revenue	Type of major product/services purchased*	Credit terms	Payment method	Year of commencement of business relationship
		RMB'000	*%*				
For the year ended December 31, 2024							
1	Customer C[(3)]	2,914,783	33.4	Embedded storage	90 days	Bank transfer	2022
2	Customer A[(1)]	1,840,103	21.1	Embedded storage	60 days	Bank transfer	2021
3	Customer F[(6)]	335,122	3.8	SSDs and embedded storage	Prepayments	Bank transfer	2022
4	Customer D[(4)]	332,321	3.8	Memory IC	Prepayments	Bank transfer	2019
5	Customer G[(7)]	317,710	3.6	Embedded storage	30 days	Bank transfer	2024

Rank	Customer	Sales amount	Percentage of total revenue	Type of major product/services purchased*	Credit terms	Payment method	Year of commencement of business relationship
		RMB'000	*%*				
For the year ended December 31, 2025							
1	Customer A and its related party[(1)] . . .	1,732,429	15.4	Embedded storage	60 days	Bank transfer	2021
2	Customer G[(7)].	1,508,873	13.4	Embedded storage	30 days	Bank transfer	2024
3	Customer C and its subsidiary[(3)]	893,411	8.0	Embedded storage	90 days	Bank transfer	2022
4	Customer H and its subsidiary[(8)]	703,459	6.3	DRAM and embedded storage	30 days	Bank transfer	2023
5	Customer I and its related parties[(9)] . .	388,346	3.5	DRAM	Prepayment	Bank transfer	2024

Rank	Customer	Sales amount	Percentage of total revenue	Type of major product/services purchased*	Credit terms	Payment method	Year of commencement of business relationship
		RMB'000	*%*				
For the four months ended April 30, 2026							
1	Customer A and its related party[(1)] . . .	1,247,994	15.6	Embedded storage	60 days	Bank transfer	2021
2	Customer G[(7)].	786,125	9.8	Embedded storage	30 days	Bank transfer	2024
3	Customer C and its subsidiary[(3)]	473,132	5.9	Embedded storage	90 days	Bank transfer	2022
4	Customer J and its related parties[(10)]. .	410,327	5.1	Embedded storage, mobile storage and SSDs	30–60 days	Bank transfer	2023
5	Customer K[(11)]	356,278	4.4	Embedded storage	Prepayment	Bank transfer	2026

* The type of major product/services purchased refers to the principal product category purchased by the relevant customer, whereas the downstream application classification set out in "— Our Products" is determined by reference to the intended end-use, product specifications, performance requirements, reliability requirements and applicable certification standards of the relevant products. Accordingly, products within the same product category, such as embedded storage or SSDs, may be classified under different downstream application scenarios depending on their specifications and intended application.

(1) Customer A is a company established in 2014 and registered in Hong Kong, primarily engaged in the trading and distribution of electronic products and related components, serving customers across the consumer electronics and smart device sectors.

(2) Customer B is a memory module manufacturing company established in 2018 and registered in Guangdong Province, China. It is primarily engaged in the design, research and development, and packaging of memory modules and memory products.

(3) Customer C is a company established in 2010 and registered in Hong Kong, primarily engaged in the trading and distribution of consumer electronics and smart hardware products.

(4) Customer D is a company established in 2006 and registered in Hong Kong, primarily engaged in the trading and distribution of electronic products and related components.

(5) Customer E is a company established in 2014 and registered in Hong Kong, primarily engaged in the trading and distribution of electronic products and related components.

(6) Customer F is a company established in 2022 and registered in British Virgin Islands, primarily engaged in the distribution and trading of semiconductor components and electronic products.

(7) Customer G is a company established in 2024 and registered in Shanghai, China. It is primarily engaged in the research and development, manufacturing and sales of memory products and related electronic devices.

(8) Customer H is a consumer electronics and mobile communication device manufacturer established in 2003 and registered in Dongguan, Guangdong Province, China. It is primarily engaged in the research and development, manufacturing and sales of smartphones and related smart hardware.

(9) Customer I is a company established in 2008 and registered in Hong Kong, primarily engaged in the distribution and trading of electronic components and related products.

(10) Customer J is a company established in 2023 and registered in Hong Kong. It is primarily engaged in the trading and distribution of memory products.

(11) Customer K is a company established in 2026 and registered in Shenzhen, China. It is primarily engaged in the trading and distribution of memory products.

OUR SUPPLIERS

Raw Material Suppliers

The raw materials for our memory products mainly include (i) memory wafers; and (ii) controller chips. We primarily procure (i) memory wafers from Original Memory Manufacturers; and (ii) controller chips from controller suppliers. We generally enter into framework agreements with raw material suppliers, which set forth the general terms and conditions of purchase. Salient terms of such agreements typically include:

- ***Order Placement***: Procurement orders, which include the product name, quantity, unit price, and total purchase amount, will be placed separately.
- ***Delivery***: Suppliers are typically responsible for delivering ordered products to our designated location.
- ***Payment***: The credit terms and payment method shall be in accordance with the purchase order. We are typically offered a credit term of up to 90 days.
- ***Product Return***: We conduct product inspections ourselves. If the products provided by suppliers fail to pass our inspection, they can be returned, and suppliers are responsible for associated costs. During the Track Record Period and up to the Latest Practicable Date, there had been no material claims between raw materials suppliers and us regarding product returns and refunds.
- ***Duration***: The agreements are typically effective for one to two years.
- ***Termination***: Either party is entitled to terminate the agreement upon 30 days' prior written notice.

During the Track Record Period, the delivery locations of the goods procured by us were mainly Hong Kong and Chinese Mainland. Based on our procurement records and information available to us, the places of origin of the goods supplied by our major suppliers were principally South Korea, Japan, Chinese Mainland, Taiwan Province of China and Singapore.

Service Providers

The manufacturing process of memory products mainly include (i) wafer processing, (ii) assembly and testing and (iii) SMT and testing. We outsource these processes to service providers.

Our service providers mainly include foundries and OSAT providers. Foundries provide us with wafer processing services. OSAT providers provide us with (i) assembly and testing services, and (ii) SMT and testing services. We generally enter into framework agreements with service suppliers. Salient terms of such agreements typically include:

- ***Scope of services***: The service providers manufacture the products we require based on the product specifications set out in the work orders.

- ***Payments***: The production costs are agreed upon by both parties in the work order. We make the payment for processing fees after receiving the products, and the service providers typically provide us with a credit term of 30 to 90 days.
- ***Products return***: We conduct product inspections ourselves. If the products provided by service providers fail to pass our inspection, they can be returned, and service providers are responsible for associated costs. During the Track Record Period and up to the Latest Practicable Date, there had been no material claims between service providers and us regarding product returns and refunds.
- ***Duration***: The agreements are typically effective for three years.
- ***Termination***: If a service provider is in breach of its obligations, we are entitled to require it to rectify such breach within a specified period, failing which we may unilaterally terminate the agreement.

Supplier Management

During the Track Record Period, our suppliers primarily consisted of (i) raw material suppliers, and (ii) service providers. We typically engage reputable suppliers with proven track records to ensure the quality of our products.

We have supplier management policy to ensure supply chain stability, cost efficiency, and quality compliance. Our supplier management policy covers the entire engagement process, including selection, evaluation, performance tracking, and potential disengagement. We consider a comprehensive set of factors when selecting suppliers, which mainly include cost competitiveness, delivery reliability, quality assurance, and technical capabilities. New suppliers must undergo rigorous qualification processes, including, capability assessment, material certification, on-site inspections, and contractual agreements before being included in our approved supplier list. Existing suppliers are subject to regular performance reviews, which classify them into different categories based on performance. Suppliers that fail to meet performance expectations may be subject to corrective action plans, reduced procurement volumes, or contract termination.

Management of foundry and OSAT service providers

Our supplier management policies apply to the selection, qualification and ongoing evaluation of our foundry and OSAT service providers. The following sets out our principal selection criteria and evaluation procedures:

- *New foundry and OSAT service providers.* We select foundries based on their process technologies and compatibility with our products and manufacturing requirements, and OSAT providers based on their assembly, packaging and testing capabilities and ability to meet our product specifications and testing requirements. We also consider criteria including (1) relevant production qualifications and quality management systems, (2) product quality, corporate reputation and financial standing, (3) available production capacity and delivery track record, (4) cost competitiveness and (5) compliance with applicable laws and regulations. New service providers are subject to our supplier qualification procedures, including capability assessments and on-site inspections, before being included in our approved supplier list.
- *Selected foundry and OSAT service providers.* We periodically evaluate our selected service providers to assess their continued compliance with our internal control and delivery requirements. Our evaluations primarily include (1) product inspection results, (2) the frequency and nature of quality issues, (3) timeliness of delivery, (4) service quality, including responsiveness in addressing technical and quality matters, (4) cost competitiveness and (5) compliance with applicable laws and regulations. These evaluations inform our subsequent order allocation and decisions on whether to continue cooperation.

Our Major Suppliers

In 2023, 2024, 2025 and the four months ended April 30, 2026, purchases from our five largest suppliers amounted to RMB3,808.5 million, RMB4,182.5 million, RMB6,616.4 million and RMB4,310.2 million, respectively, representing 43.5%, 49.4%, 55.5% and 63.0% of our total purchases, respectively. In addition, purchases from our largest supplier accounted for 12.6%, 11.6%, 15.7% and 19.8% of our total purchases for the periods ended December 31, 2023, 2024, 2025 and April 30, 2026, respectively. Except for Supplier D, all of our five largest suppliers were Independent Third Parties during the Track Record Period. None of our Directors and their respective associates or our Shareholders who hold more than 5% of our total issued Shares had any interest in our five largest suppliers, except for Supplier D, during the Track Record Period. Our transaction with Supplier D was conducted in the ordinary course of business and carried out on commercial terms that were negotiated at arm's length. Additionally, we did not experience any material disputes with our suppliers during the Track Record Period.

The following table sets forth the details of our five largest suppliers in each period during the Track Record Period:

Rank	Supplier	Purchase Amount	Percentage of total purchase	Type of major product/services provided	Credit terms	Payment method	Year of commencement of business relationship
		(RMB'000)	*(%)*				
For the year ended December 31, 2023							
1	Supplier A[(1)]	1,103,317	12.6	Wafers	30 days	Bank transfer	2021
2	Supplier B and its related parties[(2)]	1,006,589	11.5	Wafers and testing and packaging services	30–60 days	Bank transfer	2020
3	Supplier C[(3)]	640,154	7.3	Wafers	Prepayments	Bank transfer	2023
4	Supplier D[(4)]	532,802	6.1	Controller chips	45 days	Bank transfer	2019
5	Supplier E[(5)]	525,605	6.0	Wafers	60 days	Bank transfer	2022

Rank	Supplier	Purchase Amount	Percentage of total purchase	Type of major product/services provided	Credit terms	Payment method	Year of commencement of business relationship
		(RMB'000)	*(%)*				
For the year ended December 31, 2024							
1	Supplier D[(4)]	978,559	11.6	Wafers and controller chips	45 days	Bank transfer	2019
2	Supplier C[(3)]	922,779	10.9	Wafers	Prepayments	Bank transfer	2023
3	Supplier F and its subsidiaries[(6)]	874,160	10.3	Wafers	60 days	Bank transfer	2023
4	Supplier G[(7)]	815,643	9.6	Wafers	30 days	Bank transfer	2020
5	Supplier H[(8)]	591,359	7.0	Wafers	89 days	Bank transfer	2024

Rank	Supplier	Purchase Amount	Percentage of total purchase	Type of major product/services provided	Credit terms	Payment method	Year of commencement of business relationship
		(RMB'000)	*(%)*				
For the year ended December 31, 2025							
1	Supplier F and its subsidiaries[6]	1,871,205	15.7	Wafers	60 days	Bank transfer	2023
2	Supplier H[8]	1,332,901	11.2	Wafers	89 days	Bank transfer	2024
3	Supplier D[4]	1,217,048	10.2	Wafers and controller chips	45 days	Bank transfer	2019
4	Supplier G[7]	1,123,645	9.4	Wafers, controller chips and DRAM	30 days	Bank transfer	2020
5	Supplier I[9]	1,071,616	9.0	Wafers and DRAM	Prepayment	Bank transfer	2019

Rank	Supplier	Purchase Amount	Percentage of total purchase	Type of major product/services provided	Credit terms	Payment method	Year of commencement of business relationship
		(RMB'000)	*(%)*				
For the four months ended April 30, 2026							
1	Supplier F and its subsidiaries[6]	1,355,140	19.8	Wafers	60 days	Bank transfer	2023
2	Supplier J[10]	1,225,318	17.9	Wafers	Prepayment	Bank transfer	2026
3	Supplier H[8]	750,059	11.0	Wafers and DRAM	89 days	Bank transfer	2024
4	Supplier D[4]	546,739	8.0	Controller chips	45 days	Bank transfer	2019
5	Supplier A[1]	432,912	6.3	Wafers	30 days	Bank transfer	2021

(1) Supplier A is a trading and distribution company established in 1996 and registered in Hong Kong. It is primarily engaged in the import, export and sales of electronic components and related products.

(2) Supplier B is a trading and distribution company established in 2009 and registered in Hong Kong. It is primarily engaged in the trading and distribution of electronic components and related supply chain services.

(3) Supplier C is an electronic component trading company established in 1996 and registered in Hong Kong. It is primarily engaged in the distribution and supply of semiconductor devices and related electronic products.

(4) Supplier D is a company established in 2000, registered in Taiwan and listed on the Taipei Exchange. It is primarily engaged in the research and development, manufacturing and sales of NAND flash controllers and storage solutions.

(5) Supplier E is a company established in 2015 and registered in Hong Kong. It is primarily engaged in the research and development, manufacturing and sales of memory modules.

(6) Supplier F is a company established in 2005 and registered in Shenzhen, China, principally engaged in the distribution and technical services of semiconductor components and electronic products.

(7) Supplier G is an electronics trading company established in 2012 and registered in Hong Kong.

(8) Supplier H is a company established in 2022 and registered in Shenzhen, China. It is primarily engaged in the trading and circulation of electronic components and integrated circuits, as well as the provision of related supply chain services.

(9) Supplier I is a company established in 2010 and registered in Hong Kong. It is primarily engaged in the design, manufacturing and sales of memory modules and flash storage solutions.

(10) Supplier J is a company established in 2023 and registered in Singapore. It is a wholly-owned subsidiary of a leading developer, manufacturer and provider of data storage devices and solutions based on NAND flash technology.

Supplier Concentration and Diversification of Our Supplier Base

During the Track Record Period, our supplier concentration increased, with purchases from our five largest suppliers representing 43.5%, 49.4%, 55.5% and 63.0% of our total purchases in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, while purchases from our largest supplier represented 12.6%, 11.6%, 15.7% and 19.8% of our total purchases for the same periods, respectively. According to Frost & Sullivan, the increase in our supplier concentration during the Track Record Period was primarily attributable to the structural concentration of upstream supply of key memory raw materials among a limited number of leading manufacturers, and such changes were consistent with prevailing market norms in the global memory industry. In addition, prices of certain memory raw materials increased significantly during the Track Record Period, which further increased the purchase amount from our major suppliers. In light of these market conditions, we have sought to maintain stable and strategic relationships with relevant leading suppliers, which we believe facilitates access to and continuity of supply of critical raw materials.

We have implemented measures to diversify our supplier base, and such measures have been effective in enhancing our sourcing flexibility and reducing our reliance on any single supplier. During the Track Record Period, a total of ten different suppliers appeared among our five largest suppliers, demonstrating our ability to source from different suppliers over time, and we did not experience any material disruption to our operations as a result of supplier concentration. We have cooperated with leading suppliers to better secure the supply of key memory raw materials, particularly during periods of tight supply. We have also adopted differentiated supplier management strategies depending on the nature and availability of the relevant materials. For key memory raw materials, given the relatively concentrated supplier landscape, we focus on maintaining stable relationships with leading suppliers while continuing to evaluate alternative qualified sources where commercially and technically feasible. For general and non-core materials, we have continued to diversify our supplier base and generally maintain at least two qualified suppliers for each relevant category.

OVERLAPPING CUSTOMERS AND SUPPLIERS

Our five largest customers in each period during the Track Record Period consisted of a total of 11 customers, four of which (Customer B, Customer E, Customer H and Customer I) and/or their affiliates were also our suppliers. Our five largest suppliers in each period during the Track Record Period consisted of a total of 10 suppliers, six of which (Supplier A, Supplier B, Supplier D, Supplier F, Supplier H and Supplier I) and/or their affiliates were also our customers. The following table summarizes the nature and amounts of our transactions with our overlapping customers and suppliers during the Track Record Period.

		Revenue					Purchase amount			
		Year ended December 31,			Four months ended April 30,		Year ended December 31,			Four months ended April 30,
Overlapping customer/supplier	Nature of sales by us	2023	2024	2025	2026	Nature of purchases by us	2023	2024	2025	2026
		(RMB in millions)					*(RMB in millions)*			
Customer B and its related parties[1]	SSDs	1,059.1	152.2	189.6	40.3	SSDs and DRAM	170.5	61.9	43.6	7.6
Customer E and its subsidiary/related parties	Embedded storage and memory IC	720.7	206.8	7.2	—	Wafers	—	—	109.6	126.3
Customer H and its subsidiary	DRAM and embedded storage	10.4	251.4	703.5	171.3	Smartphones	—	1.2	—	0.4
Customer I and its related parties[2]	DRAM	—	170.9	388.3	—	DRAM	—	8.6	—	—

		Revenue					Purchase amount			
		Year ended December 31,			Four months ended April 30,		Year ended December 31,			Four months ended April 30,
Overlapping customer/supplier	Nature of sales by us	2023	2024	2025	2026	Nature of purchases by us	2023	2024	2025	2026
		(RMB in millions)					*(RMB in millions)*			
Supplier A and its related parties	Embedded storage, SSDs and DRAM	—	10.5	104.4	78.3	Wafers	1,103.3	246.3	1,049.3	432.9
Supplier B and its related parties	Embedded storage and DRAM	4.5	11.6	176.5	157.0	Wafers and testing and packaging services	1,006.6	550.7	616.3	321.5
Supplier D	Technical services, including memory product development and compatibility testing	76.2	19.3	1.3	—	Controller chips and wafers	532.8	978.6	1,217.0	546.7
Supplier F and its subsidiaries	Embedded storage and DRAM	—	—	79.2	213.1	Wafers	401.9	874.2	1,871.2	1,355.1
Supplier H and its subsidiary	SSDs	—	—	10.1	92.5	Wafers	—	591.4	1,332.9	750.1
Supplier I	Mobile storage	6.3	—	0.3	—	Wafers and DRAM	224.6	459.9	1,071.6	380.8

(1) We primarily sold SSDs to Customer B and its related parties for their own use. We procured SSDs and DRAM from Customer B and its related parties for resale to our customers where the models or specifications requested by our customers were not covered by our own product portfolio. Such purchases were supplementary in nature and enabled us to meet our existing customers' broader procurement requirements and maintain our business relationships with them.

(2) We primarily sold DRAM to Customer I and its related parties for their own use. We also procured DRAM from the related parties of Customer I for resale to our customers where the models or specifications requested by our customers were not covered by our own product portfolio. Such purchases were supplementary in nature and enabled us to meet our existing customers' broader procurement requirements and maintain our business relationships with them.

We primarily sold SSDs to Customer B and its related parties and procured SSDs and DRAM from Customer B and its related parties. Revenue from Customer B and its related parties for 2023, 2024, 2025 and the four months ended April 30, 2026 was RMB1,059.1 million, RMB152.2 million, RMB189.6 million and RMB40.3 million, respectively, representing approximately 12.1%, 1.7%, 1.7% and 0.5% of our total revenue for the respective periods. Purchase from Customer B and its related parties for 2023, 2024, 2025 and the four months ended April 30, 2026 was RMB170.5 million, RMB61.9 million, RMB43.6 million and RMB7.6 million, respectively, accounting for approximately 1.9%, 0.7%, 0.4% and 0.1% of our total purchase amount for the respective periods. In 2023, 2024, 2025 and the four months ended April 30, 2026, the gross profit margin of our sales to Customer B and its related parties was 2.1%, 13.7%, 10.3% and 79.4%, respectively. The gross profit margin of our sales to Customer B and its related parties in 2025 was lower than our overall gross profit margin for the period, primarily because our principal transactions with Customer B and its related parties in 2025 were SSD procurements in the first half of 2025, when SSD prices were at a cyclical low in the industry, resulting in a lower gross profit margin.

We primarily sold embedded storage and memory IC to Customer E and its subsidiary and procured wafers from its related parties. Revenue from Customer E and its subsidiary for 2023, 2024, 2025 and the four months ended April 30, 2026, was RMB720.7 million, RMB206.8 million, RMB7.2 million and nil, respectively, representing approximately 8.2%, 2.4%, 0.1% and nil of our total revenue for the respective periods. Purchase from its related parties for 2023, 2024, 2025 and the four months ended April 30, 2026, was nil, nil, RMB109.6 million and RMB126.3 million, respectively, accounting for approximately nil, nil, 0.9% and 1.8% of our total purchase amount for the respective periods. In 2023, 2024, 2025 and the four months ended April 30, 2026, the gross profit margin of our sales to Customer E and its subsidiary was negative 9.6%, 16.2%, negative 0.7% and nil, respectively. The

gross profit margin of our sales to Customer E and its subsidiary in 2023 was lower than our overall gross profit margin for the period, primarily because the embedded storage products sold to such customer were mainly eMMC products, for which the overall gross profit margin was relatively low in 2023. The gross profit margin of our sales to Customer E and its subsidiary in 2025 was lower than our overall gross profit margin for the period, primarily because the sales to such customer were mainly concentrated in the first half of the year, when market prices were at a relatively low level.

We primarily sold DRAM and embedded storage to Customer H and its subsidiary and procured smartphones from its subsidiary. Revenue from Customer H and its subsidiary for 2023, 2024, 2025 and the four months ended April 30, 2026 was RMB10.4 million, RMB251.4 million, RMB703.5 million and RMB171.3 million, respectively, representing approximately 0.1%, 2.9%, 6.3% and 2.1% of our total revenue for the respective periods. Purchase from the subsidiary of Customer H for 2023, 2024, 2025 and the four months ended April 30, 2026 was nil, RMB1.2 million, nil and RMB0.4 million, respectively, accounting for approximately nil, less than 0.1%, nil and less than 0.1% of our total purchase amount for the respective periods. In 2023, 2024, 2025 and the four months ended April 30, 2026, the gross profit margin of our sales to Customer H and its subsidiary was 26.8%, negative 14.9%, 6.2% and negative 6.2%, respectively. The gross profit margin of our sales to Customer H and its subsidiary in 2023 was higher than our overall gross profit margin for the period, primarily because the products sold to such customer were mainly high-end UFS 3.1 products, which generally carried higher gross profit margins. The gross profit margins of our sales to Customer H and its subsidiary in 2024, 2025 and the four months ended April 30, 2026 were lower than our overall gross profit margins for the respective periods, primarily because we entered into certain fixed-price supply arrangements with such customer to maintain the customer relationship, and the increase in product costs during the period resulted in a decline in gross profit margins and, in some cases, gross losses.

We primarily sold DRAM to Customer I and its related parties and procured DRAM from its related party. Revenue from Customer I and its related parties for 2023, 2024, 2025 and the four months ended April 30, 2026 was nil, RMB170.9 million, RMB388.3 million and nil, respectively, representing approximately nil, 2.0%, 3.5% and nil of our total revenue for the respective periods. Purchase from the related party of Customer I for 2023, 2024, 2025 and the four months ended April 30, 2026 was nil, RMB8.6 million, nil and nil, respectively, accounting for approximately nil, 0.1%, nil and nil of our total purchase amount for the respective periods. In 2023, 2024, 2025 and the four months ended April 30, 2026, the gross profit margin of our sales to Customer I and its related parties was nil, negative 13.5%, 23.3% and nil, respectively. The gross profit margin of our sales to Customer I and its related parties in 2024 was lower than our overall gross profit margin for the period, primarily because the products sold to such customer were DRAM, for which the overall gross profit margin was negative in 2024. The gross profit margin of our sales to Customer I and its related parties did not materially differ from the overall gross profit margin of our DRAM products for the period.

We primarily sold embedded storage, SSDs and DRAM to the related parties of Supplier A and procured wafers from Supplier A. Revenue from the related parties of Supplier A for 2023, 2024, 2025 and the four months ended April 30, 2026 was nil, RMB10.5 million, RMB104.4 million and RMB78.3 million, respectively, representing approximately nil, 0.1%, 0.9% and 1.0% of our total revenue for the respective periods. Purchase from Supplier A for 2023, 2024, 2025 and the four months ended April 30, 2026 was RMB1,103.3 million, RMB246.3 million, RMB1,049.3 million and RMB432.9 million, respectively, accounting for approximately 12.6%, 2.9%, 8.8% and 6.3% of our total purchase amount for the respective periods. In 2023, 2024, 2025 and the four months ended April 30, 2026, the gross profit margin of our sales to the related parties of Supplier A was nil, negative 5.2%, 26.2% and 83.3%, respectively. The gross profit margin of our sales to Supplier A in 2024 was lower than our overall gross profit margin for the period, primarily because the SSD products sold to such customer were resale products with relatively thin margins, and after allocating impairment losses, such sales recorded losses.

We primarily sold embedded storage and DRAM to Supplier B and its related parties and procured wafers and testing and packing services from Supplier B and its related parties. Revenue from Supplier B and its related parties for 2023, 2024, 2025 and the four months ended April 30, 2026 was RMB4.5 million, RMB11.6 million, RMB176.5 million and RMB157.0 million, respectively, representing

approximately less than 0.1%, 0.1%, 1.6% and 2.0% of our total revenue for the respective periods. Purchase from Supplier B and its related parties for 2023, 2024, 2025 and the four months ended April 30, 2026 was RMB1,006.6 million, RMB550.7 million, RMB616.3 million and RMB321.5 million, respectively, accounting for approximately 11.5%, 6.5%, 5.2% and 4.7% of our total purchase amount for the respective periods. In 2023, 2024, 2025 and the four months ended April 30, 2026, the gross profit margin of our sales to Supplier B and its related parties was 8.7%, 35.0%, 28.0% and 74.5%, respectively. The gross profit margins of our sales to Supplier B and its related parties in 2023 and 2024 were higher than our overall gross profit margins for the respective periods, primarily because the products sold to such customer were mainly high-end UFS 3.1 products, which generally carried higher gross profit margins. The gross profit margin of our sales to Supplier B and its related parties in 2025 was higher than our overall gross profit margin for the period, primarily because the sales to such customer were mainly concentrated in the second half of the year, particularly in the fourth quarter, during which the gross profit margins were relatively higher.

We primarily provide technical services such as memory product development and compatibility testing to Supplier D and procured controller chips and wafers from Supplier D. Revenue from Supplier D for 2023, 2024, 2025 and the four months ended April 30, 2026 was RMB76.2 million, RMB19.3 million, RMB1.3 million and nil, respectively, representing approximately 0.9%, 0.2%, less than 0.1% and nil of our total revenue for the respective periods. Purchase from Supplier D for 2023, 2024, 2025 and the four months ended April 30, 2026 was RMB532.8 million, RMB978.6 million, RMB1,217.0 million and RMB546.7 million, respectively, accounting for approximately 6.1%, 11.6%, 10.2% and 8.0% of our total purchase amount for the respective periods. In 2023, 2024, 2025 and the four months ended April 30, 2026, the gross profit margin of our sales to Supplier D was 63.7%, 69.2%, 71.3% and nil, respectively. The gross profit margins of our sales to Supplier D in 2023, 2024 and 2025 were higher than our overall gross profit margins for the respective periods, primarily because we mainly provided technical services to such customer, which generally carried higher gross profit margins.

We primarily sold embedded storage and DRAM to Supplier F and its subsidiaries and procured wafers from Supplier F and its subsidiaries. Revenue from Supplier F and its subsidiaries for 2023, 2024, 2025 and the four months ended April 30, 2026 was nil, nil, RMB79.2 million and RMB213.1 million, respectively, representing approximately nil, nil, 0.7% and 2.7% of our total revenue for the respective periods. Purchase from Supplier F and its subsidiaries for 2023, 2024, 2025 and the four months ended April 30, 2026 was RMB401.9 million, RMB874.2 million, RMB1,871.2 million and RMB1,355.1 million, respectively, accounting for approximately 4.6%, 10.3%, 15.7% and 19.8% of our total purchase amount for the respective periods. In 2023, 2024, 2025 and the four months ended April 30, 2026, the gross profit margin of our sales to Supplier F and its subsidiaries was nil, nil, 62.5% and 77.0%. The gross profit margin of our sales to Supplier F and its subsidiaries in 2025 was higher than our overall gross profit margin for the period, primarily because our sales to such customer were concentrated in the fourth quarter of 2025, during which the prices of storage products experienced a strong increase since the second half of 2025, resulting in relatively higher gross profit margins for the corresponding period.

We primarily sold SSDs to Supplier H and its subsidiary and procured wafers from Supplier H. Revenue from Supplier H and its subsidiary for 2023, 2024, 2025 and the four months ended April 30, 2026 was nil, nil, RMB10.1 million and RMB92.5 million, respectively, representing approximately nil, nil, 0.1% and 1.2% of our total revenue for the respective periods. Purchase from Supplier H for 2023, 2024, 2025 and the four months ended April 30, 2026 was nil, RMB591.4 million, RMB1,332.9 million and RMB750.1 million, respectively, accounting for approximately nil, 7.0%, 11.2% and 11.0% of our total purchase amount for the respective periods. In 2023, 2024, 2025 and the four months ended April 30, 2026, the gross profit margin of our sales to Supplier H and its subsidiary was nil, nil, 0.07% and 87.3%. The gross profit margin of our sales to Supplier H in 2025 was lower than our overall gross profit margin for the period, primarily because we made limited sales of a batch of SSD products to such customer. The pricing of such products was in line with the prevailing market prices of comparable products during the same period; however, due to the relatively higher procurement costs of the underlying raw materials, the gross profit margin was lower.

We primarily sold mobile storage to Supplier I and procured wafers and DRAM from Supplier I. Revenue from Supplier I for 2023, 2024, 2025 and the four months ended April 30, 2026 was RMB6.3 million, nil, RMB0.3 million and nil, respectively, representing approximately less than 0.1%, nil, less than 0.1% and nil of our total revenue for the respective periods. Purchase from Supplier I for 2023, 2024, 2025 and the four months ended April 30, 2026 was RMB224.6 million, RMB459.9 million, RMB1,071.6 million and RMB380.8 million, respectively, accounting for approximately 2.6%, 5.4%, 9.0% and 5.6% of our total purchase amount for the respective periods. In 2023, 2024, 2025 and the four months ended April 30, 2026, the gross profit margin of our sales to Supplier I was negative 0.04%, nil, 0.9% and nil, respectively. The gross profit margins of our sales to Supplier I in 2023 and 2025 were lower than our overall gross profit margins for the respective periods, primarily because the products sold to such customer mainly comprised SD cards and PCB boards, which generally carried lower gross profit margins.

The reasons for such overlap between our suppliers and customers are as follows: (i) we purchased a small number of smartphones from our customers in the smartphone field for testing purposes; (ii) in our business dealings with certain trading companies, we both purchased raw materials from them and sold memory products to them; (iii) we engaged in separate procurement or sales transactions with subsidiaries of large conglomerates that are involved in different businesses; and (iv) we purchase a small quantity of storage products with certain specifications that we do not have, from our customers primarily engaged in the production of memory products.

The terms and conditions of the sales agreements and procurement agreements with the above customers and suppliers were negotiated on an arm's length basis and generally in line with the terms and conditions with other comparable customers and suppliers. According to Frost & Sullivan, it is common in the industry to have overlapping customers and suppliers.

CUSTOMER SUPPLY ARRANGEMENT

Starting from April 2024, we engaged in a customer supply arrangement with Customer G, under which Customer G provided us with wafers as raw materials for the manufacturing of embedded storage products, while we sold the corresponding embedded storage products to Customer G (the "**Customer Supply Arrangement**"). According to Frost & Sullivan, such arrangements are not uncommon in the industry. The commercial rationale for entering into the Customer Supply Arrangement was to secure customer demand and sales volume, reduce our working capital requirements and exposure to wafer inventory risk and wafer price fluctuations, and enhance supply chain coordination with Customer G. Under the Customer Supply Arrangement, we do not bear the inventory risk of the wafers provided by Customer G, nor the risk of fluctuations in wafer prices in respect of such supplied wafers.

There was no Customer Supply Arrangement prior to April 2024. Revenue generated under the Customer Supply Arrangement is recognized as revenue from sales of embedded storage products. Consequently, from an accounting perspective, in order to reflect the financial and commercial substance of the arrangements, the value of wafers provided by Customer G is deducted from our revenue and cost of sales. In 2024, 2025 and the four months ended April 30, 2026, the revenue generated from Customer G under the Customer Supply Arrangement was RMB317.7 million, RMB1,508.9 million and RMB786.1 million, respectively, representing 3.6%, 13.4% and 9.8% of our total revenue for the respective periods. The total sales volume of embedded storage in GB sold to Customer G under the Customer Supply Arrangement was 4,271.7 million GB, 18,015.8 million GB and 8,031.8 million GB, respectively, representing 27.6%, 68.5% and 75.2% of our total sales volume of embedded storage in GB for the respective periods. Given that sales volume under the Customer Supply Arrangement represented 68.5% and 75.2% of our total embedded storage sales volume in 2025 and the four months ended April 30, 2026, respectively, such arrangement is significant to our embedded storage business, and a substantial portion of our embedded storage sales volume is dependent on Customer G's continued purchase demand and the continuation of the Customer Supply Arrangement. See "Risk Factors — Risks Relating to Our Business and Industry — A substantial portion of our embedded storage sales volume is generated under the Customer Supply Arrangement with Customer G, and any adverse change in such arrangement could materially and adversely affect our business, financial condition and results of operations."

The Customer Supply Arrangement affected the presentation of our embedded storage revenue, average selling price and profit margin. Revenue generated from our embedded storage decreased by 5.6% from RMB5,687.7 million in 2024 to RMB5,369.9 million in 2025, primarily due to a 45.9% decrease in the average selling price of our embedded storage from RMB0.37 per GB in 2024 to RMB0.20 per GB in 2025. Such decrease was primarily attributable to the revenue recognition approach under the Customer Supply Arrangement, under which the revenue for embedded storage is calculated as the income from our embedded storage sold to Customer G less the cost of wafers provided by Customer G for manufacturing such embedded storage. If revenue generated under the Customer Supply Arrangement had been excluded, the average selling price of our embedded storage would have been RMB0.48 per GB and RMB0.47 per GB in 2024 and 2025, remaining relatively flat. While such arrangements generally lower the reported average selling price of embedded storage products, they also reduce our exposure to wafer procurement risk and inventory price volatility and support sales volume growth. Taking into account the above factors, we accepted current gross profit margin level under the Customer Supply Arrangement, which, to some extent, contributed to a decline in the gross profit margin of our embedded storage products from 2024 to 2025. In the four months ended April 30, 2026, revenue generated from our embedded storage increased significantly as compared with the same period in 2025, primarily driven by the increase in the reported average selling price of our embedded storage from RMB0.23 per GB to RMB0.51 per GB, reflecting the increase in market prices of memory products during the period, notwithstanding the continued impact of the Customer Supply Arrangement on our average selling price. Excluding revenue generated under the Customer Supply Arrangement, the average selling price of our embedded storage would have increased from RMB0.40 per GB in the four months ended April 30, 2025 to RMB1.75 per GB in the same period in 2026.

We currently expect the Customer Supply Arrangement to continue in the near term. However, whether the scale of such arrangement will increase will depend on various factors, including industry conditions, customer demand and overall market developments. If the proportion of sales under the Customer Supply Arrangement increases, our reported revenue from embedded storage products and our average selling price may continue to be affected by the net presentation described above, and our revenue profile and profitability metrics may become more influenced by the commercial terms of such arrangements. In addition, as Customer G is one of our key strategic partners, a substantial portion of our embedded storage sales continues to be generated under our long-term, mutually beneficial Customer Supply Arrangement. While this results in a degree of customer concentration, it reflects the deep collaborative partnership between us, with no material impact on our bargaining position and no material customer dependency issues expected going forward. However, we believe that such arrangement also provides us with relatively stable demand and reduced wafer procurement risk.

TRANSFER PRICING ARRANGEMENT

During the Track Record Period, we primarily conducted our operations through subsidiaries in Chinese Mainland and Hong Kong. Our intra-group transactions primarily include (i) purchase and sales of raw materials and finished goods, (ii) transactions of patent licensing, and (iii) intra-group services. We adopt the arm's length principle for pricing intra-group transactions, with reference to applicable transfer pricing laws and regulations in the relevant jurisdictions and the OECD Transfer Pricing Guidelines.

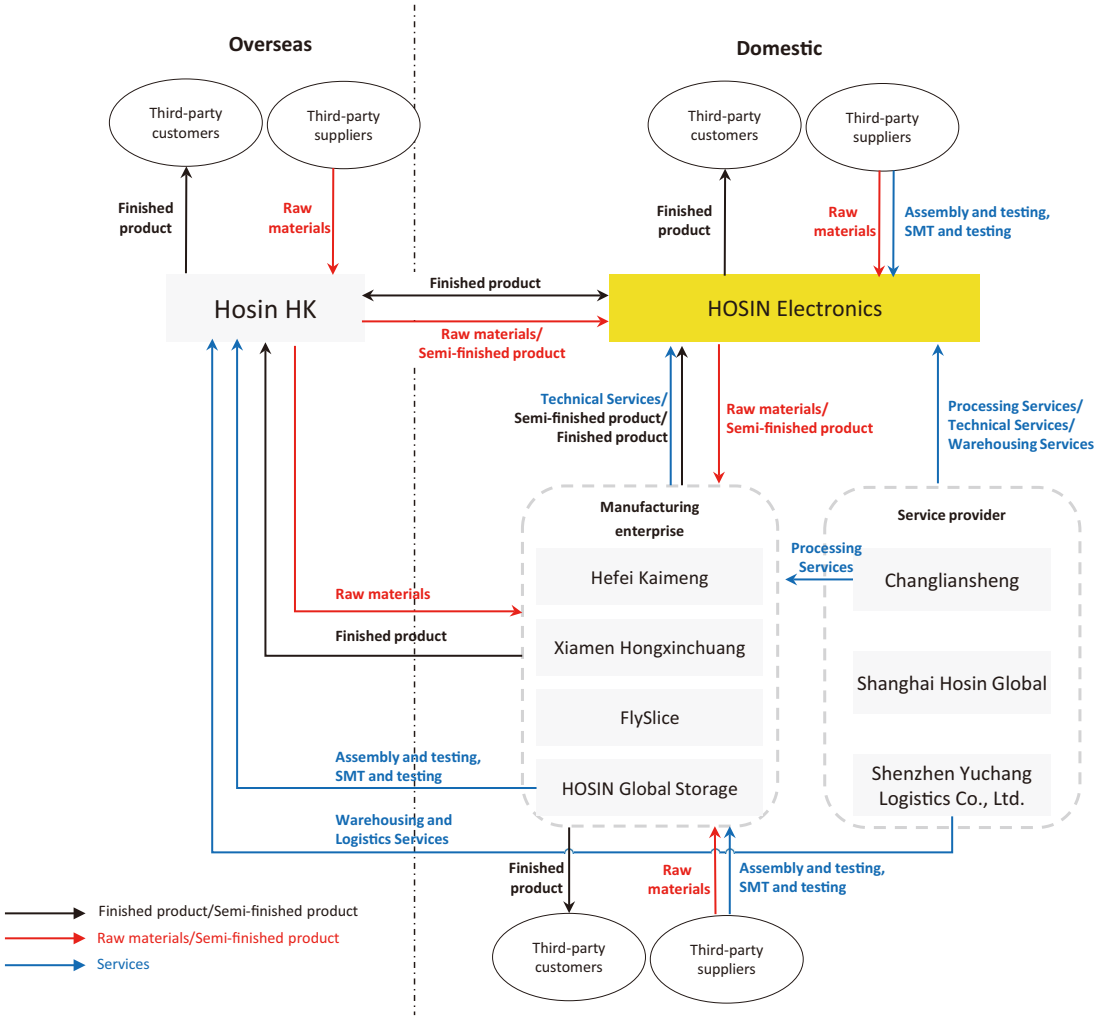
Applicable Transfer Pricing Laws and Regulations in The Relevant Jurisdictions

- *Chinese Mainland*. Our PRC entities are subject to, among others, (i) the PRC Enterprise Income Tax Law and its implementation rules, (ii) the PRC Tax Collection and Administration Law and its implementation rules, (iii) the Implementation Measures for Special Tax Adjustments (Trial) (SAT Announcement [2017] No. 6), and (iv) the SAT Announcement on improving related-party transaction reporting and contemporaneous documentation management (SAT Announcement [2016] No. 42). Our PRC entities have identified, analyzed and disclosed major related-party transactions in accordance with the above requirements, to support the reasonableness of related-party pricing.

- *Hong Kong*. Hong Kong generally follows the OECD Transfer Pricing Guidelines, which reflect the arm's length principle and provide comparability standards by reference to the functions performed, risks assumed and assets used by relevant parties. Our Transfer Pricing Consultant considers that the OECD Transfer Pricing Guidelines are consistent with the transfer pricing framework in Chinese Mainland and Hong Kong.

Our Intra-Group Logistics and Business Arrangements

The following diagram illustrates the principal logistics and business arrangements among relevant Group entities and the jurisdictions involved during the Track Record Period:



The above diagram is intended to summaries the principal intra-group flows and does not purport to describe all transactions.

Transfer Pricing Consultant's Assessment

We engaged Ernst & Young (China) Advisory Limited Shenzhen Branch Office as our Transfer Pricing Consultant to review our transfer pricing arrangements during the Track Record Period. The Transfer Pricing Consultant performed a functional analysis of the relevant Group entities (including an assessment of functions performed, assets used and risks assumed) and applied transfer pricing methods consistent with the arm's length principle, primarily the transactional net margin method ("**TNMM**") and, where appropriate, the comparable uncontrolled price method ("**CUP**"), with benchmarking against comparable independent companies and/or third-party contract/quotation ranges.

Based on the benchmarking and review procedures performed, the Transfer Pricing Consultant concluded that our intra-group pricing during the Track Record Period was generally consistent with the arm's length principle and that our overall transfer pricing adjustment risk is remote. In particular, the Transfer Pricing Consultant's review covered (i) intra-group sale/purchase of goods and related production arrangements, typically tested under TNMM using appropriate profit level indicators such as full cost mark-up; the comparable range for memory product manufacturers was 0.2% to 14.5%, with a median of 3.6%; the profit level of Hefei Kaimeng was within such range, while the profit levels of our Company, Xiamen Hongxinchuang and FlySlice were 29.3%, 26.3% and 30.3%, respectively, which were above such range, primarily because (a) they benefited from the upward cycle of the memory product industry in the second half of 2025 and the four months ended April 30, 2026, during which increases in product prices drove revenue and gross profit growth, and (b) such entities assumed higher functions and risks or engaged in higher value-added businesses; the comparable range for service providers was 1.8% to 10.1%, with a median of 4.9%, and the profit level of Shanghai HOSIN Global was within such range; (ii) distribution arrangements, typically tested under TNMM using operating profit margin; the comparable range for memory product distributors was 2.5% to 5.1%, with a median of 3.4%; the operating profit margin of Hosin HK was 11.4%, which was above such range, primarily because a substantial portion of its products was sold directly to third parties and its profit margin benefited from the increase in memory product prices since the second half of 2025; and (iii) packaging and testing, logistics, processing and warehouse rental services (benchmarked by reference to comparable third-party pricing ranges under CUP, where applicable). The pricing methods adopted for such intra-group transactions varied depending on the nature of the relevant services, and the relevant pricing was within the applicable comparable price ranges. The Transfer Pricing Consultant also considered business-specific factors affecting certain entities during the Track Record Period (including external restrictions and business migration), and assessed whether any observed profit fluctuations were attributable to transfer pricing versus commercial/operational factors.

On the basis of the Transfer Pricing Consultant's review and conclusions above, our Directors believe that our transfer pricing arrangements during the Track Record Period were consistent with the arm's length principle under the OECD Transfer Pricing Guidelines and applicable transfer pricing laws and regulations in the relevant jurisdictions in all material respects, and the risk of our Group being subject to material transfer pricing adjustments or additional tax payments is low. Our Directors further confirm that during the Track Record Period and up to the Latest Practicable Date, we were not aware of any inquiries, reviews, investigations or challenges from any tax authorities in the jurisdictions where we operate in respect of our intra-group transactions.

U.S. EXPORT CONTROLS, SANCTIONS AND ENTITY LIST DESIGNATION OF HEFEI CORE STORAGE

Entity List Designation, Nature and Scope of Restrictions, and Impact Overview

On December 16, 2022, the U.S. Department of Commerce Bureau of Industry and Security ("**BIS**") designated our wholly-owned subsidiary Hefei Core Storage Electronic Limited (合肥兆芯電子有限公司) ("**Hefei Core Storage**") on the Entity List. BIS stated that Hefei Core Storage was added to the Entity List on the basis of information indicating that certain companies including Hefei Core Storage presented a significant risk of diversion of items to Entity List parties, i.e., Huawei Technologies Co., Ltd. ("**Huawei**") and Hangzhou Hikvision Digital Technology Co., Ltd. ("**Hikvision**"), which BIS considered contrary to U.S. national security or foreign policy interests under the Export Administration Regulations (the "**EAR**"). Following an internal review of our Group's sales records, we confirmed that our Group (including Hefei Core Storage) has not conducted any business transactions with Huawei or Hikvision and has not sold any products to Huawei or Hikvision since our establishment. Our Directors confirmed, and the Sole Sponsor concurred, that during the Track Record Period and up to the Latest Practicable Date, we have not conducted any transactions in breach of applicable U.S. export control laws and regulations (including the EAR).

The Entity List designation restricts Hefei Core Storage's ability, without a BIS license, to procure or obtain certain goods, software and technology that are subject to the EAR ("**items subject to the EAR**"). Pursuant to the EAR, items subject to the EAR include: (1) all items in the United States; (2)

all U.S.-origin items wherever located; (3) certain non-U.S.-origin items incorporating more than a de minimis amount of controlled U.S.-origin content; (4) certain non-U.S.-origin items that are direct products of certain U.S. technology and software; and (5) certain non-U.S.-origin items that are produced by complete plants or major components of plants that are direct products of certain U.S. technology and software.

As confirmed by our international sanctions legal adviser, Hefei Core Storage's Entity List designation is administered under the Entity List licensing requirement under the EAR (including EAR Rule 744.11), such that exports, reexports or transfers (in-country) to Hefei Core Storage of items subject to the EAR may require a BIS license in accordance with the applicable Entity List requirements. As a matter of the EAR, procurement by Hefei Core Storage of items that are not subject to the EAR is not restricted. The Entity List designation is a recipient-based export control measure and does not, by itself, prohibit Hefei Core Storage from carrying on external sales activities, external services, after-sales activities (including the provision of parts and components), or Hefei Core Storage's own financial activities or research and development activities; however, it may affect such activities in practice to the extent they depend on access to items, software or technology that are subject to the EAR. Furthermore, as confirmed by our international sanctions legal adviser, the restrictions imposed by BIS on Hefei Core Storage do not apply to other members of our Group (except for Hefei Yichao, which is wholly owned-by Hefei Core Storage, provided that implementation of the Affiliates Rule resumes in the future) and should not have any material impact on our supply chain, business operations, financial performance, research and development capabilities, and product and service offerings. For details, see "— Applicability To Other Members of Our Group, Transfers/Adjustments After Designation, and Basis for No Circumvention/Violation."

Inventory Sales and Compliance with EAR and Other Trade Controls

Hefei Core Storage was established on June 11, 2015. Prior to its designation, Hefei Core Storage principally engaged in (1) research and development, design and sales of storage products and (2) sales of controller chips. Following the designation, Hefei Core Storage has gradually reduced its sales activities and ceased doing business with its then-existing customers within one year of the designation. Hefei Core Storage currently sells only its existing inventory to customers that it subsequently developed. Based on our assessment of Hefei Core Storage's existing inventory and market demand, we expect Hefei Core Storage to cease its sales activities by the end of 2026. Hefei Yichao, which is wholly owned by Hefei Core Storage and therefore may become subject to the Entity List restrictions if the Affiliates Rule is reinstated, conducted only one sale in 2025 during the Track Record Period, accounting for less than 0.001% of our total revenue for that year, and is not expected to engage in any commercial activities in the future.

The Entity List designation does not restrict a listed entity from selling products to external parties. In conducting inventory sales, Hefei Core Storage follows relevant export control compliance guidelines by screening customers and destination countries/regions to ensure compliance with applicable trade control requirements, and Hefei Core Storage requires customers to sign compliance undertakings, including undertakings that the ultimate end users are not Entity List parties. Following its designation, Hefei Core Storage has not procured any items subject to the EAR. The Group currently has no plan to wind up Hefei Core Storage, as it continues to hold certain intangible assets and investments that require ongoing management and accounting treatment. As of the Latest Practicable Date, Hefei Core Storage (1) held 162 patents, none of which was material to the Group's business, (2) accounted for part of the Group's goodwill, which had a carrying value of approximately RMB285,924,483, and (3) held equity interests in Hefei Yichao and Hefei Xinpeng Technology Co., Ltd. with an aggregate carrying value of approximately RMB149,570,594. We expect Hefei Core Storage to cease its commercial activities upon completion of the sale of its existing inventory by the end of 2026. Following the designation, Hefei Core Storage became subject to restrictions on its access to U.S.-origin items and has been affected by, among other things, supply chain disruptions and limited market access. However, the Entity List designation does not, in itself, affect Hefei Core Storage's ownership of, or ability to hold, use or transfer, such intangible assets and investments. Nevertheless, as Hefei Core Storage's business activities have been restricted as a result of the designation, the commercialization capabilities and the economic value of such intangible assets and investments may

be subject to certain adverse impact, the extent of which is difficult to quantify. Notwithstanding the foregoing, given that such intangible assets and investments held by Hefei Core Storage are not material to our Group's business and operations, any potential impact of the Entity List designation on such intangible assets and investments is not expected to have any material adverse effect on our Group.

Applicability To Other Members of Our Group, Transfers/Adjustments After Designation, and Basis for No Circumvention/Violation

During the Track Record Period, Hefei Core Storage's revenue contribution remained immaterial to our Group. Hefei Core Storage's revenue contribution represented approximately 3.0%, 0.2%, 0.1% and less than 0.1% of our total revenue in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively. Hefei Core Storage had approximately 155, 22, 14 and 9 employees in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, accounting for approximately 19.8%, 1.9%, 1.0%, and 0.7% of our Group's total headcount for the respective years.

The restrictions imposed by BIS on Hefei Core Storage (and, if the Affiliates Rule is reinstated, potentially on Hefei Yichao) do not apply to other members of our Group. According to BIS FAQs, BIS has explicitly advised that "the licensing and other obligations imposed on an entity by virtue of being listed [on the Entity List] do not per se apply to its subsidiaries, parent companies, sister companies, or other legally distinct affiliates that are not listed on the Entity List when the non-listed foreign affiliate does not meet the Affiliates Rule criteria. If, however, such a company, or even an unaffiliated company, acts as an agent, a front, or a shell company for the listed entity in order to facilitate transactions that would not otherwise be permissible with the listed entity, then the company is likely violating, inter alia, General Prohibition 10, EAR §764.2(b) (causing, aiding, or abetting a violation) and possibly other subsections of §764.2 as well." The "Affiliates Rule" referred to in the BIS FAQ refers to the "Expansion of End-User Controls to Cover Affiliates of Certain Listed Entities" released by BIS on September 29, 2025, which expanded export control restrictions and licensing requirements under the Entity List and Military End-User List to foreign entities 50% or more owned by one or more listed parties. On November 1, 2025, the U.S. government announced that the United States will suspend for one year, starting on November 10, 2025, the implementation of the Affiliates Rule. In addition, since Hefei Core Storage's designation, no other member of our Group has been designated on the Entity List. In terms of application of the Affiliates Rule, Hefei Core Storage currently holds 100% of the equity interests in Hefei Yichao and a minority interest in Hefei Xinpeng Technology Co., Ltd., and does not hold any equity interests in any other entities. If the suspension expires and the U.S. government resumes the implementation after November 10, 2026, Hefei Core Storage's wholly owned subsidiary, Hefei Yichao, would become subject to the Entity List licensing requirements, while the Affiliates Rule should not have any impact on Hefei Xinpeng Technology Co., Ltd. or other members of the Group. Nevertheless, as advised by our international sanctions legal adviser, our Directors are of the view that we would not be materially adversely affected if the implementation of the Affiliates Rule resumes, given that the Affiliates Rule would not apply to our Group entities other than Hefei Yichao and Hefei Yichao's revenue contribution to us is negligible. During the Track Record Period, Hefei Yichao generated revenue only in 2025, accounting for less than 0.001% of the our total revenue for that year. Based on the foregoing, and given that other members of our Group operate as legally distinct entities and do not act as an agent, a front, or a shell company for Hefei Core Storage, our international sanctions legal adviser is of the view that the Entity List designation of Hefei Core Storage does not extend to the other members of our Group, except that Hefei Yichao would become subject to the Entity List licensing requirements if implementation of the Affiliates Rule resumes in the future, and therefore does not restrict the ability of other members of our Group (except for Hefei Yichao) to procure, obtain or otherwise access items subject to the EAR. Since Hefei Core Storage's designation, no other member of our Group has been designated on the Entity List. Our Directors confirmed, and the Sole Sponsor concurred, that our procurement from U.S. suppliers has not been adversely affected by any U.S. export control restrictions or other regulatory measures. During the Track Record Period, our Group (excluding Hefei Core Storage) procured from U.S. originated suppliers, either directly or indirectly through vendors, items including dies, wafers, electronic design automation tools, oscilloscopes, optoelectronic measurement instruments, and other related items, which are all subject to the EAR. Procurement of

such items accounted for approximately 9.5%, 11.0%, 16.5%, and 30.1% of our Group's total procurement amount in 2023, 2024, 2025, and the four months ended April 30, 2026, respectively. The increase in the proportion for the four months ended April 30, 2026 was primarily attributable to our commercial considerations, including the relatively competitive pricing offered by U.S. suppliers. The relevant items can be readily substituted with comparable items of similar quality and pricing sourced from suppliers in other jurisdictions, and we believe that any cessation of procurement from U.S. originated suppliers would not have a material adverse impact on our business operations. For the majority of the items we procured from U.S. originated suppliers, comparable items of similar quality and pricing are readily available from suppliers in other jurisdictions. In the event of any disruption to our procurement from U.S. originated suppliers, we do not expect such disruption to have a significant adverse impact on our business, given the availability of alternative sources of supply in other jurisdictions.

As at the Latest Practicable Date, with respect to all Group members other than Hefei Core Storage, none of their respective investors, customers or suppliers have withdrawn their investment in, or ceased doing business with our Group as a result of the Entity List designation, or notified us in writing or otherwise of their intention to do so. Following the designation, Hefei Core Storage's business operations were restricted, primarily due to supply chain disruptions and limited market access, and Hefei Core Storage was therefore no longer able to maintain its original business scale or headcount. To properly safeguard our employees' lawful rights and interests, uphold our social responsibilities, and preserve asset value to the greatest extent possible, our Group conducted internal strategic planning and accordingly reassigned certain personnel and assets of Hefei Core Storage to other Group entities. Pursuant to Section 764.2(h) of the EAR, "no person may engage in any transaction or take any other action with intent to evade the provisions" of the EAR. The reassignment of Hefei Core Storage's certain personnel and assets to other Group entities were not intended, and do not have the effect, to evade U.S. export control restrictions. First, since our Group (including Hefei Core Storage) has not conducted any business transactions with Huawei or Hikvision since its establishment, neither before nor after the designation did the reassigned personnel and assets of Hefei Core Storage engage in any business activities with Huawei or Hikvision, nor have they conducted any other activities in violation of the EAR. Second, we confirmed that since the designation, Hefei Core Storage and Hefei Yichao have not transferred their business activities, customer relationships, or transactions to other members of the Group, and we have ensured that the procurement activities of Hefei Core Storage and Hefei Yichao are completely segregated from the procurement activities of other members of the Group, including avoiding any assistance by any other members of the Group in procuring any items for Hefei Core Storage or Hefei Yichao. Therefore, our international sanctions legal adviser is of the view that, the other Group entities have not acted as "an agent, a front, or a shell company" for Hefei Core Storage to evade U.S. export control restrictions by facilitating transactions that would be prohibited under the EAR. In addition, the transfer of such personnel and assets of Hefei Core Storage was undertaken for legitimate business considerations, including employee protection and asset preservation, and was not undertaken to avoid the application of prohibitions under the EAR. Based on such reasons, our international sanctions legal adviser is of the view that such adjustments are not in breach of the Entity List restrictions. Our continued operations following such adjustments have also been assessed by our external counsel to ensure lawful and compliant operation.

Internal Controls and Mitigation Measures

We engaged external counsel to conduct a comprehensive risk assessment in relation to the designation and formulated a business adjustment and operational segregation plan in January 2023. We will continue to engage external counsel and consultants to review and advise on our export control compliance program. In addition, BIS guidance referenced in BIS FAQs indicates that a parent company may violate the EAR if it acts as an agent, a front, or a shell company for a listed entity in order to facilitate transactions that would not otherwise be permissible with such listed entity. Following the designation, we have not participated in any transactions that may result in a violation of the EAR. We have not transferred any items subject to the EAR to Hefei Core Storage and have not acted as an agent, front company or shell company for Hefei Core Storage to facilitate any transactions that would

otherwise be impermissible. We have also ensured complete segregation of procurement activities, including avoiding any assistance by any other members of our Group in procuring any items for Hefei Core Storage.

To maintain operational independence between Hefei Core Storage and other members of our Group and mitigate compliance risks, we have implemented a comprehensive operational firewall, including:

- *Research and development segregation.* We reassigned all research and development personnel (who were not involved in any research and development activities or any transactions with Huawei or Hikvision, either before or after the reassignment) away from Hefei Core Storage, with Hefei Core Storage retaining only a small number of after-sales support staff; we and Hefei Core Storage suspended all research and development-related communications and cooperation;
- *Procurement segregation.* We fully segregated procurement activities and prohibited any assistance by any other members of our Group in procuring any items for Hefei Core Storage;
- *Inventory segregation.* We established a separate warehouse for Hefei Core Storage, which is physically segregated from the warehouses operated by other members of our Group, to avoid commingling and storage of goods bearing the Hefei Core Storage's trademark with our Group's other inventory;
- *Sales segregation.* We terminated all cooperation with Hefei Core Storage in sales-related activities, including joint customer development and sales of products bearing Hefei Core Storage's trademark;
- *Personnel/role segregation.* We prohibited any employee from holding overlapping positions in both Hefei Core Storage and other members of our Group and ensured that personnel of other Group members do not directly support Hefei Core Storage; and
- *IT systems segregation.* We adjusted our ERP and OA systems to revoke all cross-entity access permissions and cut off any potential technical interactions between Hefei Core Storage and other members of our Group.

Since Hefei Core Storage's designation on the Entity List, we have implemented internal controls to ensure that our transactions with customers and suppliers comply with relevant sanctions and export control laws and regulations, including but not limited to: (i) establishing export controls and sanctions policies and procedures covering risk assessment, trainings, audit and supervision, and records management; (ii) conducting pre-engagement and continuous assessment and screening of prospective and existing suppliers and customers against restricted party lists and country/region lists (such as the Entity List); (iii) requiring all customers to execute standard export control compliance clauses and undertakings that prohibit the resale of our products to any prohibited countries/regions or parties (such as parties on the Entity List); and (iv) maintaining escalation procedures to suspend or halt transactions pending enhanced review where a potential match or heightened risk is identified. Our Directors are of the view that our export control compliance policies and procedures are adequate and effective to identify and mitigate any material risks arising from the Entity List designation. Based on the due diligence conducted by our international sanctions legal adviser, including (i) a review of our Group's sanctions and export control policies and procedures and sample contracts with customers, (ii) interviews with personnel from relevant functions, including the legal department, procurement center, outsourced manufacturing and testing functions, marketing center, research and development, human resources and investment functions, to assess their awareness and understanding of, and implementation in practice of, the relevant policies and procedures, and (iii) screening of all members of our Group and our customers and suppliers during the Track Record Period against restricted party lists (such as the Entity List), our international sanctions legal adviser is of the view that the aforementioned internal control measures, if strictly and continuously implemented, appear adequate and effective to enable our Group to identify, monitor and mitigate risks associated with applicable export controls and sanctions.

As for the standard export control compliance clauses and undertakings that we require all customers to sign, such clauses and undertakings prohibit the resale of our products to any prohibited countries/regions or parties and reserve our right to suspend shipments to any customer in breach of such clauses and undertakings and conduct an end-use audit of the products. Having reviewed such clauses and undertakings, our international sanctions legal adviser is of the view that such clauses and undertakings appear effective in mitigating the Group's sanction risks. Based on the procedures performed and the reports issued by the Internal Control Consultant, the Internal Control Consultant is of the view that the Company's internal control procedures relating to export controls and sanctions were adequately designed and effective, at the design level, in enabling the Company to identify, monitor and mitigate risks associated with export controls and sanctions. Based on the above, and the independent due diligence work of the Sole Sponsor, including, without limitation, its review of the assessment and basis of the Group's international sanctions legal adviser, the Group's compliance and internal controls policies, and background searches and due diligence on the Group and its major customers, suppliers, distributors and end customers, nothing has come to the attention of the Sole Sponsor that would cause it to cast reasonable doubt on the Directors' view above.

Notwithstanding the above compliance measures, due to the nature of our sales model and downstream supply chain, after our products are sold to our direct customers or distributors, we generally do not have full visibility over, or the ability to control, all subsequent onward sales, resale arrangements, incorporation into downstream products, or ultimate end customers and end uses, except to the extent such information is provided to us by our customers or distributors. Although we conduct counterparty screening, obtain export control compliance undertakings where appropriate and implement escalation procedures for transactions involving heightened risks, we cannot assure you that our downstream customers or their customers will not resell, transfer, incorporate or otherwise make available our products, or products incorporating our products, to parties subject to trade restrictions, sanctions or export control restrictions, including parties on the Entity List, or for restricted end uses. Any such onward sale or transfer may expose us to export control or sanctions-related enquiries, enhanced scrutiny from regulators, suppliers or customers, reputational harm, additional compliance costs, or disruption to customer or supplier relationships.

Conclusion

Based on the assessment conducted by us and our international sanctions legal adviser, our business activities during the Track Record Period and up to the Latest Practicable Date should not be subject to any material export control or sanctions risks.

- The current U.S. export controls should not have any material adverse impact on our business because our products are not subject to the EAR and we did not provide any items subject to the EAR to any restricted end users who appear on any restricted party lists (such as the Entity List) during the Track Record Period.
- Based on the assessment conducted by us and our international sanctions legal adviser, our Directors are of the view that the designation of Hefei Core Storage on the Entity List did not and would not have a material impact on our supply chain, business operations, financial performance, research and development capabilities, and product and service offerings, because (1) the restrictions imposed on Hefei Core Storage do not apply to other members of our Group, except that Hefei Yichao, whose contribution to our Group is negligible, would become subject to the Entity List licensing requirements if implementation of the Affiliates Rule resumes in the future, (2) the other members of our Group have not engaged in transactions involving Hefei Core Storage that may result in a violation of the EAR, (3) Hefei Core Storage represents an immaterial portion of our business in terms of revenue contribution, and (4) we have taken mitigation measures following the designation to ensure compliance with export control laws. Based on the above, nothing has come to the attention of the Sole Sponsor that would cause the Sole Sponsor to cast reasonable doubt on the view of the Directors.

- The current U.S. sanctions should not have any material adverse impact on our business because we did not engage in any Primary Sanctioned Activity or Secondary Sanctionable Activity, and we are not a Sanctioned Target, are not incorporated, located or organized in a Sanctioned Country, and are not a Sanctioned Trader that conducts a material portion (10% or more) of its business with Sanctioned Targets or Sanctioned Country entities or persons.

QUALITY MANAGEMENT

Quality control and assurance are critical to our operations. We have a comprehensive quality management system encompassing various aspects of our operations, including R&D, procurement and production, ensuring compliance with both relevant regulatory requirements and our stringent internal quality standards. During the product R&D stage, our QC team conducts strict reviews of the product design and R&D plans. In terms of procurement, we carefully select and regularly review our suppliers and conduct thorough inspections before goods are received into the warehouse. In addition, we implement rigorous quality control processes for outsourced products, including: (i) conducting small-batch pilot production and performing testing and validation on samples to determine suitability for mass production; (ii) closely monitoring product quality during mass production and making timely adjustments if deviations from pilot results are identified; and (iii) performing sampling inspections on finished products. All procedures and documentation strictly follow our internal standards to ensure product quality, regulatory compliance, and effective third-party manufacturers management.

During the Track Record Period and up to the Latest Practicable Date, we did not receive any fines, product recall orders or other penalties from the relevant competent authorities regarding material product quality issues.

WAREHOUSING, LOGISTICS AND INVENTORY MANAGEMENT

We operate several warehouses mainly in Hong Kong and Shenzhen for storing raw materials, work-in-progress and finished products. Finished products that have passed quality inspections are delivered by the logistics service providers from our own warehouses to our customers or to designated warehouses. We select logistics service providers based on their reputation, scale of operations, track record and price. We typically enter into long-term agreements with our logistics service providers. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disruption in the delivery of our products or suffer any loss due to late delivery or mishandling of products by our logistics service providers. As of December 31, 2023, 2024 and 2025 and April 30, 2026, the balance of our inventories was RMB2,548.2 million, RMB3,949.8 million, RMB7,172.3 million and RMB10,886.9 million, respectively. In 2023, 2024, 2025 and the four months ended April 30, 2026, our inventory turnover days were 101 days, 162 days, 231 days and 356 days, respectively. Our inventory turnover days increased from 101 days in 2023 to 162 days in 2024, primarily due to our proactive inventory build-up to meet anticipated demand from key customers. Our inventory turnover days further increased from 162 days in 2024 to 231 days in 2025, as we strategically built up our inventory levels, in response to the significant increase in the average selling price of our memory products. Our inventory turnover days increased from 231 days in 2025 to 356 days in the four months ended April 30, 2026, primarily because we proactively accumulated inventories to meet the anticipated demand from our major customers.

To maintain our competitive position and align our products with evolving market demands, we have implemented various measures to optimize our inventory levels. These measures include minimizing inventory backlog and enhancing our inventory management processes. We have established internal procedures for submission and approval to streamline logistics and standardize purchase orders for our products. We employ ERP software to track inventory levels as well as ensure appropriate levels of raw materials and finished products and monitor the inflow and outflow of items from our warehouses in real-time. We conduct comprehensive inventory checks every three months to ensure efficient warehouse operations. Our Directors affirm that our inventory control systems and policies have been effective, with no significant supply shortages or inventory overstock issues experienced during the Track Record Period and up to the Latest Practicable Date.

INTELLECTUAL PROPERTY

Intellectual property rights are critical in safeguarding our business. We protect our intellectual property rights through a combination of patents, trade secrets, know-how, trademarks, copyrights, unfair competition laws and contractual rights, such as confidentiality agreements. Our future commercial success depends, in part, on our ability to obtain and maintain patents and other intellectual property and proprietary protections for commercially important technologies, inventions and know-how related to our business, defend and enforce our patents, preserve the confidentiality of our trade secrets and operate without infringing, misappropriating or otherwise violating the intellectual property rights of external parties.

As of April 30, 2026, we had 416 granted patents in China and overseas, including 320 invention related patents. As of April 30, 2026, we had 74 copyrights and 35 registered trademarks in China and overseas. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any intellectual property infringement disputes or claims which had any material adverse impact on us. See "Risk Factors — Risks Relating to Our Business and Industry — We may not be able to obtain or maintain adequate intellectual property rights protection for our products, or the scope of such intellectual property rights protection may not be sufficiently broad."

IP Risk Management Measures and Compliance Mechanisms

We have established a comprehensive internal control and IP compliance framework covering research and development, patent filing and portfolio management, external cooperation, pre-commercialization review, dispute escalation and ongoing monitoring. The principal control measures include: (1) comprehensive internal control architecture — we have adopted internal policies and operating procedures governing the identification, assessment, review, escalation and handling of IP-related matters, with clearly delineated responsibilities across the IP, research and development, sales, procurement, brand and legal/compliance functions. In particular, our IP department serves as the central coordination function for patent, trademark, copyright and technology-related matters; our research and development teams are responsible for timely reporting inventions, technical achievements and proposed external technical disclosures; our sales, procurement and brand functions are responsible for initiating relevant IP review procedures for customer-facing, supplier-facing and publicity-related activities; and our legal/compliance function coordinates contractual protections, dispute handling and external legal support. We have also established internal approval, escalation and reporting procedures under which material or potentially contentious IP matters are reported to senior management on a timely basis and, where appropriate, referred to specialized external advisors for further assessment and response; (2) ex ante risk identification — at the research and development project initiation stage, our IP department conducts patent and technology searches and, where appropriate, applies for IP protection. For external cooperation projects, we also enter into written arrangements regarding IP ownership and the allocation of related benefits; (3) periodic risk screening — our IP department regularly prepares and circulates an IP risk identification register to relevant departments. Each department then carries out risk identification, updates the register in accordance with internal approval procedures, and follows up on mitigation actions; (4) gatekeeping at key commercialization points — prior to product sales or marketing and publicity activities, the relevant business teams must complete IP review procedures, and our IP department reviews the legal status and authorization of the relevant technologies, trademarks and copyrights; (5) incident response and remedial measures — where potential or actual IP-related risk events arise, we activate a cross-functional response mechanism. We further strengthened our response process by engaging specialized external IP counsel, centralizing standard essential patents-related communications and negotiations, and enhancing internal record-keeping and cross-functional review for standard-related products; and (6) patent protection and portfolio management — we place significant emphasis on patent protection and have built a substantial patent portfolio. We have established procedures for the full life-cycle management of our patent assets, including invention disclosure, internal evaluation of patentability and commercial relevance, filing strategy, prosecution, maintenance, annuity payment tracking and periodic portfolio review. Our IP department works closely with our research and development teams to identify patentable outputs at various stages of product and technology development and to determine, on a case-by-case basis, the appropriate protection strategy having regard to the technical significance, commercial application and

defensive value of the relevant inventions. We also periodically review and optimize our patent portfolio to support key technologies and product lines, align patent protection priorities with our business development and research directions, and strengthen our defensive position against third-party IP risks. As of April 30, 2026, we held 320 invention patents, which supports both product development and defensive risk management. Our internal control consultant has reviewed the design and implementation of the above internal control measures, and is of the view that such measures are adequate and effective in addressing IP-related compliance risks.

INFORMATION SECURITY AND DATA PRIVACY

We consider the confidentiality, integrity, and availability of data as critical to our business operations. Since our transactions are solely with enterprises, our business does not involve the collection or processing of personal information from individual customers. Nevertheless, we collect, store, and process business and transaction data in the course of our operations, which remain subject to evolving regulatory requirements and administrative scrutiny.

In the ordinary course of our business operations, we only generate and process internal research and development and operational data, and do not conduct any external data collection activities. All such internal data is stored in compliant facilities located in the places where we operate. In addition, we did not conduct any cross-border data transfer during the Track Record Period. We are not a network platform operator nor a critical information infrastructure operator as defined under the Cybersecurity Review Measures. Having carefully reviewed our information security policies, internal management systems, actual operational status, material contracts, compliance certificates and other relevant information, our PRC Legal Advisor is of the opinion that during the Track Record Period and up to the Latest Practicable Date, we have established and implemented corresponding internal management systems in respect of data security and personal information protection applicable to our business operations. We have not committed any material violations in relation to data security or personal information protection, nor have we been subject to any penalties, investigations or complaints by relevant regulatory authorities in connection with data compliance matters. Accordingly, our business operations have been conducted in compliance with the Data Security Law of the PRC, the Personal Information Protection Law of the PRC and other applicable laws, regulations, rules and regulatory documents in all material respects.

We have developed a comprehensive information security management framework spanning multiple stages of our business operations:

- ***Network Security.*** To safeguard our network infrastructure, we implement multi-layered security measures including firewalls, intrusion detection systems, and endpoint security system. Our network is designed with redundancy features to ensure continuous, secure information flow. We regularly conduct vulnerability assessments and penetration tests to proactively identify and mitigate potential threats.

- ***Data Protection and Privacy.*** We prioritize the protection of sensitive data through a comprehensive data management system that includes encryption, secure access control, and regular backups. Access to critical information is restricted based on roles, and only authorized personnel are permitted to handle or view sensitive data.

- ***Security Audits and Continuous Monitoring***. We continuously monitor our IT systems for vulnerabilities and potential threats. This includes regular security audits, real-time monitoring, and performance testing. Any identified weaknesses are promptly addressed through corrective actions, and we perform regular security drills to test our response capabilities.

- ***Disaster Recovery and Business Continuity***. We have developed and continuously update a disaster recovery plan to ensure quick recovery of essential IT systems in case of any disruption. Our IT infrastructure undergoes daily health checks, with backups tested regularly to ensure data integrity.

- ***Employee Awareness and Training***. We conduct periodic training sessions to ensure that all employees are aware of their responsibilities regarding data security. Employees are also required to sign confidentiality agreements to protect intellectual property and sensitive company information.

INFORMATION TECHNOLOGY SYSTEM

Our information technology systems are integral to our operational efficiency, data security, and business continuity. We have developed a comprehensive IT infrastructure aligned with our organizational structure, business scope, and technological capabilities. To ensure reliability, security, and efficiency, we continuously refine IT management policies, standardize software and server management, and enforce strict access control measures. We conduct regular system updates, data backups, and cybersecurity checks to enhance system stability and prevent potential disruptions. Our core information technology systems include:

- *ERP System*: Our ERP system consolidates our finance, supply chain, and customer management into a unified system for streamlined operations and data consistency with real-time data.
- *JIRA System*: Our JIRA system tracks our R&D project progress for efficient task assignment, issue tracking and collaboration across teams throughout the product development process.
- *SHR System*: Our SHR system manages employee information and organization information for efficient human resources management.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material IT system failure or downtime that had a material adverse effect on our business operations.

COMPETITION

The global memory product industry is a tremendous market space. The global memory product market size was US$289.0 billion in 2025. The market size is expected to increase continuously from US$377.5 billion in 2026 to US$723.8 billion in 2030, with a CAGR of 17.7% during the period. We primarily compete with global and local independent memory product enterprises. The principal competitive factors in our markets include technological expertise and innovative R&D capabilities, product development capabilities and supply chain partnerships. See "Industry Overview" for more details.

EMPLOYEES

As of April 30, 2026, a majority of our employees were located in PRC. The table sets forth a breakdown of our employees by function as of April 30, 2026:

Function	Number	Percentage of Total Number
		(%)
R&D	867	62.5
Administrative	195	14.0
Manufacturing	173	12.5
Sales and marketing	152	11.0
Total	**1,387**	**100.0**

Recruitment

We recruit new employees through on-campus recruitment, online recruiting and headhunters. In addition, we place a significant emphasis on internal referral and promotional opportunities which we believe enable us to retain employees that understand our business model and appreciate our corporate value, which in turn, is vital to our sustainable development. We enter into employment contracts with all of our employees. We also enter into confidentiality agreements with all of our employees. The employment contracts we enter into with our employees set out the term of employment, remuneration, social insurance, and labor protection.

We have not experienced any significant labor disputes which have adversely affected or are likely to have adverse effects on our business operations. We believe we have maintained a good relationship with our employees and we did not have any material labor dispute during the Track Record Period.

Incentives

We offer competitive compensation and benefits to attract and retain top talent. In addition to compensation and benefits, outstanding employees may participate in the equity incentive plan. We also conduct regular performance evaluations and offer promotions and salary adjustments based on performance and competency to reward outstanding and high-potential employees.

Training

We have implemented a robust training policy aimed at fostering the continuous development and growth of our employees. As part of this policy, we conduct a variety of training programs annually, covering areas such as management and leadership skills, technological advancements, business development and legal and regulatory compliance. These training sessions are delivered by a combination of internal speakers, who possess extensive experience and knowledge within our Company, and third-party consultants who bring in external expertise and industry best practices. Through these diverse training opportunities, we aim to enhance the skills and capabilities of our employees, ensuring they remain well-equipped to meet the evolving demands of our industry and contribute effectively to our success.

INSURANCE

We maintain insurance policies to cover various aspects of our business, including property equipment damage insurance, comprehensive property insurance, logistics insurance, and trade credit insurance to safeguard our business continuity. According to Frost & Sullivan, the coverage of our insurance policies is in line with industry practice. We regularly review our insurance policies to ensure compliance with statutory requirements.

During the Track Record Period and up to the Latest Practicable Date, we were not subject to any material claim of insurance. However, we may still be exposed to potential claims and liabilities exceeding our insurance coverage. For further details, see "Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may not be sufficient to cover all losses or potential claims by our customers, which would affect our business, financial condition and results of operations."

PROPERTIES

Leased Properties

As of the Latest Practicable Date, we leased a total of 20 material properties in China with an aggregate gross floor area of approximately 42,297 square meters, which are primarily used as our R&D facilities, warehouses and offices. We are generally allowed to terminate lease agreements with a prior notice, which provides us with operational flexibility. We believe that there is sufficient supply of properties in Chinese Mainland, and we do not rely on the existing leases for our business operations.

We believe that our current facilities are adequate to meet our current needs. However, as our business continues to expand, we may need to purchase and lease additional properties or facilities to support our future growth.

As of the Latest Practicable Date, one of our leases had not been registered with the relevant authorities in China. The relevant property was used by our Company's Beijing branch for office purposes and had a gross floor area of approximately 283 square meters. See "Risk Factors — Risks Relating to Our Business and Industry — One of our leases has not been registered with the relevant authorities in China, which could disrupt our operations and result in additional costs."

Property Valuation

As of the Latest Practicable Date, no single property interest forming part of our Group's property activities had a carrying amount of 1% or more of our total assets and 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 in this document any valuation report. Pursuant to section 6(2) of the Companies (Exemption of Companies and prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this document 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.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ESG Governance

ESG Governance and Strategy

We integrate sustainable development into our strategic and operational management and have established an ESG governance system with clear responsibilities and effective execution. The Board of Directors serves as the highest decision-making body for ESG matters, setting strategic directions and objectives and reviewing annual plans and performance to ensure alignment with our long-term strategy. A Strategy and ESG Committee supports implementation by overseeing strategy execution, risk identification and disclosure matters.

We have also established a designated ESG working group comprising representatives from relevant functional departments, including production, supply chain, finance, administration and legal. The ESG working group is responsible for coordinating the implementation of ESG initiatives across relevant departments, conducting preliminary reviews of material ESG matters, facilitating the identification and assessment of material ESG issues, and monitoring the implementation progress of relevant ESG plans. Relevant members are responsible for implementing ESG strategies and action plans within their respective functions and report implementation progress to the Strategy and ESG Committee on a quarterly basis, thereby forming a coordinated mechanism covering decision-making, implementation and ongoing monitoring.

We adhere to the principle of "materiality", assessing the impacts and financial significance of ESG issues and incorporating the results into operational planning and risk management. We focus on climate change, energy management, employee development and supply chain responsibility, promote implementation through target setting and performance tracking, and conduct annual performance assessments and external reviews to continuously enhance our management system.

Green and Shared Value Creation

Environmental Management and Targets

We adhere to the concept of green and sustainable development, strictly comply with relevant laws and regulations stipulated by national and local governments, continuously improve our internal environmental management system, and establish an environmental management framework with sound

systems and clear responsibilities. We have obtained ISO 14001 Environmental Management System certification, covering production, operations and office activities, to ensure that environmental management is scientific, standardized and sustainable.

In terms of energy use management, we incorporate energy management into daily operations and improve energy efficiency through systematic monitoring and equipment optimization. In terms of water resource management, we regularly monitor water intake, consumption and wastewater discharge, and ensure compliant discharge through the industrial park's wastewater treatment system. In terms of waste management, in accordance with the Noise and "Three Wastes" Management Measures, we implement classified management of general and hazardous waste, ensure standardized disposal by qualified entities, and maintain a 100% compliance rate. In terms of climate change management, we conduct regular greenhouse gas accounting, strengthen carbon emissions data monitoring and analysis, promote energy-efficient equipment and green energy use, and advance the low-carbon transformation of our operations.

Using 2025 as the baseline year, we have set phased environmental performance targets: by 2027, comprehensive energy consumption intensity will decrease by 3% compared with 2025, water consumption intensity will decrease by 3%, and greenhouse gas emission intensity will decrease by 3%, while continuously maintaining a 100% compliant waste disposal rate and stable compliance of pollutant emissions.

Climate Change Response

Climate change has become a shared challenge for global economic and industrial development. We actively respond to the national "dual carbon" strategy and global climate governance initiatives by integrating low-carbon principles into the entire process of strategic management and business operations. We fully recognize the significant impact of climate change on sustainable development and continuously advance energy conservation and consumption reduction, green manufacturing and supply chain decarbonization. Through technological innovation and management optimization, we enhance climate resilience and green competitiveness.

At the governance level, we have established a systematic climate change management mechanism and incorporated relevant issues into our environmental and risk management framework. The Board's ESG Committee is responsible for overall coordination of strategic direction and execution oversight, management formulates and implements response measures, and various functional departments carry out specific actions, forming a top-down management structure with clearly defined responsibilities.

In terms of risk and opportunity management, we regularly identify and assess the potential impacts of climate change on our operations and, based on the nature of the risks, formulate corresponding response measures by category:

Risk type	Risk event	Risk level	Time horizon	Potential impact	Response measures
Physical risks . . .	Typhoons, rainstorms and other extreme weather events;	Low	Short term	1. The physical safety and normal operation of our office premises, R&D centers or production bases; 2. Interruption of power supply (semiconductor manufacturing and R&D have extremely high requirements for power stability); 3. Logistics disruptions, affecting the transportation of raw materials or the delivery of finished products.	Work collaboratively with supply chain partners to establish multi-regional and multi-channel logistics backup mechanisms, reducing the impact of extreme weather on the supply chain; Strengthen the construction of flood prevention, typhoon prevention and high-temperature protection facilities in data centers, R&D laboratories and office areas.

Risk type	Risk event	Risk level	Time horizon	Potential impact	Response measures
Transition risks . .	Policy and regulatory risks	Medium	Long term	1. China and global jurisdictions are gradually strengthening regulation over the full life-cycle carbon emissions, energy efficiency standards and recycling requirements of electronic products; 2. In the future, higher requirements may be imposed on the power consumption, energy efficiency, green design and packaging materials of memory products.	Incorporate climate change into our corporate strategy and risk management and establish an ESG Committee; Pay close attention to international standards and make early arrangements for compliance responses; Strengthen employee training on climate change and ESG to enhance the overall climate awareness and adaptability of the organization.
	Technological innovation risks	Low	Long term	In the future, the memory product industry may evolve toward lower power consumption, advanced process nodes and more environmentally friendly materials. If we fail to keep pace with energy efficient chip design and low-power storage solutions in a timely manner, we may fall behind in technological competition and market positioning.	Develop low-power and high-energy-efficiency memory products to meet the energy-saving requirements of smart devices and IoT; Collaborate with upstream and downstream partners to jointly build a green supply chain, promoting emission reductions among suppliers and low-carbon logistics.

At the same time, from the perspective of the potential opportunities brought by climate change, we have also identified major opportunities across multiple dimensions:

Opportunities	Opportunity overview	Potential impact	Response measures
Green supply chain and customers. . .	Meet downstream green procurement requirements	1. Become a certified supplier within green supply chains and gain access to international leading customers and automotive-grade supply chains; 2. obtain more orders from brand customers that emphasize ESG, thereby expanding market share.	Establish product carbon footprint assessment capabilities and progressively disclose the carbon footprints of key chips; Optimize chip packaging and material selection to reduce hazardous substances and environmental burdens; Proactively communicate ESG objectives with customers and provide green product solutions and data support.

Opportunities	Opportunity overview	Potential impact	Response measures
Market and brand	Enhance ESG image and attract green investment and talent	1. Enhance our attractiveness in the capital markets, facilitating future financing, listing valuation or access to green credit; 2. Strengthen brand credibility and social responsibility image, particularly in international markets; 3. Attract outstanding engineers, management talent and partners who value sustainable development.	Regularly publish ESG reports or climate-related disclosures to demonstrate our efforts in addressing climate change; Participate in ESG ratings and continuously optimize scores; Integrate ESG concepts into office culture, such as green office practices, public welfare activities and employee ESG education; Disseminate our practices in energy efficient chips and low-carbon innovation through media, industry forums and other channels.
Policy and incentives	Benefit from government support policies for green technology and semiconductors	1. Reduce R&D and operating costs and improve capital utilization efficiency; 2. Obtain policy support and honorary qualifications; 3. Secure a favorable position in local industrial policies, supporting expansion and financing.	Actively apply for national and local green technology programs, semiconductor special projects and low-carbon innovation funds; Cooperate with governments and industry associations to participate in the formulation of green standards and industry norms for memory products.

In terms of greenhouse gas emissions management, in order to implement our climate change response strategy, we have systematically established a greenhouse gas inventory and management system in accordance with the *Guidelines for Accounting Methods and Reporting of Enterprise Greenhouse Gas Emissions — Power Generation Facilities (2021 Revised Edition)* issued by the Ministry of Ecology and Environment of the PRC, the *2006 IPCC Guidelines for National Greenhouse Gas Inventories* issued by the Intergovernmental Panel on Climate Change (IPCC), and the standards set out in the *Greenhouse Gas Protocol*. Our greenhouse gas accounting scope covers Scope 1, Scope 2 and Scope 3 emissions, encompassing production and manufacturing, raw material procurement, warehousing and logistics, and daily office operations, ensuring the completeness, accuracy and traceability of emissions data.

In 2025, our total greenhouse gas emissions amounted to 53,206 tonnes of carbon dioxide equivalent, of which Scope 1 direct emissions were 8.3 tonnes, Scope 2 indirect emissions were 3,686.8 tonnes and Scope 3 other indirect emissions were 49,511.0 tonnes. Our greenhouse gas emission intensity was 4.7 tonnes of carbon dioxide equivalent per RMB million of revenue. According to Frost & Sullivan, the greenhouse gas emission intensity of individual companies in the memory product industry generally ranged from approximately 0.5 to 50.0 tonnes of CO_2 equivalent per RMB million of revenue, mainly due to differences in business models, manufacturing activities and greenhouse gas accounting scopes. On this basis, using 2025 as the baseline year, we have formulated phased emission reduction targets:

- by 2027, total greenhouse gas emission intensity will decrease by 2% compared with the baseline year;
- by 2030, the cumulative reduction will reach 10%.

	For the year ended December 31,			For the four months ended April 30,
	2023	2024	2025	2026
Total greenhouse gas emissions (tonnes of CO_2 equivalent)	50,920.1	43,423.3	53,206.1	36,815.4
Scope 1 — direct greenhouse gas emissions (tonnes of CO_2 equivalent)	10.0	7.4	8.3	3.3
Scope 2 — indirect greenhouse gas emissions (tonnes of CO_2 equivalent)	1,672.1	2,214.0	3,686.8	1,121.5
Scope 3 — other indirect greenhouse gas emissions (tonnes of CO_2 equivalent)	49,238.0	41,201.9	49,511.0	35,690.6
Total greenhouse gas emission intensity (tonnes of CO_2 equivalent/million of revenue)	5.8	5.0	4.7	4.6

Pollutant and Waste Management

We attach great importance to compliant and systematic waste management, strictly comply with the *Environmental Protection Law of the People's Republic of China* and other applicable laws and regulations, and have established a waste management framework covering classification, collection, storage and disposal across production, office and warehousing activities. All waste, pollutants and materials generated from our operations are uniformly managed through the industrial park's centralized pollution prevention, waste treatment and materials recycling system. Within this framework, hazardous waste is entrusted to qualified third-party institutions for safe transportation and harmless disposal, ensuring full-process compliance and traceability. At the execution level, we adhere to the principles of green manufacturing, compliant disposal, source control and resource recycling, and ensure compliance with national and local environmental protection standards. Looking ahead, we will continue to optimize our waste management system, strengthen employee training, maintain a 100% compliant waste disposal rate, and support green and sustainable operations.

Resource Management

We strictly comply with applicable national and local laws and regulations and systematically advance energy and water resource management to enhance resource efficiency and support sustainable operations. In terms of energy management, we have established energy consumption ledgers and monitoring mechanisms, set annual energy-saving targets linked to performance assessments, and promote energy efficiency improvements across operations. In 2025, our total energy consumption amounted to 1,680.6 tonnes of standard coal, and energy consumption intensity was 0.1 tonnes of standard coal per RMB million of revenue. According to Frost & Sullivan, the energy consumption intensity of individual companies in the memory product industry generally ranged from approximately 0.1 to 10.0 tonnes of standard coal per RMB million of revenue, mainly due to differences in business models, production processes and the extent of manufacturing activities undertaken in-house. Using 2025 as the baseline year, we have set a target to reduce energy consumption intensity by 3% by 2026, and will lower overall energy consumption through measures such as improving equipment energy efficiency, retrofitting lighting systems and optimizing air-conditioning operations.

In terms of water resource management, we strengthen water-use management to improve utilization efficiency. In 2025, our total water consumption was 10,629.2 cubic meters, and water consumption intensity was 1.0 cubic meters per RMB million of revenue. According to Frost & Sullivan, the water consumption intensity of individual companies in the memory product industry generally ranged from approximately 0.5 to 500.0 cubic meters per RMB million of revenue, mainly due to differences in business models, production processes and the extent of water-intensive manufacturing activities undertaken in-house. Using 2025 as the baseline year, we plan to reduce water consumption per RMB million of revenue by 3% by 2026, while continuously maintaining a 100% compliant wastewater discharge rate.

During the Track Record Period, our energy consumption intensity remained stable at 0.1 tonnes of standard coal per RMB million of revenue in 2023, 2024 and 2025, respectively, indicating no material fluctuation in energy consumption intensity. The increase in total energy consumption was mainly attributable to the expansion of our business and production scale, higher utilization of our production, testing, office and R&D premises, and the corresponding increase in daily operational activities. Our water consumption intensity remained at a relatively low level and did not experience any material fluctuation, being 0.6 cubic meters, 0.9 cubic meters and 1.0 cubic meters per RMB million of revenue in 2023, 2024 and 2025, respectively. The change in water consumption intensity was mainly attributable to the increase in daily operational and ancillary water use arising from the expansion of our business scale, increase in employee headcount and higher utilization of production, testing, office and R&D premises. According to Frost & Sullivan, our water consumption intensity was within the normal range of the industry.

	For the year ended December 31,			For the four months ended April 30,
	2023	2024	2025	2026
Total water consumption (cubic meters)	4,950.0	7,571.3	10,629.2	3,069.6
Total energy consumption (tonnes of standard coal)	756.1	995.5	1,680.6	511.6
Water consumption intensity (cubic meters per RMB million of revenue)	0.6	0.9	1.0	0.4
Energy consumption intensity (tonnes of standard coal per RMB million of revenue)	0.1	0.1	0.1	0.1

Co-creation and Shared Value

Product and Service Safety and Quality

We regard product quality and information security as core to sustainable development and have established a quality and data management system covering R&D, procurement, production, delivery and after-sales services. We comply with ISO 9001 and ISO 26262, internationally recognized quality management and functional safety standards, and undergo regular third-party audits to ensure effective system operation.

Under the PMC system, we implement full life-cycle quality control with defined responsibilities and standards at each stage. Key procedures are subject to automated inspections, and finished products undergo testing, with the defect rate controlled at ≤0.003. We conduct tiered management and audits for key suppliers, requiring certifications such as RoHS and REACH. We have established standardized service processes and SLA mechanisms, operate a 24-hour hotline and online channels, respond to general complaints within 24 hours and close cases within five working days, and escalate major quality issues to the Quality Committee within one hour. As of April 30, 2026, we had not experienced any major customer complaints, recalls or administrative penalties arising from product safety or quality issues.

Employee Development

We regard employees as a core competitive resource and are committed to building a fair, diverse and professional working environment. In terms of recruitment management, we adhere to the principles of equality, diversity and non-discrimination, and have established policies such as the *Recruitment Management Measures and the Employee Handbook to ensure standardized and impartial procedures*. In accordance with the Measures for the Management of Child Labor and Underage Workers, we strictly verify candidate age and prohibit the use of child labor.

In terms of employee rights protection and development, we strictly implement the statutory "five social insurances and one housing fund" system and provide diversified employee benefits. In accordance with the Measures for the Management of Labor Protection for Female Employees, we provide special protection during pregnancy, maternity and lactation periods, and have employed more than 50 employees from ethnic minority groups to promote workplace diversity. Under the Employee Complaints and Whistleblowing Management System, we have established multi-channel grievance mechanisms and complete investigations within one week. We have formulated the Compensation Management Measures and the Employee Career Development Management Measures, maintain market-competitive remuneration, implement performance-based incentives for key talent, and provide structured training covering onboarding, professional development and annual compliance programs.

Occupational Health and Safety

We consistently regard employee health and safety as a core foundation of sustainable development and have established a management system covering production safety, occupational health, disaster prevention and emergency response. In accordance with the *Occupational Health, Safety and Environmental Management Measures,* we implement systematic occupational health management and provide annual health check-ups for employees, particularly those in production and warehousing positions, and adopt targeted protective measures based on examination results. We also conduct regular inspections of working environments and protective facilities to ensure compliance with national occupational health and safety standards.

In terms of safety and emergency management, relying on policies such as the *Management Measures for Key and Sensitive Areas*, the *Management Measures for Surveillance Facilities and the Emergency Response Management Measures*, we implement tiered control over production, warehousing and office areas, equip key areas with access control and surveillance systems, and conduct regular inspections of fire protection facilities and emergency passages. The administration department conducts monthly inspections of firefighting facilities, and we organize at least one safety training each year. We have established an Emergency Management Committee, formulated contingency plans for incidents including fires, earthquakes, power outages and infectious diseases, and carry out regular risk identification and emergency drills. As of April 30, 2026, we had not recorded any work-related fatality incidents nor any material accidents or work-related injuries.

Sustainable Supply Chain

We incorporate sustainable supply chain management into the core of our corporate strategy. We operate under a fabless business model and do not directly engage in wafer fabrication or packaging activities, and only undertake partial testing work internally. Such manufacturing processes are primarily undertaken by independent third-party foundries and outsourced semiconductor assembly and test ("**OSAT**") service providers. Notwithstanding this, we recognize that upstream manufacturing processes are energy-intensive and may give rise to environmental impacts along the supply chain. Through institutional oversight and continuous improvement, we promote upstream and downstream partners to fulfill social and environmental responsibilities while ensuring supply stability and quality compliance.

In terms of the management system, in accordance with policies such as the *Procurement Management Measures* and the *Supplier Management Measures*, we have established a full life-cycle supplier management mechanism covering access review, performance evaluation, supervision and audit, and exit and elimination. At the access stage, we strictly review suppliers' business qualifications, environmental management standards, fulfillment of social responsibilities and quality system establishment, ensuring that partners meet our standards and industry norms. During cooperation, core suppliers are required to hold internationally recognized environmental management system certifications, such as ISO 14001 Environmental Management System certification. During cooperation, through regular communication, documentation review, annual audits and internal assessments, we continuously review the environmental compliance status and sustainability practices of our major suppliers, and incorporate relevant environmental requirements into cooperation agreements. For suppliers with violations or persistent non-compliance, we initiate risk alerts and,

depending on the circumstances, suspend or terminate cooperation. As of April 30, 2026, some of our suppliers have obtained ISO 9001 Quality Management System certification, ISO 14001 Environmental Management System certification and AEO Authorized Economic Operator certification. In addition, we primarily cooperate with leading foundries and OSAT service providers that possess advanced manufacturing capabilities and relatively higher energy-efficiency standards. Through ongoing optimization of chip design, process selection and product integration, we are committed to enhancing product-level energy efficiency and, where applicable, reducing the overall environmental footprint across the supply chain. Looking ahead, we will continue to enhance our supplier ESG management framework, strengthen monitoring and collaboration with upstream partners.

Community Contribution

We integrate social responsibility into our long-term development strategy and continue to invest in rural revitalization, livelihood support and emergency assistance. As of April 30, 2026, our cumulative donations amounted to RMB220,000, benefiting more than 100 individuals from disadvantaged groups. Since 2021, we have implemented a paired assistance program for Shanglin County, Nanning, Guangxi, with an initial donation of RMB10,000 and technical support for the development of an agricultural e-commerce platform. From 2023 to 2025, we made targeted donations totaling RMB100,000 to Gaoding Village, Chengtai Township, for road repairs and infrastructure improvement, benefiting more than 200 households.

In recognition of our social responsibility performance, we have been awarded honors such as "Caring Enterprise of Futian District." Looking ahead, we plan to further enhance our public welfare initiatives, including the proposed establishment of a "Rural Digital Revitalization Fund" to support digital infrastructure development in remote areas, and explore the integration of carbon inclusion mechanisms with charitable donations to strengthen the sustainability and social value of our public welfare system.

Integrity and Ethical Conduct

We regard clean and compliant conduct as a core requirement of corporate governance and strictly comply with applicable laws and regulations. We have established an integrity management system supported by policies including the *Anti-Fraud Management Measures and the Related-Party Transactions Management Measures.* A three-tier supervision structure comprising the Board of Directors, the Audit Committee and management ensures clear responsibilities and internal checks and balances. We implement supervision over key business areas such as procurement, sales and bidding, require regular integrity self-inspections, and operate a whistleblowing policy and procedure system with multiple anonymous reporting channels, including telephone, email and WeChat. We adopt a zero-tolerance approach toward violations and pursue accountability once misconduct is verified.

In terms of risk prevention and awareness-building, we conduct regular integrity education and training, require personnel in key positions to sign the *Due Diligence and Integrity Commitment Letter,* and incorporate integrity indicators into performance assessments. We continuously strengthen internal audit and risk assessment mechanisms, focusing on high-risk business areas and key positions to prevent improper transfer of interests, bribery and improper related-party transactions. During the Track Record Period, our operations were conducted in a standardized and orderly manner, internal controls were effective, and no cases related to bribery, corruption, fraud or money laundering had occurred.

INTERNAL CONTROL AND RISK MANAGEMENT

We have established a comprehensive risk management and internal control system aimed at identifying, assessing, and mitigating risks across all aspects of our operations. Our Board of Directors oversees the implementation of risk management policies and procedures that address key operational, financial, legal, and market risks, including information system risk, financial reporting risk, human resources risk, and anti-corruption risk. These policies are integral to our internal control framework, which is periodically reviewed to ensure effectiveness and alignment with our strategic objectives.

To further enhance our risk management capabilities, we have implemented internal control procedures designed to systematically identify, assess, and prioritize material risks, including ESG-related risks, through structured risk and opportunity analysis. This ongoing process supports our commitment to maintaining robust risk oversight and fostering a culture of compliance throughout the organization. To monitor the ongoing implementation of our risk management policies and corporate governance measures after the Offering, we have implemented, or will continue to implement, among other things, the following risk management measures:

- establish an Audit Committee to review and supervise our financial reporting process and internal control system. For the qualifications and experience of the committee members, see "Directors and Senior Management";
- adopt various policies to ensure compliance with the Listing Rules, including, but not limited to, aspects related to risk management and connected transaction;
- provide training periodically to our senior management and employees on professional behavior requirements and ethics standards to enhance their knowledge of, and compliance with, applicable laws and regulations and include relevant policies against non-compliance in our employee discipline measures and supervision guidelines;
- organize training sessions for our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong;
- enhance our reporting and records system for operational facilities, including centralizing their quality assurance and safety management systems and conducting regular inspections of the facilities;
- establish a set of emergency procedures in the event of major quality-related issues; and
- provide enhanced training programs on quality assurance and product safety procedures.

We have engaged an internal control consultant to review the effectiveness of our internal controls associated with our major business processes, identify deficiencies and areas for improvement, provide recommendations, and review the implementation status of these remedial actions. We also conduct periodic reviews of our policies and procedures to mitigate risks and align with regulatory requirements and business objectives.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that would have a material adverse effect on our business, results of operations and financial condition. During the same period and up to the same date, we had not been involved in any material non-compliance incidents that have led to fines, enforcement actions, or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, results of operations and financial condition.

According to our PRC Legal Advisor, the business operations we engaged in had been carried out in compliance with applicable PRC laws and regulations in all material aspects during the Track Record Period and up to the Latest Practicable Date. For further details, see "Risk Factors — Risks Relating to Conducting Business in Jurisdictions Where We Operate — Our business is primarily based in China and failure to comply with any policy changes in China affecting the industry and the end markets of our products could materially and adversely affect our business."

Trademark Rights Infringement Incident in May 2024

In May 2024, we exported integrated circuits provided by our supplier ("**Relevant Supplier**") from Shenzhen Pingshan Comprehensive Bonded Zone (深圳坪山綜合保税區) to overseas area. In the customs inspection process, the Chinese customs determined that the integrated circuits infringed upon

the trademark rights of a third-party entity. Consequently, the Chinese customs imposed a penalty of approximately RMB120.0 thousand on us for the export of these goods and confiscated the relevant integrated circuits, which were valued at approximately RMB2.0 million. The relevant integrated circuits were exported to a customer at the customer's request as part of a one-off ancillary transaction, and did not form part of our core product offerings. We had no subjective intent or negligence for the trademark infringement of the involved goods. The transaction was conducted for the purpose of facilitating the customer's procurement requirements rather than as part of our ordinary course of business. We did not recognize any revenue from this transaction. During the Track Record Period, we did not engage in similar export or trading activities involving third-party integrated circuits as a recurring business, and therefore, none of our revenue during the Track Record Period was derived from such activities. We have ceased such ancillary activity and do not intend to engage in similar export or trading activities involving third-party integrated circuits or other third-party products that do not form part of our ordinary product offerings going forward.

The direct cause of this infringement incident was that the Relevant Supplier failed to truthfully inform us of the intellectual property defects of the products. This incident had no material adverse impact on us, primarily because: (i) as advised by our PRC Legal Advisor, the penalty imposed by the customs does not constitute a material penalty and the incident does not constitute a material non-compliance with the applicable PRC laws and regulations; and (ii) we have been fully indemnified by the Relevant Supplier for both the penalty we paid and the value of the confiscated integrated circuits, given that the integrated circuits were provided by our suppliers, and we had no prior knowledge of the trade mark infringement. We terminated our cooperation with the Relevant Supplier at the end of 2025.

The trademark owner involved in the incident was a South Korean semiconductor company that manufactures DRAM chips and flash memory chips. No claims for damages were made, and no litigation or arbitration proceedings were commenced against us in connection with the incident. We did not record any inventory write-offs as a result of the incident. Following the incident, we conducted an internal review of our procurement, export and product clearance procedures and have enhanced our internal controls to prevent the recurrence of similar incidents. These measures include, among others: (1) strengthening trademark and intellectual property clearance checks for third-party products prior to export or delivery; (2) implementing enhanced supplier due diligence and audit procedures, including verification of suppliers' authority to use relevant trademarks and IP rights; (3) tightening approval procedures for non-core or ancillary transactions involving third-party products; and (4) providing targeted training to relevant personnel on intellectual property compliance and trademark usage. Our internal control consultant has reviewed the above measures and is of the view that, following the enhancements, our internal controls relating to intellectual property clearance and supplier management are adequate and effective to address the risks identified by this incident.

LICENSES, APPROVALS AND PERMITS

As of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant government authorities that are material to our business operations in China and overseas. We are required to renew such certificates, permits and licenses from time-to-time, and we are continuingly overseeing the compliance with the relevant laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in renewing the licenses, approvals and permits, and currently we do not expect any material difficulties in such renewal.

The following table sets out a list of material licenses, permits and approval held by us as of the Latest Practicable Date.

License/permit	Entity holding the license/permit	Grant date	Expiration date
Quality Management System Certification Certificate (質量管理體系認證證書) . . .	The Company	September 16, 2019	September 15, 2028
Customs Registration Receipt for Consignees and Consignors of Import and Export Goods (海關進出口貨物收發貨人備案回執)	The Company	December 27, 2018	N/A
Environmental Management System Certification Certificate (環境管理體系認證證書)	The Company	September 15, 2022	September 14, 2028
Occupational Health and Safety Management System Certification Certificate (職業健康安全管理體系認證證書)	The Company	September 15, 2022	September 14, 2028
Information Security Management System Certification Certificate (信息安全管理體系認證證書)	The Company	March 23, 2020	April 10, 2028

AWARDS AND RECOGNITIONS

The following table sets forth major awards and recognitions we received as of the Latest Practicable Date:

Award/Recognition	Award Year	Awarding Institution/Authority
Guangdong Manufacturing Single Champion Enterprise — Embedded Storage (廣東省製造業單項冠軍企業 — 嵌入式存儲芯片)	2026	Department of Industry and Information Technology of Guangdong Province (廣東省工業和信息化廳)
National Specialized, Refined, Featured and Innovative "Little Giant" Enterprise (國家級專精特新"小巨人"企業)	2025 and 2022	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
China's Unicorn Enterprises (中國獨角獸企業).	2025	Greatwall Strategy Consultants (北京市長城企業戰略研究所)
Top 500 Enterprises in Guangdong (廣東省企業五百強)	2025	Guangdong Provincial Enterprises Confederation and Guangdong Provincial Association of Entrepreneurs (廣東省企業聯合會和廣東省企業家協會)
Top 100 Private Enterprises in Guangdong Province (廣東省民營企業100強).	2025	Guangdong Federation of Industry and Commerce (廣東省工商業聯合會)
Shenzhen Gazelle and Unicorn Enterprises (深圳瞪羚獨角獸企業)	2025	Industry and Information Technology Bureau of Shenzhen Municipality (深圳市工業和信息化局)
Best Cooperation Partner (最佳合作夥伴).	2025, 2024 and 2023	Xiaomi Corporation (小米科技有限責任公司)
Best Cooperation Partner (最佳合作夥伴)	2025	Skyworth Group Co., Ltd. (創維集團有限公司)

Award/Recognition	Award Year	Awarding Institution/Authority
Best Cooperation Partner (最佳合作夥伴)	2025	Quectel Wireless Solutions Co., Ltd. (上海移遠通信技術股份有限公司)
CCID Top 100 Sci-Tech Innovation Unicorns (賽迪科創獨角獸百強)	2024	China Center for Information Industry Development (賽迪科創)
Top 500 Enterprises in Shenzhen (深圳市企業五百強)	2024	Shenzhen Enterprises Confederation and Shenzhen Association of Entrepreneurs (深圳市企業聯合會和深圳市企業家協會)
Outstanding Partner (傑出合作夥伴)	2024	Components and IC International Trade Center (電子元器件和集成電路國際交易中心)
Outstanding Support Award (鼎力支持獎)	2023	Shenzhen Transsion Holdings Co., Ltd. (深圳傳音控股股份有限公司)
National High-Tech Enterprise (國家高新技術企業)	2023 and 2020	Shenzhen Science and Technology Innovation Commission, Shenzhen Finance Commission and Shenzhen Tax Service, State Taxation Administration (深圳市科技創新委員會，深圳市財政委員會和國家稅務總局深圳市稅務局)
Best Supplier (最佳供應商)	2023	Shanghai Xiaodu Technology Co., Ltd. (上海小度技術有限公司)

OVERVIEW

Mr. Wu, our executive Director, chairperson of the Board and general manager, through (i) Xinruilai, which is owned as to approximately 71.76% by Mr. Wu; (ii) Shenzhen Jubang, which is owned as to approximately 0.22% by Mr. Wu as the general executive partner and as to approximately 22.22% by Ms. Wu Jiamin, an executive Director and Mr. Wu's daughter, as a limited partner; and (iii) Hongxin Micro, Hongxin Chuang, Hongxintai No. 2, Hosintai, Ningbo Zhaohan, Ningbo Zhaoxin and Hangzhou Feisuan, in each of which Mr. Wu serves as the general and executive partner, was entitled to exercise approximately 36.68% of the voting rights at the general meetings of our Company as of the Latest Practicable Date and will be entitled to control approximately 35.56% of the voting rights in our Company immediately following the completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised and no additional Shares are issued pursuant to the Pre-IPO Share Option Scheme). Accordingly, Mr. Wu, Ms. Wu Jiamin, Xinruilai, Shenzhen Jubang, Hongxin Micro, Hongxin Chuang, Hongxintai No. 2, Hosintai, Ningbo Zhaohan, Ningbo Zhaoxin and Hangzhou Feisuan will together constitute a group of our Controlling Shareholders under the Listing Rules.

INTEREST IN COMPETING BUSINESS

Each of our Controlling Shareholders confirms that he/she/it had no interest in any business apart from the business of our Group which competes or is likely to compete, either directly or indirectly, with the business of our Group, which would require disclosure under Rule 8.10 of the Listing Rules as of the Latest Practicable Date.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently of our Controlling Shareholders and their close associates upon Listing.

Management Independence

Upon Listing, our Board will comprise nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. Save that Mr. Wu, our executive Director, the chairperson of our Board and general manager, and Ms. Wu Jiamin, our executive Director, are also our Controlling Shareholders, none of our Directors or members of the senior management is a Controlling Shareholder or holds any directorship or executive position in the respective close associates of our Controlling Shareholders.

Our management and operational decisions are made collectively by our Board and senior management, most of whom have served our Group for a significant period of time and have substantial and extensive relevant industry experience and expertise as set out in the section headed "Directors and Senior Management."

Our Directors consider that our Board and senior management will function independently of our Controlling Shareholders for the following reasons:

(i) each Director is aware of his or her fiduciary duties as a Director which require, among other things, that such Director acts for the best interests of our Company and our Shareholders as a whole and does not allow any conflict between his or her duties as a Director and his or her personal interests;

(ii) when preforming his or her duties as a Director, Mr. Wu and Ms. Wu have been and will continue to be supported by the separate and senior management team of the Group. The balance of power and authority is ensured by the operation of the senior management and our Board. For details, please refer to the section headed "Directors and Senior Management" in this prospectus;

(iii) our Company has established internal control mechanisms to identify connected transactions to ensure that our Shareholders or Directors with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions pursuant to the relevant requirements under our Articles of Association and/or the Listing Rules;

(iv) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective close associates, the interested Director(s) is required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions; and

(v) we have appointed three independent non-executive Directors, comprising no less than one third of the total member of our Board, who have sufficient knowledge, experience and competence to provide a balance of the potentially interested Directors and independent Directors with a view to safeguard the interests of our Company and the Shareholders as a whole.

Based on the above, our Directors are of the view that our Board and senior management as a whole are capable to perform their roles in our Company independently and manage our business independently of our Controlling Shareholders and their respective close associates after Listing.

Operational Independence

Our Group operates independently from members of our Controlling Shareholders and their respective close associates.

Our Group has a full-time management team and team of staff to carry out its operation and administration independently from our Controlling Shareholders. We have established our own organizational structure, with each department assigned to specific areas of responsibilities which have been in operation and are expected to continue to operate independently of our Controlling Shareholders and their respective close associates. We have independent access to our suppliers and customers. We are also in possession of relevant assets, licenses, trademarks and other intellectual property and research and development facilities necessary to carry on and operate our business independently, and we can operate independently in terms of capital and employees.

Based on the above, our Directors are satisfied that we will be able to operate independently of our Controlling Shareholders and their respective close associates after Listing.

Financial Independence

We have the ability to operate independently of our Controlling Shareholders and their respective close associates from a financial perspective. We have an independent financial system and make financial decisions according to our own business needs. We have our independent financial department with a team of independent financial staff responsible for discharging the treasury function, and an audit committee comprising a majority of independent non-executive Directors to oversee our accounting and financial reporting processes. We make tax registration and pay tax independently with our own funds. As such, our financial functions, such as cash and accounting management, invoices and bills, operate independently of our Controlling Shareholders and their respective close associates.

In our ordinary course of business, we have obtained credit facilities and loans from commercial banks to finance our operation and support our daily working capital requirements from commercial banks, and Mr. Wu was required by such banks to provide guarantee to such credit facilities and loans (the "**Guarantee**"). As of the Latest Practicable Date, the outstanding amount of the credit facilities and loans subject to the Guarantee was approximately RMB4.1 billion, and commercial banks providing such credit facilities and loans subject to the Guarantee had confirmed in writing to us that the Guarantee will be released prior to or upon the Listing.

Save as disclosed above, as of the Latest Practicable Date, there were no loans, advances and balances due to or from our Controlling Shareholders or their respective close associates, nor were there any pledges and guarantees provided by and to our Controlling Shareholders or their respective close associates.

We do not rely on our Controlling Shareholders or their respective close associates to provide financial assistance to our Group. We have independent access to third party financing and, if necessary, we are capable of obtaining financing from external sources without reliance on our Controlling Shareholders or their respective close associates.

Based on the above, our Directors are satisfied that we will be able to maintain financial independence from our Controlling Shareholders and their respective close associates after Listing.

CORPORATE GOVERNANCE MEASURES

Our Company will comply with all the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, which sets our principles of good corporate governance, save for code provision C.2.1 of the Corporate Governance Code. For more details, please refer to the paragraphs headed "Directors and Senior Management — Management and Corporate Governance — Corporate Governance" in this prospectus.

In order to further safeguard the interests of our Shareholders, we will adopt the following corporate governance measures to manage any potential conflicts of interest with our Controlling Shareholders and their respective close associates:

(i) as part of our preparation for the Global Offering, we have amended our Articles of Association to comply with the Listing Rules which will become effective upon Listing. In particular, our Articles of Association provide that, unless otherwise provided, a Director shall abstain from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her close associates has a material interest, nor shall such Director be counted in the quorum present at the Board meeting;

(ii) where a transaction or arrangement of our Company is subject to Shareholders' approval under the provisions of the Listing Rules, any Controlling Shareholder that has a material interest in the transaction or arrangement shall abstain from voting on the resolution(s) approving the transaction or arrangement at the general meeting;

(iii) our Company has established internal control mechanisms to identify connected transactions. Upon Listing, if our Company enters into connected transactions with our Controlling Shareholders or any of their associates, our Company will comply with the applicable requirements under the Listing Rules;

(iv) we are committed that our Board shall include a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors. We have appointed three independent non-executive Directors, and specifically, (a) our independent non-executive Directors are not associated with the members of our Controlling Shareholders or their respective associates; (b) our independent non-executive Directors account for no less than one-third of the Board; and (c) we believe our independent non-executive Directors possess sufficient experience and are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our Shareholders as a whole. For details of our independent non-executive Directors, please refer to the paragraphs headed "Directors and Senior Management — Directors — Independent Non-Executive Directors" in this prospectus; and

(v) where our Directors reasonably request for the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expense.

We have appointed Altus Capital Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors' duties and corporate governance.

Upon Listing, certain transaction between us and our connected person will constitute continuing connected transaction under Chapter 14A of the Listing Rules.

CONNECTED PERSON

We have entered into certain transaction in the ordinary and normal course of our business with the following entity expected to constitute our connected person under Chapter 14A of the Listing Rules upon Listing, which will constitute a continuing connected transaction upon the Listing:

Name of our connected person	Connected relationship
Phison Electronics and its subsidiaries	Phison Electronics is one of our substantial Shareholders.

NON-EXEMPT CONTINUING CONNECTED TRANSACTION

Procurement Agreement

Principal Terms

On October 20, 2026, our Company, for itself and on behalf of its subsidiaries, entered into a 2026–2028 procurement agreement (the "**Procurement Agreement**") with Phison Electronics, pursuant to which our Group would procure from Phison Electronics and its subsidiaries (the "**Phison Electronics Group**") memory product components (including but not limited to NAND Flash, controller chips, etc.) and related memory products (the "**Storage-related Products**") as well as related technical support services (the "**Technical Support Services**"). The term of the Procurement Agreement will end on December 31, 2028 and may be renewed upon both parties' agreement subject to compliance with the Listing Rules and other applicable laws and regulations.

Subject to the terms of the Procurement Agreement, we will enter into specific agreement or place specific orders with member of Phison Electronics Group which will set out the specific terms and conditions for the procurement of the products and/or services under the Procurement Agreement.

Reasons for and Benefits of the Transaction

Phison Electronics is a company primarily engaged in designing, manufacturing and selling flash memory controller IC. With its professional qualifications and technical expertise, Phison Electronics Group is able to provide the Storage-related Products and Technical Support Services with reliability and consistency that meet our business requirements and quality standards. Our Group has been procuring the Storage-related Products and Technical Support Services from Phison Electronics Group to support our business in our ordinary and usual course of business and on normal commercial terms or better for our Group. Phison Electronics Group has also been familiar with our business needs and technical requirements.

Consideration and Pricing Policies

The price for the Storage-related Products and Technical Support Services under the Procurement Agreement will be determined by our Group and Phison Electronics Group through arm's length negotiation based on factors applicable to all suppliers, including but not limited to: (i) the prevailing market prices and pricing terms for similar products or services procured from Independent Third Parties; and (ii) in the absence of market prices, the actual costs and expenses incurred in manufacturing the relevant products or providing the relevant services reasonably determined by reference to the market price used in similar transactions, taking into account miscellaneous operating costs (such as processing costs and labor costs). Such price will be no less favorable than the prices at which our Group pays Independent Third Parties for comparable transactions.

Historical Amounts

The historical transaction amounts with respect to the procurement of the Storage-related Products and Technical Support Services by our Group from Phison Electronics Group were approximately RMB576.7 million, RMB999.7 million, RMB1,276.9 million and RMB547.9 million for the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026, respectively.

Annual Caps

The proposed annual caps for the transactions contemplated under the Procurement Agreement are RMB2,000 million, RMB1,700 million and RMB1,600 million for the years ending December 31, 2026, 2027 and 2028, respectively.

In arriving at the above proposed annual caps, our Directors have considered the following factors:

(i) the historical transaction amounts with respect to the Storage-related Products and Technical Support Services;

(ii) our expected increasing demand for the Storage-related Products and Technical Support Services in the coming years due to various factors, including, but not limited to, anticipated industry development, growing customer demand based on our existing orders, our new product development plans and the increasing demand for high-end Storage-related Products with higher prices. In particular, (i) we expect the total procurement amount of the Storage-related Products to increase by approximately 30% in 2026 as compared with 2025, taking into account the anticipated growth in demand for our embedded storage products from our major customers in 2026, which is expected to result in a corresponding increase of approximately 15.1% in our procurement volume of controller chips in 2026 as compared with 2025 based on our procurement amount for the four months ended April 30, 2026 and our current procurement plans, and (ii) the weighted average unit price of the Storage-related Products is expected to increase in 2026, primarily due to (a) the upward pricing trend of certain major categories of Storage-related Products and (b) an expected shift in customer demand towards higher-end products, such as UFS products. In particular, UFS controller chips, which generally command higher unit prices, are expected to account for over two-thirds of our total procurement amount of controller chips from Phison Electronics Group in 2026, representing an increase of approximately 13 percentage points as compared with 2025. As a result, the average procurement price of controller chips is expected to increase by approximately 37.4% in 2026 as compared with 2025, which is expected to contribute to the increase in the weighted average unit price of the Storage-related Products.

(iii) our expected increasing production of our self-developed chips in 2027 and 2028, which will lead to a gradual decrease in our demand for chips procured from third parties.

Listing Rules Implications

As the highest applicable percentage ratio (other than the profit ratio) under the Listing Rules in respect of the annual caps for the transactions contemplated under the Procurement Agreement is expected to, on an annual basis, exceed 5%, such transaction will, upon Listing, constitute continuing connected transaction of our Company subject to the annual reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

WAIVER APPLICATION FOR CONTINUING CONNECTED TRANSACTION

In relation to the Procurement Agreement, we have applied for, and the Stock Exchange has granted to us, a waiver from strict compliance with the announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated thereunder pursuant to Rule 14A.105 of the Listing Rules.

Please refer to the paragraphs headed "Waivers from Strict Compliance with the Listing Rules — Waiver in Respect of Non-exempt Continuing Connected Transaction" for further details.

The independent non-executive Directors and auditors of our Company will review whether the transactions under the above continuing connected transaction have been entered into pursuant to the principal terms and pricing policies under the Procurement Agreement as disclosed in this section. The confirmation from our independent non-executive Directors and our auditors will be disclosed annually according to the requirements of the Listing Rules.

In addition, our Directors confirm that we will comply with the applicable requirements under Chapter 14A of the Listing Rules and will immediately inform the Stock Exchange if any of the proposed annual caps set out above are exceeded, or when there is a material change in the terms of the transaction.

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including the independent non-executive Directors) are of the view that the continuing connected transaction as set out above has been and will continue to be carried out in the ordinary and usual course of our business on normal commercial terms or better that are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the proposed annual caps for the transaction are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

CONFIRMATION FROM THE SOLE SPONSOR

The Sole Sponsor has reviewed the relevant information and historical figures prepared and provided by the Company in relation to the above continuing connected transaction. Based on the Sole Sponsor's due diligence, the Sole Sponsor is of the view that the aforesaid continuing connected transaction, for which a waiver has been sought, has been and will be entered into in the ordinary and usual course of the Company's business, on normal or better commercial terms, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole, and that the proposed annual caps in respect of such non-exempt continuing connected transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

OVERVIEW

Upon Listing, our Board comprises nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors, namely:

Name	Age	Position	Date of joining our Group	Date of appointment as Director	Roles and responsibilities	Relationship with other Directors and members of senior management
Executive Directors						
Mr. Wu Yisheng (吳奕盛)	57	Chairperson of our Board, executive Director and general manager	December 18, 2018	December 18, 2018	Responsible for the overall management, strategic planning and decision-making for key business and operational matters of our Group	Father of Ms. Wu Jiamin
Ms. Wu Jiamin (吳嘉敏)	33	Executive Director	December 18, 2018	December 18, 2018	Responsible for assisting the chairperson of our Board in managing and coordinating the overall operations of our Group	Daughter of Mr. Wu Yisheng
Ms. Liang Qiyan (梁啓燕)	55	Executive Director and deputy general manager	October 29, 2019	April 7, 2023	Responsible for the overall operational and management decision-making, strategic planning, human resources and administrative management of our Group	None
Mr. Zhang Yun (張雲)	53	Executive Director and deputy general manager	April 14, 2022	April 7, 2023	Responsible for the overall operational and management decision-making of our Group, as well as client management and market development	None
Non-executive Directors						
Mr. Feng Shuixing (馮水興)	67	Non-executive Director	December 18, 2018	December 18, 2018	Responsible for providing advice to the Board and participating in the development of general business plans	None
Mr. Cao Bin (曹斌)	41	Non-executive Director	March 20, 2025	March 20, 2025	Responsible for providing advice to the Board and participating in the development of general business plans	None
Independent non-executive Directors						
Dr. Chu Dazhi (初大智)	53	Independent non-executive Director	October 30, 2025	October 30, 2025	Responsible for providing independent advice on the operations and management of our Group	None

Name	Age	Position	Date of joining our Group	Date of appointment as Director	Roles and responsibilities	Relationship with other Directors and members of senior management
Dr. Gong Xiaofeng (龔曉峰)	61	Independent non-executive Director	October 30, 2025	October 30, 2025	Responsible for providing independent advice on the operations and management of our Group	None
Mr. Chan Kin Ho Philip (陳建豪) .	49	Independent non-executive Director	October 30, 2025	October 30, 2025	Responsible for providing independent advice on the operations and management of our Group	None

Our senior management team comprises the following members:

Name	Age	Position	Date of joining our Group	Date of appointment as senior management	Roles and responsibilities	Relationship with other Directors and members of senior management
Mr. Wu Yisheng (吳奕盛)	57	Chairperson of our Board, executive Director and general manager	December 18, 2018	December 18, 2018	Responsible for the overall management, strategic planning and decision-making for key business and operational matters of our Group	Father of Ms. Wu Jiamin
Ms. Liang Qiyan (梁啓燕)	55	Executive Director and deputy general manager	October 29, 2019	March 20, 2025	Responsible for the overall operational and management decision-making, strategic planning, human resources and administrative management of our Group	None
Mr. Zhang Yun (張雲)	53	Executive Director and deputy general manager	April 14, 2022	March 20, 2025	Responsible for the overall operation and management decision-making of our Group, as well as client management and market development	None
Mr. Liu Weibo (劉維波)	47	Deputy general manager and finance director	March 1, 2019	March 20, 2025	Responsible for the overall management of finance, customs, logistics, and warehouse operations	None
Mr. Zhu Zixuan (朱子軒)	32	Deputy general manager and secretary to the Board	July 17, 2020	March 20, 2025	Responsible for the Board's daily operations, securities matters, and equity affairs	None

DIRECTORS

Executive Directors

Mr. Wu Yisheng (吳奕盛), aged 57, is our executive Director, general manager, and chairperson of our Board. As the founder of our Group, Mr. Wu has been chairperson of our Board and general manager since the inception of our Company in December 2018. He was re-designated as an executive

Director on December 1, 2025. He is primarily responsible for the overall management, strategic planning and decision-making for key business and operational matters of our Group. Mr. Wu has also served as a director of Hosin HK since January 2019.

Mr. Wu has more than 25 years of work experience in chip industry. Prior to founding our Group, Mr. Wu served as general manager at several companies, where he was responsible for their overall management, including Shenzhen Hongkexin Electronic Technology Co., Ltd. (深圳鴻科信電子技術有限公司), a distributor of electronic components, from July 1999 to September 2009; Shenzhen Gela Weixin Technology Development Co., Ltd. (深圳市格拉威信科技開發有限公司), a company primarily engaged in R&D of electronic components, from July 2008 to August 2015; and BEST RELY TECHNOLOGY COMPANY LIMITED (百瑞萊科技有限公司), a company primarily engaged in chip designing and storage products trading, from July 2009 to December 2018. Mr. Wu also served as a director of Biwin Storage Technology Limited (深圳佰維存儲科技股份有限公司, 688525.SH) from August 2016 to January 2019.

Mr. Wu has been awarded as Futian Excellence Award of Advanced Manufacturing Management Talent (福田英才薈先進製造業經營管理人才) by Bureau of Industry and Information Technology of Futian District in August 2023, and has been awarded as Futian Outstanding Entrepreneurs (福田優秀企業家) by Entrepreneurs Association of Futian District in November 2022.

Mr. Wu obtained a diploma in computer studies in February 1995 from a joint programme between Regional Applied Computing Centre (新加坡應用電腦專門學院) in Singapore and Shenzhen University (深圳大學) in the PRC.

Ms. Wu Jiamin (吳嘉敏), aged 33, is our executive Director. She joined our Group as a Director in December 2018 and was re-designated as an executive Director on December 1, 2025. She has served as a procurement manager since March 2019 and the assistant to the chairperson since November 2025. She is primarily responsible for assisting the chairperson of our Board in managing and coordinating the overall operations of our Group.

Prior to joining our Group, Ms. Wu joined Beijing Jones Lang LaSalle Property Management Services Limited Shenzhen Branch (北京仲量聯行物業管理服務有限公司深圳分公司), a company primarily engaged in real estate management and rental consulting, in May 2015, where she was responsible for information management.

Ms. Wu graduated from Guangdong Pearl-River Vocational College of Technology (廣東省珠江職業技術學院) in the PRC in June 2015, with an associate degree in jewelry design and qualification.

Ms. Liang Qiyan (梁啓燕), (with former name as Liang Xiaoyan (梁小艷)), aged 55, is our executive Director and deputy general manager. She joined our Group as a deputy general manager in October 2019 and was appointed as a Director in April 2023. She was re-designated as an executive Director on December 1, 2025. She is primarily responsible for overall operational and management decision-making, strategic planning, human resources and administrative management of our Group.

Ms. Liang currently holds various management positions within our Group. She has served as a director of Xiamen Hongxinchuang since September 2021, as an executive director and general manager of Shanghai HOSIN Global since March 2022 and as an executive director of Hefei Feishu since November 2021. Each of the aforementioned entities is a member of our Group.

Ms. Liang possesses human resources and operational administration expertise with more than 30 years of work experience in electronics industry. Prior to joining our Group, Ms. Liang served as the accounting supervisor, administration and human resources supervisor, and senior domestic sales representative at Shenzhen Baoan District Fuyong White Stone Xia Yongyu Wire Factory (深圳市寶安區福永白石廈永餘電線廠) from April 1995 to September 2000. Between September 2000 and joining our Group, she served as the general manager at Shenzhen Jindingbao Electronics Factory (深圳市金頂寶電子廠), where she was responsible for overall operation management. She then served as deputy general manager at Shenzhen Jindingbao Electronics Co., Ltd. (深圳市金頂寶電子有限公司),

responsible for assisting the general manager in overseeing the company's operations, and as the general manager at Hubei Jindingbao Electronics Co., Ltd. (湖北金頂寶電子有限公司), where she was responsible for overall operation management.

Ms. Liang obtained a diploma in accounting and auditing from Hubei National Defense Science and Technology Industrial Workers University (湖北省國防科技工業職工大學) (currently known as Wuhan Vocational and Technical College (武漢職業技術學院)) in the PRC in June 1994. She was awarded the title of Shenzhen May 1st Women Pacesetter (深圳市五一巾幗標兵) by the Shenzhen Federation of Trade Unions in March 2022.

Mr. Zhang Yun (張雲), aged 53, is our executive Director and deputy general manager. He joined our Group as a deputy general manager in April 2022. He was appointed as a Director in April 2023 and re-designated as an executive Director on December 1, 2025. He is primarily responsible for the overall operation and management decision-making of our Group, as well as client management and market development.

Prior to joining our Group, Mr. Zhang worked at Motorola China Electronics Co., Ltd. (摩托羅拉中國電子有限公司), serving as the senior manager at the Nanjing Branch from April 1999 to July 2008, where he was primarily responsible for R&D of mobile phone products, and later at the Hangzhou Branch from August 2008 to January 2010, where he was primarily responsible for R&D of base stations and network communications products. From January 2010 to March 2019, he served at Qualcomm Wireless Semi Conductor Technologies Limited (高通無線半導體技術有限公司), a company primarily engaged in the manufacture of semiconductors, with his last position as the senior director of the product marketing department, responsible for product planning and marketing. From April 2019 to April 2022, he served as the vice president at Shanghai Linkchip Semiconductor Technology Co., Ltd. (上海立可芯半導體科技有限公司), a company primarily engaged in the manufacture of semiconductors, responsible for marketing and sales.

Mr. Zhang graduated from Southeast University (東南大學) in the PRC with a bachelor's degree in radio technology in June 1994, where he further obtained a master's degree in signal and information processing in March 1997. He further obtained an EMBA degree from China Europe International Business School (中歐國際工商學院) in the PRC in June 2008.

Non-Executive Directors

Mr. Feng Shuixing (馮水興), aged 67, is our non-executive Director. Mr. Feng joined our Company as a Director in December 2018 and he was re-designated as a non-executive Director on December 1, 2025. He is primarily responsible for providing advice to the Board and participating in the development of general business plans.

Prior to joining our Group, Mr. Feng served as the chairperson of the board at several companies, where he was responsible for their overall management, including Shenzhen Longgang Huatong Industry Co., Ltd. (深圳龍崗區華通實業有限公司), a company primarily engaged in property management, from March 1993 to August 2008, and Shenzhen Jeeja Century Optoelectronics Technology Co., Ltd. (深圳市金積嘉世紀光電科技有限公司), a company primarily engaged in the R&D, manufacturing, and sales of LED lighting and other energy-efficient products. He has also served as the executive director and general manager of Shenzhen Jeeja Electronic Industrial Co., Ltd. (深圳金積嘉電子工業有限公司), a company primarily engaged in property management, since March 1999.

Mr. Cao Bin (曹斌), aged 41, is our non-executive Director. He joined our Group as a Director in March 2025 and was re-designated as a non-executive Director on December 1, 2025. He is primarily responsible for providing advice to the Board and participating in the development of general business plans.

Prior to joining our Group, Mr. Cao held positions at several management consulting companies. He served as an analyst at The Omni-Power Co., Ltd. (上海兆威投資管理諮詢有限公司) from March 2010 to April 2011, where he was responsible for industrial research and analysis. From May 2011 to June 2021, he held various positions at Jiazhaodi Investment Consulting (Shanghai) Co., Ltd. (佳兆地投

資諮詢(上海)有限公司), with his last position as manager responsible for investment and post-investment management. Since July 2021, he has served as an assistant at Dingjie (Shanghai) Real Estate Co., Ltd. (頂傑(上海)置業有限公司), where he is primarily responsible for the management of equity and real estate investments.

Mr. Cao graduated from Shanghai Jiao Tong University (上海交通大學) in the PRC with a bachelor's degree in environmental engineering in July 2007 and a master's degree in materials science in March 2010.

Independent Non-Executive Directors

Dr. Chu Dazhi (初大智), aged 53, is our independent non-executive Director. She joined our Group in October 2025 as our independent Director and was re-designated as an independent non-executive Director on December 1, 2025. She is primarily responsible for providing independent advice on the operations and management of our Group.

Dr. Chu has been serving as an associate professor at the College of Management of Shenzhen University (深圳大學) since November 2007. Dr. Chu has also been serving as an independent director at Harbin Boshi Automation Co., Ltd. (哈爾濱博實自動化股份有限公司), a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 002698.SZ), Shenzhen HosonSoft Co., Ltd. (深圳市漢森軟件股份有限公司), Guangdong Vanward New Electric Co., Ltd. (廣東萬和新電氣股份有限公司), a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 002543.SZ) and Chnv Technology Co., Ltd. (東莞市漢維科技股份有限公司), a company whose shares are listed on the Beijing Stock Exchange (stock code: 920957.BJ) since December 2022, July 2023, July 2025 and June 2026, respectively. From March 2017 to March 2023, Dr. Chu served as an independent director at Shenzhen Xinyuren Technology Co., Ltd. (深圳市信宇人科技有限公司), a company whose shares are listed on the Shanghai Stock Exchange (stock code: 688573.SH). From May 2017 to May 2023, Dr. Chu served as an independent director at Shenzhen Baixinglong Creative Packaging Co., Ltd. (深圳市柏星龍創意包裝股份有限公司), a company whose shares are listed on the Beijing Stock Exchange (stock code: 833075.BJ), and concurrently held the position of the convener of its audit committee. From September 2017 to September 2023, Dr. Chu served as an independent director at Shenzhen Honor Electronic Co., Ltd. (深圳歐陸通電子股份有限公司), a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 300870.SZ). From December 2018 to March 2025, Dr. Chu served as an independent director at Victory Giant Technology (Huizhou) Co. Ltd. (勝宏科技(惠州)股份有限公司), a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 300476.SZ).

Dr. Chu obtained her bachelor's degree in industrial foreign trade from Harbin Institute of Technology (哈爾濱工業大學) in the PRC in July 1995. She obtained her master's degree in accounting from Northeast Forestry University (東北林業大學) in the PRC in June 2002 and a doctorate degree in technology economics and management from Harbin Institute of Technology (哈爾濱工業大學) in the PRC in November 2007. Dr. Chu was qualified as a certified public accountant in the PRC by Examination Committee of Certified Public Accountants of the Ministry of Finance of the PRC in July 2004.

Dr. Gong Xiaofeng (龔曉峰), aged 61, is our independent non-executive Director. He joined our Group in October 2025 as our independent Director and was re-designated as an independent non-executive Director on December 1, 2025. He is primarily responsible for providing independent advice on the operations and management of our Group.

Dr. Gong served as the vice president of the CCID Research Institute (賽迪研究院) of the Ministry of Industry and Information Technology of the PRC from February 2001 to November 2007, as the director founder of the Center for International Economic and Technical Cooperation (國際經濟技術合作中心) of the Ministry of Industry and Information Technology of the PRC from March 2012 to August 2016, and as a director of the Industry and Information Technology Department of Hebei Province from August 2016 to March 2022. He has been a special professor and doctoral student mentor at the School of Government Management, Shenzhen University (深圳大學), and a distinguished professor at the China Center for Special Economic Zone Research, both since November

2022. He has been serving as the founding president of the Institute of Emerging Industry Development Studies for the Guangdong-Hong Kong-Macao Greater Bay Area since December 2022, and has been serving as an independent non-executive director at China Resources Building Materials Technology Holdings Limited (華潤建材科技控股有限公司), a company whose shares are listed on the Stock Exchange (stock code: 1313.HK) since September 2025. He has been serving as the president of the Shenzhen Special Focus New Enterprise Talent Research Institute (深圳市專精特新企業人才研究院) since October 2025.

Dr. Gong is an expert member of the Shenzhen Decision-Making Advisory Committee (深圳市決策諮詢委員會), a member of Shenzhen Gazelle Licorne Selection and Evaluation Committee (深圳市瞪羚獨角獸遴選評價委員會), an arbitrator of China International Economic and Trade Arbitration Commission, an arbitrator of Shenzhen International Arbitration Institute and a visiting scholar at the EU headquarters.

Dr. Gong obtained a bachelor's degree in engineering from Central South University of Technology, China (中南工業大學) (currently known as Central South University (中南大學)) in the PRC in July 1989. He further obtained a master's degree in economics from Xiamen University (廈門大學) in the PRC in July 1996 and a doctoral degree in economics from Renmin University of China (中國人民大學) in the PRC in July 2000. Dr. Gong was qualified as a senior engineer by Ministry of Information and Industry of the PRC in July 2003.

Mr. Chan Kin Ho Philip (陳建豪), aged 49, is our independent non-executive Director. He joined our Group in October 2025 as our independent Director and was re-designated as an independent non-executive Director on December 1, 2025. He is primarily responsible for providing independent advice on the operations and management of our Group.

Mr. Chan served as an auditor at Deloitte Touche Tohmatsu from September 1999 to November 2000, and served as an assistant manager of audit department at KPMG from November 2000 to May 2004. He served as a business area controller at Deutsche Bank AG, Hong Kong Branch from June 2004 to April 2006. Mr. Chan held the position of finance director at Xinhua Sports and Entertainment (HK) Ltd. (新華悦動傳媒(香港)有限公司), an advertisement company, from April 2006 to March 2011. He served as the vice president in SearchMedia Holdings Limited, an advertisement company, from April 2011 to June 2012. Mr. Chan has been a director of Willing International Capital Limited, a company primarily engaged in investment and consulting, since December 2012. He has also been serving as the director and the chief executive officer of VSING Limited, a company whose shares are listed on the Stock Exchange (stock code: 8292.HK) since September 2021.

Mr. Chan graduated from The University of Hong Kong with a bachelor's degree in accounting and financial business administration in Hong Kong in December 1999. Mr. Chan obtained various professional qualifications, including becoming a member of the Association of Chartered Certified Accountants in August 2000, a member of the Hong Kong Institute of Certified Public Accountants in January 2004, and a Certified Financial Planner of the Institute of Financial Planners in September 2004.

SENIOR MANAGEMENT

Mr. Wu Yisheng (吳奕盛) is chairperson of our Board, an executive Director and our general manager. See "— Directors — Executive Directors" above for his biographical details.

Ms. Liang Qiyan (梁啓燕) is an executive Director and our deputy general manager. See "— Directors — Executive Directors" above for her biographical details.

Mr. Zhang Yun (張雲) is an executive Director and our deputy general manager. See "— Directors — Executive Directors" above for his biographical details.

Mr. Liu Weibo (劉維波), aged 47, is our deputy general manager and finance director. He joined our Group in March 2019 as the deputy general manager and finance director of our Company. He is primarily responsible for the overall management of finance, customs, logistics, and warehouse operations.

Mr. Liu has more than 20 years of financial management experience within chip industry. Prior to joining our Group, Mr. Liu worked as a financial manager at Guangdong Xinhui Meida-DSM Nylon Chips Co., Ltd. (新會美達-DSM尼龍切片有限公司), a company primarily engaged in the manufacture and sales of Nylon chips, from December 2003 to February 2006. He served as the deputy general manager of EPM Global Services Ltd. (中加美電子科技(深圳)有限公司), an EMS electronic manufacturer, from March 2006 to April 2013. He held the position of finance director at Candy-Jinling Electrical Co., Ltd. (Candy集團金羚電器有限公司), a company primarily engaged in the production and sales of home appliances, from April 2013 to March 2015. He served as the finance director and operation director of Shenzhen Runch Development Co., Ltd. (深圳藍籌實業發展有限公司), a company primarily engaged in the design and export of home appliances, from March 2015 to February 2019.

Mr. Liu graduated from Shenzhen University (深圳大學) with a master's degree in business administration in the PRC in June 2012. He was qualified as a Certified Public Accountant by China Institute of Certified Public Accountants in March 2004, and was qualified as an intermediate accountant by Ministry of Finance of the PRC in May 2002.

Mr. Zhu Zixuan (朱子軒), aged 32, joined our Group as our secretary to the Board in July 2020. He serves as our deputy general manager and secretary to the Board currently, and is primarily responsible for the Board's daily operations, securities matters, and equity affairs.

Prior to joining our Group, Mr. Zhu served as a customer manager at China Merchants Bank Shenzhen Branch from June 2018 to December 2019. He served as a project manager at RONGTONG Agricultural Development (Guangzhou) Co., Ltd. (融通農業發展(廣州)有限責任公司), a company primarily engaged in state-owned assets management, from January 2020 to July 2020, and was responsible for the tendering and bidding for state-owned assets projects.

Mr. Zhu graduated from Brunel University London in the United Kingdom with a bachelor's degree in international business in October 2015, where he further obtained a master's degree in marketing in December 2017.

JOINT COMPANY SECRETARIES

Mr. Zhu Zixuan (朱子軒), our secretary to the Board, was appointed as one of our joint company secretaries in November 2025, with effect from the Listing Date. For the biographical details of Mr. Zhu, see "— Senior Management" in this section.

Ms. Zhao Na (趙娜), was appointed as a joint company secretary of our Company in July 2026, with effect from the Listing Date. Ms. Zhao has over six years of experience in the corporate secretarial and compliance services field, providing professional corporate services to Hong Kong listed companies, as well as multinational, private, and offshore companies. She is an assistant manager of company secretarial services at Tricor Services Limited.

Ms. Zhao obtained her master's degree in corporate governance from The Hong Kong Polytechnic University in October 2025. She is a Chartered Secretary, a Chartered Governance Professional, an associate of The Hong Kong Chartered Governance Institute, and an Associate of The Chartered Governance Institute in the United Kingdom.

OTHER INFORMATION

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on December 1, 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Each of the independent non-executive Directors confirms (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) that he or she has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company, and (iii) that there are no other factors that may affect his or her independence at the time of his or her appointment.

Each of our Directors confirms that he or she does not have any interest in a business apart from the business of our Group which competes or is likely to compete, whether directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

Except as disclosed above, none of our Directors and members of senior management held any other 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 Latest Practicable Date.

Mr. Feng Shuixing, our non-executive Director, served as the chairman, general manager and a director of Shenzhen Jiaba Trading Co., Ltd. (深圳市家八貿易有限公司) ("**Shenzhen Jiaba**") from January 1996 to February 2002, which was incorporated in the PRC in January 1996 and principally engaged in the wholesale of cosmetics and hygiene products. The business license of Shenzhen Jiaba was revoked in February 2002 as Shenzhen Jiaba had ceased business operations and had not timely completed the deregistration procedures (the "**Revocation of Business License of Shenzhen Jiaba**"). To the best knowledge, information and belief of Mr. Feng, he confirmed that (i) Shenzhen Jiaba was solvent before its revocation of business licence; (ii) there was no wrongful act on his part leading to the revocation of its business license; (iii) as of the Latest Practicable Date, he had not incurred any debt and/or liability and was not aware of any actual or potential claim that has been or will be made against him because of such revocation of business license; and (iv) the revocation has not had and would not have any impact on our Group's financial position and operations in any material respect. Having considered the facts, causes of and circumstances surrounding the Revocation of Business Licence of Shenzhen Jiaba described above, our Directors are of the view that the Revocation of Business Licence of Shenzhen Jiaba does not have any material impact on Mr. Feng's suitability to act as a Director under Rules 3.08 and 3.09 of the Listing Rules.

Save as disclosed above, to the best knowledge, information and belief of our Directors, having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders, and there was no other information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and no other matters are required to be brought to the attention of Shareholders as of the Latest Practicable Date.

To the best knowledge, information and belief of our Directors, save as disclosed above, our Directors and senior management do not have any other relationship among them.

MANAGEMENT AND CORPORATE GOVERNANCE

Board Committees

Audit Committee

Our 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 set out in Appendix C1 to the Listing Rules (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 our Group and provide advice and comments to the Board. The Audit Committee comprises Mr. Feng Shuixing, Dr. Chu Dazhi and Mr. Chan Kin Ho Philip, with Dr. Chu Dazhi (being our independent non-executive Director with appropriate professional qualifications) as the chairperson.

Remuneration and Appraisal Committee

Our Board has established the Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The primary duties of the Remuneration and Appraisal Committee are to review and make recommendations to the Board on the terms of remuneration packages to our Directors and other senior management. The Remuneration and Appraisal Committee comprises Mr. Wu Yisheng, Dr. Gong Xiaofeng and Mr. Chan Kin Ho Philip, with Mr. Chan Kin Ho Philip as the chairperson.

Nomination Committee

Our Board has established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code. The primary duties of the Nomination Committee are to make recommendations to our Board on the appointment of Directors and other senior management. The Nomination Committee comprises Mr. Wu Yisheng, Dr. Chu Dazhi and Dr. Gong Xiaofeng, with Dr. Gong Xiaofeng as the chairperson.

Strategy and ESG Committee

Our Board has established the Strategy and ESG Committee with written terms of reference. The primary duties of the Strategy and ESG Committee are to research and make recommendations to our Board on our long-term development strategies and major investment decisions, supervise and guide the effective implementation of our Company's environmental protection, social responsibility and governance initiatives, and promote our Company's environmental, social and governance development. The Strategy and ESG Committee comprises Mr. Wu Yisheng, Ms. Liang Qiyan and Dr. Gong Xiaofeng, with Mr. Wu Yisheng as the chairperson.

Corporate governance

Our Company is committed to achieving a high standard of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with the Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the Listing.

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 chairperson and chief executive should be separate and should not be performed by the same individual. We do not have a separate chairperson and general manager, and Mr. Wu currently performs these two roles. Our Board believes that vesting the roles of both the chairperson and general manager in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning and implementation of our Board's decisions for our Group. Our Board considers that the balance of power and authority for the present arrangement will not be impaired, and this structure will enable our Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of the chairperson of our Board and the general manager of our Company if and when it is appropriate, taking into account the circumstances of our Group as a whole.

Save as disclosed above, our Company intends to comply with all code provisions under the Corporate Governance Code after the Listing.

Board Diversity

Our Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. We recognize and embrace the benefits of having a diverse Board and see increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our competitive advantage and enhancing our 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 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.

Our Board currently consists of three female Directors and six male Directors ranging from 33 to 67 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 industry experience in manufacturing of electronic components. They obtained degrees in various majors including computer science, radio technology, environmental engineering, accounting and business administration. Taking into account our existing business model and specific needs, as well as the diverse background of our Directors, the composition of our Board satisfies the board diversity policy.

Our Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for adoption.

Management presence

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This normally means that at least two of its executive Directors must be ordinarily resident in Hong Kong. We do not have sufficient management presence in Hong Kong for the purposes of Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules. For details, please refer to "Waivers from Strict Compliance with the Listing Rules — Waiver in Respect of Management Presence in Hong Kong" in this prospectus.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management members receive remuneration in the form of salaries, allowances and benefits in kind, performance related bonuses, pension scheme contributions and share-based payments. We determine the remuneration of our Directors based on their responsibilities, qualification, position and seniority.

The aggregate amount of remuneration of our Directors for the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026 were RMB63.0 million, RMB17.3 million, RMB16.5 million and RMB18.0 million, respectively. None of our Directors waived or agreed to waive any emolument during the same periods.

Under the arrangements in force as of the date of this prospectus, we estimate the aggregate remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2026, to be approximately RMB62.8 million.

The five highest paid individuals of our Group for the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026 include two, three, three and three Directors, respectively. During the same periods, the aggregate amount of remuneration of the remaining three, two, two and two highest-paid non-director individuals (including salaries, allowances and benefits in kind, performance related bonuses, pension scheme contributions and share-based payments) were RMB10.1 million, RMB16.7 million, RMB28.4 million and RMB5.5 million, respectively.

During the Track Record Period, no remuneration was paid to, or received by, our Directors or the five highest paid individuals as an inducement to join or upon joining us. No compensation was paid to, or received by, our Directors, former directors, former supervisors or the five highest paid individuals for the loss of office as a director or supervisor of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.

We have adopted a series of employee incentive plans, comprising (i) the 2019 share incentive plan, 2021 share option incentive plan, 2023 share incentive plan and 2024 share incentive plan; and (ii) the Pre-IPO Share Option Scheme. For details of the employee incentive plans, please refer to the paragraphs headed "Statutory and General Information — Employee Incentive Plans" in Appendix VI to this prospectus.

Save as disclosed above, no other payments have been made or are payable by our Group to our Directors in respect of the Track Record Period.

COMPLIANCE ADVISOR

We have appointed Altus Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. The compliance advisor will provide us 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 our Company in the following circumstances:

(a) before the publication of any regulatory announcement, circular, or financial report;

(b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;

(c) where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, development or results of our Group deviate from any forecast, estimate or other information in this prospectus; and

(d) where the Stock Exchange makes an inquiry of our Company concerning unusual movements in the price or trading volume of our listed securities or any other matters under Rule 13.10 of the Listing Rules.

The term of appointment of our compliance advisor shall commence on the Listing Date and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date.

BEFORE THE COMPLETION OF THE GLOBAL OFFERING

As of the Latest Practicable Date, the issued share capital of our Company was RMB467,814,084, comprising 467,814,084 Shares with a nominal value of RMB1.00 each.

UPON THE COMPLETION OF THE GLOBAL OFFERING

Immediately following the completion of the Global Offering and conversion of Unlisted Shares into H Shares, assuming that no additional Shares are issued pursuant to the Pre-IPO Share Option Scheme, the share capital of our Company will be as follows:

	Assuming Offer Size Adjustment Option and Over-allotment Option are not exercised		Assuming Over-allotment Option is fully exercised but Offer Size Adjustment Option is not exercised		Assuming Offer Size Adjustment Option is fully exercised but Over-allotment Option is not exercised		Assuming Offer Size Adjustment Option and Over-allotment Option are fully exercised	
Description of Shares	Number of Shares	Approximate percentage of the total share capital of our Company	Number of Shares	Approximate percentage of the total share capital of our Company	Number of Shares	Approximate percentage of the total share capital of our Company	Number of Shares	Approximate percentage of the total share capital of our Company
		(%)		*(%)*		*(%)*		*(%)*
Unlisted Shares	207,299,784	42.96	207,299,784	42.77	207,299,784	42.77	207,299,784	42.54
H Shares to be converted from Unlisted Shares[(1)]	260,514,300	53.99	260,514,300	53.74	260,514,300	53.74	260,514,300	53.46
H Shares to be issued under the Global Offering	14,717,200	3.05	16,924,700	3.49	16,924,700	3.49	19,463,400	3.99
Total	**482,531,284**	**100.00**	**484,738,784**	**100.00**	**484,738,784**	**100.00**	**487,277,484**	**100.00**

(1) For details of the identities of the Shareholders whose Shares will be converted into H Shares upon the Listing, see "History, Development and Corporate Structure — Capitalization of Our Company."

OUR SHARES

The H Shares, to be issued following the completion of the Global Offering and converted from the Unlisted Shares, and the Unlisted Shares are ordinary Shares in the share capital of our Company. Apart from certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons entitled to hold H Shares pursuant to the relevant PRC laws and regulations or upon approval by any competent authorities, H Shares generally may not be subscribed for by, or traded between, legal or natural persons of the PRC. H Shares may only be subscribed for, and traded in, Hong Kong dollars.

Unlisted Shares and H Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this prospectus. Dividends in respect of our Shares may be paid by us in Hong Kong dollars or Renminbi, as the case may be. In addition to cash, dividends may be distributed in the form of Shares.

CONVERSION OF UNLISTED SHARES INTO H SHARES

The Unlisted Shares are currently not listed or traded on any stock exchange.

According to the regulations by the CSRC and our Articles of Association, the holders of these Unlisted Shares may, at their own option, authorize our Company to apply to the CSRC for conversion of their respective Unlisted Shares to H Shares upon the Global Offering, and such converted Shares may be listed and traded on an overseas stock exchange, provided that the conversion, listing and trading of such converted Shares have been approved by the securities regulatory authorities of the State Council. Additionally, such conversion, trading and listing shall meet any requirement of internal

approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of the Unlisted Shares are to be converted, listed and traded as H Shares on the Stock Exchange, the approvals of any internal approval process and/or the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange are necessary for such conversion. Based on the procedures for the conversion of Unlisted Shares into H Shares as set forth below, we will apply for the listing of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion after the Global Offering to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As the listing of additional Shares after the Listing on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior application for listing at the time of our listing in Hong Kong. No Shareholder voting is required for the conversion of such Shares or the listing and trading of such converted Shares on an overseas stock exchange. Any application for listing the converted shares on the Stock Exchange after our initial listing is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

After all the requisite approvals have been obtained, the relevant Unlisted Shares will be withdrawn from the Share register, and our Company will re-register such Shares on the H Share register maintained in Hong Kong and instruct the H Share Registrar to issue H Share certificates. Registration on the H Share register of our Company will be on the conditions that (i) the H Share Registrar lodges with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register and the due dispatch of H Share certificates; and (ii) the admission of the H Shares to be traded on the Stock Exchange complies with the Listing Rules and the General Rules of HKSCC and the HKSCC Operational Procedures in force from time to time. Until the converted Shares are re-registered on the H Share register of our Company, such Shares would not be listed as H Shares.

RESTRICTIONS OF SHARE TRANSFER

In accordance with the PRC Company Law, the shares issued prior to any public offering of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, the Shares issued by our Company prior to the issue of H Shares will be subject to such statutory restriction on transfer within a period of one year from the Listing Date.

The Directors and members of the senior management of our Company shall declare their shareholdings in our Company and any changes in their shareholdings. Shares transferred by the Directors and members of the senior management each year during their term of office as determined when they assume the posts shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the aforementioned persons held in our Company cannot be transferred within one year from the date on which the Shares are listed and traded, nor within half a year after they leave their positions in our Company. The Articles of Association may contain other restrictions on the transfer of the Shares held by the Directors and members of senior management of our Company.

GENERAL MEETINGS

For details of the circumstances under which our general meetings are required, please refer to the paragraphs headed "Summary of the Articles of Association — Shareholders and Shareholders' Meetings" in Appendix V to this prospectus.

EMPLOYEE INCENTIVE PLANS

We adopted the Share Incentive Plans and Pre-IPO Share Option Scheme. For details, please refer to the paragraphs headed "Statutory and General Information — Employee Incentive Plans" set out in Appendix VI to this prospectus.

As far as the Directors are aware, immediately following the completion of the Global Offering (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised and no additional Shares are issued pursuant to the Pre-IPO Share Option Scheme) and the conversion of the Unlisted Shares into H Shares, the following persons will have an interest and/or short position in the Shares or underlying Shares which will be required to be disclosed to our Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

		As of the Latest Practicable Date		Immediately following the completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised)				
Name of Shareholder	Nature of interest[1]	Number and description of the Shares	Approximate percentage of interest in our Company	Number and description of the Unlisted Shares	Approximate percentage of interest in the Unlisted Shares[2]	Number and description of the H Shares	Approximate percentage of interest in the H Shares[2]	Approximate percentage of interest in our Company[2]
			%		%		%	%
Mr. Wu[3]	Interest in controlled corporation, beneficial owner	171,575,596 Unlisted Shares 2,880,000 H Shares	36.68 0.62	102,945,358 Unlisted Shares	49.66	71,510,238 H Shares	25.98	36.15
Ms. Zi Yuelian (資悦蓮)[3]	Interest of spouse	171,575,596 Unlisted Shares 2,880,000 H Shares	36.68 0.62	102,945,358 Unlisted Shares	49.66	71,510,238 H Shares	25.98	36.15
Xinruilai[3]	Beneficial owner	51,000,000 Unlisted Shares	10.90	30,600,000 Unlisted Shares	14.76	20,400,000 H Shares	7.41	10.57
Hongxin Micro[3][4][5]	Beneficial owner	46,813,096 Unlisted Shares	10.01	28,087,858 Unlisted Shares	13.55	18,725,238 H Shares	6.80	9.70
Yung Fu Holdings Ltd.[4]	Interest in controlled corporation	46,813,096 Unlisted Shares	10.01	28,087,858 Unlisted Shares	13.55	18,725,238 H Shares	6.80	9.70
Chang, Chih-Hao (張志豪)[4]	Interest in controlled corporation	46,813,096 Unlisted Shares	10.01	28,087,858 Unlisted Shares	13.55	18,725,238 H Shares	6.80	9.70
SMART UNION WEALTH CREATION LIMITED (聯駿創富有限公司) ("**Smart Union**")[5]	Interest in controlled corporation	46,813,096 Unlisted Shares	10.01	28,087,858 Unlisted Shares	13.55	18,725,238 H Shares	6.80	9.70
GROUP PARTNERS LIMITED ("**Group Partners**")[5]	Interest in controlled corporation	46,813,096 Unlisted Shares	10.01	28,087,858 Unlisted Shares	13.55	18,725,238 H Shares	6.80	9.70
SOARICH INTERNATIONAL LIMITED ("**Soarich**")[5]	Interest in controlled corporation	46,813,096 Unlisted Shares	10.01	28,087,858 Unlisted Shares	13.55	18,725,238 H Shares	6.80	9.70
PUA KHEIN SENG[5]	Interest in controlled corporation	46,813,096 Unlisted Shares	10.01	28,087,858 Unlisted Shares	13.55	18,725,238 H Shares	6.80	9.70
Hongxin Chuang[3]	Beneficial owner	24,000,000 Unlisted Shares	5.13	14,400,000 Unlisted Shares	6.95	9,600,000 H Shares	3.49	4.97

		As of the Latest Practicable Date		Immediately following the completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised)				
Name of Shareholder	Nature of interest[1]	Number and description of the Shares	Approximate percentage of interest in our Company	Number and description of the Unlisted Shares	Approximate percentage of interest in the Unlisted Shares[2]	Number and description of the H Shares	Approximate percentage of interest in the H Shares[2]	Approximate percentage of interest in our Company[2]
			%		%		%	%
Hongxintai No. 2[3]	Beneficial owner	17,965,500 Unlisted Shares	3.84	10,779,300 Unlisted Shares	5.20	7,186,200 H Shares	2.61	3.72
Phison Electronics[6]	Interest in controlled corporation	105,271,874 Unlisted Shares	22.50	55,271,874 Unlisted Shares	26.66	50,000,000 H Shares	18.17	21.82
Global Flash Limited[6]	Interest in controlled corporation	55,271,874 Unlisted Shares	11.81	55,271,874 Unlisted Shares	26.66	—	—	11.45
Core Storage[6]	Beneficial owner	55,271,874 Unlisted Shares	11.81	55,271,874 Unlisted Shares	26.66	—	—	11.45
Regis Investment (Samoa) Limited[6]	Interest in controlled corporation	50,000,000 Unlisted Shares	10.69	—	—	50,000,000 H Shares	18.17	10.36
RealYou Investment[6]	Beneficial owner	50,000,000 Unlisted Shares	10.69	—	—	50,000,000 H Shares	18.17	10.36
WEI Chun-Chieh[7]	Interest in controlled corporation	35,549,000 Unlisted Shares	7.60	18,378,155 Unlisted Shares	8.87	18,182,345 H Shares	6.61	7.58
W&W Capital Limited ("**W&W Capital**")[7]	Interest in controlled corporation	35,549,000 Unlisted Shares	7.60	18,378,155 Unlisted Shares	8.87	18,182,345 H Shares	6.61	7.58
Future Link Investment Limited[7]	Interest in controlled corporation	35,549,000 Unlisted Shares	7.60	18,378,155 Unlisted Shares	8.87	17,170,845 H Shares	6.24	7.37
FUTURE PARTNERS ASIA I, L.P. ("**Future Partners**")[7]	Interest in controlled corporation	35,549,000 Unlisted Shares	7.60	18,378,155 Unlisted Shares	8.87	17,170,845 H Shares	6.24	7.37
FUTURE PAFI Holding Limited[7]	Interest in controlled corporation	35,549,000 Unlisted Shares	7.60	18,378,155 Unlisted Shares	8.87	17,170,845 H Shares	6.24	7.37
FUTURE PAFI Investment Limited ("**Future Pafi**")[7]	Beneficial owner	35,549,000 Unlisted Shares	7.60	18,378,155 Unlisted Shares	8.87	17,170,845 H Shares	6.24	7.37
Wang Bangye (王邦燁)	Beneficial owner	11,380,960 Unlisted Shares	2.43	11,380,960 Unlisted Shares	5.49	—	—	2.36

(1) All interests stated are long positions.

(2) The calculation is based on the total number of 207,299,784 Unlisted Shares and 275,231,500 H Shares in issue upon Listing comprising (i) an aggregate of 260,514,300 H Shares to be converted from the Unlisted Shares and (ii) 14,717,200 H Shares to be issued pursuant to the Global Offering (without taking into account the H Shares which may be issued upon the exercise of the Offer Size Adjustment Option or the Over-allotment Option or pursuant to the Pre-IPO Share Option Scheme).

(3) As of the Latest Practicable Date, Xinruilai was held as to approximately 71.76% by Mr. Wu. Mr. Wu was the general and executive partner of Hongxin Micro, Shenzhen Jubang, Hongxin Chuang, Hongxintai No. 2, Hosintai, Ningbo Zhaohan, Ningbo Zhaoxin and Hangzhou Feisuan. As a result, under the SFO, Mr. Wu was deemed to be interested in the Shares held by each of Xinruilai, Hongxin Micro, Shenzhen Jubang, Hongxin Chuang, Hongxintai No. 2, Hosintai, Ningbo Zhaohan, Ningbo Zhaoxin and Hangzhou Feisuan.

As of the Latest Practicable Date, Mr. Wu was granted 2,880,000 options under the Pre-IPO Share Option Scheme by our Company, upon the exercise of which the same number of Shares will be issued.

Ms. Zi Yuelian is the spouse of Mr. Wu. As a result, Ms. Zi Yuelian is deemed to be interested in the Shares held by Mr. Wu under the SFO.

(4) As of the Latest Practicable Date, Yung Fu Holdings Ltd. held approximately 42.72% of the partnership interests in Hongxin Micro. Yung Fu Holdings Ltd. was held as to 53.5% by Chang, Chih-Hao. As such, each of Chang, Chih-Hao and Yung Fu Holdings Ltd. was deemed to be interested in the Shares held by Hongxin Micro under the SFO.

(5) As of the Latest Practicable Date, Smart Union held approximately 39.73% of the partnership interests in Hongxin Micro. Smart Union was wholly owned by Group Partners, which was in turn owned as to 62.5% by Soarich. Soarich was owned as to 98.63% by PUA KHEIN SENG. As such, each of PUA KHEIN SENG, Soarich, Group Partners and Smart Union was deemed to be interested in the Shares held by Hongxin Micro under the SFO.

(6) As of the Latest Practicable Date, Core Storage was wholly owned by Global Flash Limited, which was in turn wholly owned by Phison Electronics. As a result, each of Phison Electronics and Global Flash Limited was deemed to be interested in the Shares held by Core Storage under the SFO.

As of the Latest Practicable Date, RealYou Investment was wholly owned by Regis Investment (Samoa) Limited, which was in turn wholly owned by Phison Electronics. As a result, each of Phison Electronics and Regis Investment (Samoa) Limited was deemed to be interested in the Shares held by RealYou Investment under the SFO.

(7) As of the Latest Practicable Date, Future Pafi was wholly owned by FUTURE PAFI Holding Limited, which was in turn wholly owned by Future Partners. The general partner of Future Partners is Future Link Investment Limited, which was wholly owned by W&W Capital, which was in turn wholly owned by WEI Chun-Chieh. Future Partners had two limited partners, the largest of which was W&W Capital, holding its 72.4% partnership interests, with the other limited partner holding 27.6% of its partnership interests. As a result, each of WEI Chun-Chieh, W&W Capital, Future Link Investment Limited, Future Partners and FUTURE PAFI Holding Limited was deemed to be interested in the Shares held by Future Pafi under the SFO.

In addition, Pine Vigor Capital Limited ("**Pine Vigor**") is the beneficial owner of 1,011,500 Shares subscribed in the Cornerstone Placing (based on the Offer Price of HK$77.60, being the mid-point of the Offer Price range). As of the Latest Practicable Date, Pine Vigor was indirectly wholly owned by W&W Capital, which was in turn wholly owned by WEI Chun-Chieh. As a result, each of WEI Chun-Chieh and W&W Capital was deemed to be interested in the Shares held by Pine Vigor under the SFO.

Save as disclosed above and the section headed "Appendix VI — Statutory and General Information — Further Information about our Directors and Substantial Shareholders", the Directors are not aware of any person who will, immediately following the completion of the Global Offering (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised) and the conversion of the Unlisted Shares into H Shares, have any interest and/or short position in the Shares or underlying shares of our Company which will be required to be disclosed to our Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of our Company or any other member of our Group.

The following discussion and analysis should be read in conjunction with our consolidated financial statements included in the Accountants' Report in Appendix I, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with IFRSs.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis that we make in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed in "Risk Factors" and "Forward-Looking Statements" and elsewhere in this prospectus.

OVERVIEW

We are a memory product enterprise. According to Frost & Sullivan, in 2025, we held a market share of 0.6% by revenue in the entire global memory product market and ranked 12th globally among all memory product enterprises. Our memory products mainly include (i) embedded storage, (ii) SSDs, (iii) DRAM and (iv) mobile storage. Our revenue remained relatively stable at RMB8,780.7 million in 2023 and RMB8,718.4 million in 2024, and increased by 28.9% to RMB11,237.6 million in 2025. Our revenue increased by 185.7% from RMB2,804.5 million in the four months ended April 30, 2025 to RMB8,012.3 million in the same period in 2026. Our gross profit increased significantly from RMB417.2 million in 2023 to RMB1,399.6 million in 2024, and further increased by 74.8% to RMB2,446.4 million in 2025. Our gross profit increased from RMB386.6 million in the four months ended April 30, 2025 to RMB4,968.8 million in the same period in 2026.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Downstream Demand for Memory Products

Our business performance is affected by the market size and customer demand for memory products. The global memory product market size has grown in general in recent years. The global memory product market size grew from US$212.5 billion in 2021 to US$289.0 billion in 2025, representing a CAGR of 8.0%, and the market is expected to further grow from US$377.5 billion in 2026 to US$723.8 billion in 2030, with a CAGR of 17.7% from 2026 to 2030. The consumer-grade was the largest group of application scenarios of the global memory product industry in 2025 in terms of revenue. The consumer-grade application scenarios primarily include smartphones, tablets, PCs, smart imaging devices, wearable devices, robotics and data transfer and backup. Take smartphones as an example, the global smartphone market size reached 1.3 billion in 2025 in terms of sales volume. The large market size of the consumer-grade application scenarios provide space for business growth. In particular, compared to Original Memory Manufacturers, independent memory product enterprises are generally better positioned to address the diverse and long-tail demands of the market, with growth opportunities mainly in consumer-grade application scenarios.

Furthermore, our results of operations are subject to industry cycles in the global memory product market, which directly influence our pricing, margins, and revenue through recurring periods of price volatility and supply-demand imbalances. In upward cycles marked by rapid demand growth and proactive procurement, we can experience demand surges that support higher prices and revenue, positively affecting our financial performance. Conversely, in adjustment phases triggered by weakened demand, production capacity expansions, and inventory buildup, we may face price declines that negatively impact our margins and profitability. In addition, one of the key growth drivers of the memory product industry is the AI technology. As the core infrastructure for AI data storage and supply, the performance of storage capacity directly impacts the efficiency of AI training and implementation outcomes. Increasing data demand from AI-related applications has contributed to the growth of the memory product market. However, there is no assurance that such industry demand will continue or

translate into sustained demand for our products. Our financial performance will continue to depend on, among other factors, product mix, customer demand, selling prices, procurement costs, industry cycles and competition. Further, aside from the consumer-grade application scenarios, the enterprise-grade application scenarios and the automotive-grade application scenarios are also expected to contribute to the growth of the global memory product market.

Our Ability to Effectively Manage Our Cost of Sales

Our profitability to a large extent depends on our ability to manage cost of sales. In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, our cost of sales was RMB8,363.5 million, RMB7,318.8 million, RMB8,791.2 million, RMB2,417.9 million and RMB3,043.5 million, respectively, representing 95.2%, 83.9%, 78.2%, 86.2% and 38.0% of our total revenue for the respective periods. The raw material costs were the largest component of our cost of sales during the Track Record Period. In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, our raw material costs represented 90.3%, 88.9%, 83.3%, 87.2% and 80.2% of our total cost of sales, respectively. During the Track Record Period, our raw material costs primarily included costs of memory wafers and controller chips. The market price of wafers fluctuated during the Track Record Period. In addition, we have a relatively high concentration rate regarding the procurement of raw material during the Track Record Period. In 2023, 2024, 2025 and the four months ended April 30, 2026, purchases from our five largest suppliers amounted to RMB3,808.5 million, RMB4,182.5 million, RMB6,616.4 million and RMB4,310.2 million, respectively, representing 43.5%, 49.4%, 55.5% and 63.0% of our total purchases, respectively.

We have established a globalized supply chain system. We have established deep collaboration with industry-leading companies across our supply chain, including (i) globally leading memory manufacturers and controller chip suppliers for our raw material supply, (ii) foundries such as USC for the wafer processing and (iii) OSAT providers such as OSE, PTN, and HT-Tech for (a) assembly and testing, and (b) SMT and testing. Such collaborations enhance our ability to secure production capacity in advance, ensuring the scalability and reliability necessary to fulfill large-scale orders. This supply chain foundation strengthens our ability to integrate resources seamlessly and support the sustainable growth of our ecosystem.

Technical Innovation and Investment in Research and Development

Our operating results depend significantly on our ability to adapt to and effectively utilize the latest technological advancements. Staying at the forefront of innovation is critical to maintaining our competitiveness and meeting evolving market demands. Our ability to continue our R&D activities, develop new technologies, design new products and enhance existing products is crucial to our market success. Therefore, we continue to invest in technology development and innovation to reinforce our competitive strengths against our peers. We had been committed to the research and development of our products during the Track Record Period. In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, our R&D expense was RMB282.6 million, RMB392.2 million, RMB493.2 million, RMB151.4 million and RMB199.6 million, respectively. The number of our R&D staff continuously increased during the Track Record Period. As of December 31, 2023, 2024 and 2025 and April 30, 2026, our research and development team consisted of 472, 760, 859 and 867 members, representing 60.4%, 66.6%, 62.9% and 62.5% of our total employees.

Price of Our Memory Products

During the Track Record Period, the average selling price of our memory products generally increased from 2023 to 2024, and excluding the impact of the Customer Supply Arrangement, such average selling price remained generally stable from 2024 to 2025 and increased significantly for the four months ended April 30, 2026 as compared with the corresponding period in 2025. The pricing of our products directly affects our revenue, gross profit margin and results of operations. The pricing of our products to a large extent depends on the market price.

Product Mix

Our ability to offer a comprehensive portfolio of memory products is one of the primary factors influencing our financial condition and results of operations. Our future success depends on our ability to anticipate industry trends and develop products with high performance that meet the evolving demand of downstream customers in various application scenarios. During the Track Record Period, we primarily derived our revenue from the sale of (i) embedded storage, (ii) SSDs, (iii) DRAM, (iv) mobile storage and (v) memory IC. During the Track Record Period, our revenue and gross profit margin were affected by the changes in product mix:

- ***Revenue***. Among our product mix, the average selling price of DRAM is relatively high. As a result, as the sales volume of DRAM increased as a result of the bulk purchases from our major customers after completing their evaluation process, our DRAM contributed an increasingly high revenue proportion in our total revenue. The revenue proportion of our DRAM increased from 1.3% in 2023 to 12.2% in 2024, and further to 24.8% in 2025.

- ***Gross profit margin***. Our total gross profit margin may be affected by the gross profit margin of our different products. During the Track Record Period, as the revenue proportion of our products changes, our gross profit margin was also affected.

We aim to further enrich our product portfolio and maintain a strong focus on high-margin product categories. By continuously refining our product mix and leveraging technological innovation, we are committed to sustaining robust financial performance and driving long-term growth. However, fluctuations in product demand, shifts in market dynamics and evolving competitive pressures may impact our financial performance.

BASIS OF PRESENTATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board ("**IASB**"). All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by us in the preparation of the Historical Financial Information throughout the Relevant Periods. The Historical Financial Information has been prepared under the historical cost convention except for certain financial instruments which have been measured at fair value at the end of each of the Relevant Periods.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future. Details of our material accounting policies, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in Notes 3 to the Accountants' Report in Appendix I to this prospectus.

PRINCIPAL COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Revenue

We generate revenue primarily from (i) embedded storage, (ii) SSDs, (iii) DRAM, (iv) mobile storage and (v) memory IC.

Cost of Sales

Our cost of sales consists of (i) raw materials, (ii) outsourced services and (iii) others.

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales, and our gross profit margin represents our gross profit divided by our revenue, expressed as a percentage.

Other Income and Gains

Our other income and gains consist of (i) bank interest income, (ii) investment income from financial assets at fair value through profit or loss, (iii) government grants, (iv) foreign exchange gains, net, (v) gain on deemed disposal of investment in an associate, and (vi) others.

Selling and Distribution Expenses

Our selling and distribution expenses consist of (i) employee compensation, (ii) insurance expenses, (iii) share-based payment compensation, (iv) advertising and promotion fees, (v) travel and hospitality fees and (vi) others.

Administrative Expenses

Our administrative expenses consist of (i) employee compensation, (ii) share-based payment compensation, (iii) depreciation and amortization, (iv) taxes and surcharges, (v) listing expenses, (vi) lease payment and utilities, (vii) consulting and professional service fees and (viii) others.

Research and Development Expenses

Our research and development expenses consist of (i) employee compensation, (ii) depreciation and amortization, (iii) technical service fees, (iv) share-based payment compensation and (v) others.

Other Expenses

Our other expenses mainly comprise (i) impairment of goodwill, (ii) impairment of other intangible assets, (iii) foreign exchange losses and (iv) others.

Finance Costs

Our finance costs consist of (i) interest on bank loans, (ii) interest on other loans, (iii) interest on lease liabilities, (iv) interest on redemption liabilities on ordinary shares and (v) other finance cost.

Share of Profits and Losses of an Associate

Our share of profits and losses of an associate represent our share of the net profit or loss of our associate.

Income Tax Expense

Our income tax expense represented income tax payable by us at the applicable tax rates in accordance with the relevant laws and regulations in each tax jurisdiction in which we operate or are domiciled.

For details on applicable taxes and tax rates, see Note 11 to the Accountants' Report in Appendix I to this prospectus.

RESULTS OF OPERATIONS

The following table sets forth a summary of our consolidated statements of profit or loss during the Track Record Period:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Revenue	**8,780,699**	**100.0**	**8,718,412**	**100.0**	**11,237,576**	**100.0**	**2,804,510**	**100.0**	**8,012,275**	**100.0**
Cost of sales	(8,363,547)	(95.2)	(7,318,805)	(83.9)	(8,791,188)	(78.2)	(2,417,918)	(86.2)	(3,043,467)	(38.0)
Gross profit	**417,152**	**4.8**	**1,399,607**	**16.1**	**2,446,388**	**21.8**	**386,592**	**13.8**	**4,968,808**	**62.0**
Other income and gains	51,585	0.6	38,926	0.4	44,615	0.4	19,441	0.7	6,267	0.1
Selling and distribution expenses	(41,924)	(0.5)	(52,916)	(0.6)	(65,934)	(0.6)	(20,011)	(0.7)	(28,436)	(0.4)
Administrative expenses	(161,960)	(1.9)	(148,063)	(1.7)	(191,085)	(1.7)	(52,992)	(2.0)	(80,785)	(1.1)
Research and development expenses	(282,563)	(3.2)	(392,182)	(4.5)	(493,180)	(4.4)	(151,400)	(5.4)	(199,632)	(2.5)
Impairment losses on financial assets, net	(19,938)	(0.2)	(13,868)	(0.2)	23,693	0.2	7,088	0.3	(9,484)	(0.1)
Other expenses	(8,480)	(0.1)	(96,658)	(1.1)	(37,685)	(0.3)	(6)	(0.0)	(90,734)	(1.1)
Finance costs	(72,342)	(0.9)	(154,607)	(1.8)	(137,844)	(1.2)	(44,545)	(1.6)	(42,558)	(0.5)
Share of losses of an associate	(13,059)	(0.1)	(11,654)	(0.1)	(14,054)	(0.2)	(3,577)	(0.1)	5,058	0.1
(Loss)/profit before tax	(131,529)	(1.5)	568,585	6.5	1,574,914	14.0	140,590	5.0	4,528,504	56.5
Income tax credit/(expense)	14,079	0.2	(85,712)	(1.0)	(211,029)	(1.9)	(17,522)	(0.6)	(687,858)	(8.6)
(Loss)/profit for the year/period	**(117,450)**	**(1.3)**	**482,873**	**5.5**	**1,363,885**	**12.1**	**123,068**	**4.4**	**3,840,646**	**47.9**

Non-IFRS Measures

To supplement our consolidated financial statements presented in accordance with IFRSs, we use adjusted profit/(loss) (non-IFRS measures) for the period and adjusted EBITDA (non-IFRS measures) 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 and company to company by eliminating potential impacts of certain items. We believe that these measures provide useful information to investors in understanding and evaluating our consolidated results of operations in the same manner as they help management. However, presentation of adjusted profit/(loss) (non-IFRS measures) for the period and adjusted EBITDA (non-IFRS measures) may not be comparable to similarly titled measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and investors should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRSs. The following table presents our non-IFRS financial measures for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Reconciliation of profit/(loss) for the year/period to adjusted profit/(loss) (non-IFRS measure) and adjusted EBITDA (non-IFRS measure)					
(Loss)/Profit for the year/period	**(117,450)**	**482,873**	**1,363,885**	**123,068**	**3,840,646**
Add:					
Share-based payment expenses[(1)]	85,765	67,742	81,584	28,541	55,030
Adjusted net (loss)/profit (non-IFRS measure)	**(31,685)**	**550,615**	**1,445,469**	**151,609**	**3,895,676**

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Add:					
Depreciation and amortization	125,556	161,911	169,248	53,848	59,741
Net finance costs	71,491	154,047	137,191	44,412	39,693
Income tax expenses/(credit)	(14,079)	85,712	211,029	17,522	687,858
Adjusted EBITDA (non-IFRS measure)	**151,283**	**952,285**	**1,962,937**	**267,391**	**4,682,968**

(1) Share-based payment expenses are non-cash expenses.

Revenue

Revenue by Product

The following table sets forth a breakdown of our revenue by product type during the Track Record Period:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000 (Unaudited)*	*%*	*RMB'000*	*%*
Embedded storage	3,732,376	42.5	5,687,730	65.2	5,369,884	47.8	1,333,001	47.5	5,432,943	67.8
SSDs	1,932,012	22.0	776,110	8.9	963,989	8.6	290,391	10.4	335,604	4.2
DRAM	112,087	1.3	1,062,748	12.2	2,784,062	24.8	755,854	27.0	1,088,245	13.6
Mobile storage	321,041	3.7	227,486	2.6	345,603	3.1	100,569	3.6	213,546	2.7
Memory IC	2,360,469	26.9	784,166	9.0	1,719,397	15.2	298,874	10.6	927,309	11.5
Others[1]	322,714	3.6	180,172	2.1	54,641	0.5	25,821	0.9	14,628	0.2
Total	**8,780,699**	**100.0**	**8,718,412**	**100.0**	**11,237,576**	**100.0**	**2,804,510**	**100.0**	**8,012,275**	**100.0**

(1) Primarily include (i) controller chips, (ii) technical services and (iii) servers.

The following table sets forth the sales volume in GB and average selling price per GB of our main products during the Track Record Period:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	(million GB)	*(RMB per GB)*	*(million GB)*	*(RMB per GB)*	*(million GB)*	*(RMB per GB)*	*(million GB)*	*(RMB per GB)*	*(million GB)*	*(RMB per GB)*
Embedded storage	12,410.7	0.30	15,462.7	0.37	26,307.0	0.20	5,694.6	0.23	10,684.5	0.51
SSDs	9,458.7	0.20	2,366.0	0.33	2,957.0	0.33	1,040.0	0.28	362.8	0.93
DRAM	11.6	9.64	75.7	14.05	197.3	14.11	61.8	12.24	31.1	34.98
Mobile storage	1,285.0	0.25	788.1	0.29	1,253.4	0.28	411.9	0.24	311.7	0.68
Memory IC	14,058.8	0.17	2,387.5	0.33	4,308.2	0.40	901.1	0.33	2,827.0	0.33

Comparison between the four months ended April 30, 2026 and 2025: Our revenue increased by 185.7% from RMB2,804.5 million in the four months ended April 30, 2025 to RMB8,012.3 million in the four months ended April 30, 2026, primarily due to a significant increase in revenue from our embedded storage.

- ***Embedded storage:*** Revenue generated from our embedded storage increased significantly from RMB1,333.0 million in the four months ended April 30, 2025 to RMB5,432.9 million in the four months ended April 30, 2026, primarily due to (1) a 121.7% increase in the average selling price of our embedded storage from RMB0.23 per GB to RMB0.51 per GB, primarily reflecting favorable market conditions and upward pricing trends for embedded

storage. The average selling price continued to be affected by the Customer Supply Arrangement, and excluding such impact, the average selling price of our embedded storage increased from RMB0.40 per GB in the four months ended April 30, 2025 to RMB1.75 per GB in the four months ended April 30, 2026; see "Business — Customer Supply Arrangement" for details; and (2) an increase in sales volume from 5,694.6 million GB to 10,684.5 million GB, primarily as a result of higher customer demand.

- ***SSDs:*** Revenue generated from our SSDs increased by 15.6% from RMB290.4 million in the four months ended April 30, 2025 to RMB335.6 million in the four months ended April 30, 2026, primarily due to a 232.1% increase in the average selling price of our SSDs from RMB0.28 per GB to RMB0.93 per GB, reflecting the increase in market price of SSDs. Such increase was partially offset by a 65.1% decrease in sales volume from 1,040.0 million GB to 362.8 million GB, as certain customers reduced their procurement amid the rapid increase in product prices.

- ***DRAM:*** Revenue generated from our DRAM increased by 44.0% from RMB755.9 million in the four months ended April 30, 2025 to RMB1,088.2 million in the four months ended April 30, 2026, primarily due to a 185.8% increase in the average selling price of our DRAM from RMB12.24 per GB to RMB34.98 per GB, in line with the increase in market price of DRAM. Such increase was partially offset by a 49.7% decrease in sales volume from 61.8 million GB to 31.1 million GB, as certain customers reduced procurement in response to the price increase.

- ***Mobile storage:*** Revenue generated from our mobile storage increased by 112.3% from RMB100.6 million in the four months ended April 30, 2025 to RMB213.5 million in the four months ended April 30, 2026, primarily due to a 183.3% increase in the average selling price of our mobile storage from RMB0.24 per GB to RMB0.68 per GB, primarily reflecting the increase in market price of mobile storage. Such increase was partially offset by a 24.3% decrease in sales volume from 411.9 million GB to 311.7 million GB, as certain customers reduced their procurement due to the increase in product prices.

- ***Memory IC:*** Revenue generated from our memory IC increased significantly from RMB298.9 million in the four months ended April 30, 2025 to RMB927.3 million in the four months ended April 30, 2026, primarily driven by the significant increase in the average selling price of our regular memory IC products from RMB0.33 per GB to RMB1.30 per GB. Our memory IC sales volume also increased by 213.7% from 901.1 million GB to 2,827.0 million GB, mainly due to an increase in sales volume of downgraded memory IC products, which had low average selling prices. As such downgraded memory IC products accounted for a higher proportion of sales volume of our memory IC, the overall average selling price of our memory IC products was RMB0.33 per GB, partially offsetting the positive revenue impact from the significant increase in the average selling price of our regular memory IC products.

- ***Others:*** Revenue generated from others decreased by 43.4% from RMB25.8 million in the four months ended April 30, 2025 to RMB14.6 million in the four months ended April 30, 2026, primarily due to (1) a decrease in revenue generated from controller chips sold as separate units because we used a greater proportion of controller chips as components in our own memory products; and (2) the absence of revenue generated from servers in the four months ended April 30, 2026, compared with RMB6.0 million in the four months ended April 30, 2025, primarily as such server sales were undertaken in response to customer demand at the time.

Comparison between 2025 and 2024: Our revenue increased by 28.9% from RMB8,718.4 million in 2024 to RMB11,237.6 million in 2025, primarily due to an increase in revenue from our DRAM and memory IC, which was partially offset by a decrease in revenue from our embedded storage.

- ***Embedded storage***: Revenue generated from our embedded storage decreased by 5.6% from RMB5,687.7 million in 2024 to RMB5,369.9 million in 2025, primarily due to a 45.9% decrease in the average selling price of our embedded storage from RMB0.37 per GB in 2024 to RMB0.20 per GB in 2025. Such decrease was primarily due to (1) the revenue recognition approach under the Customer Supply Arrangement starting from April 2024 and (2) our strategic pricing strategy of offering more competitive prices to key customers to strengthen customer relationships. See "Business — Customer Supply Arrangement" for details.

- ***SSDs***: Revenue generated from our SSDs increased by 24.2% from RMB776.1 million in 2024 to RMB964.0 million in 2025, primarily because of a 25.0% increase in the sales volume of our SSDs from 2,366.0 million GB to 2,957.0 million GB, as a result of the expansion of our customer base.

- ***DRAM***: Revenue generated from our DRAM increased significantly from RMB1,062.7 million in 2024 to RMB2,784.1 million in 2025, primarily due to a significant increase in the sales volume of our DRAM from 75.7 million GB to 197.3 million GB. The increase in the sales volume was primarily because our DRAM products were launched in recent years, and an increasing number of our customers started to purchase our DRAM in bulk after completing their evaluation process.

- ***Mobile storage***: Revenue generated from our mobile storage increased by 51.9% from RMB227.5 million in 2024 to RMB345.6 million in 2025, primarily due to a 59.0% increase in the sales volume of our mobile storage from 788.1 million GB to 1,253.4 million GB, as a result of (i) the expansion of our customer base and (ii) an increase in the revenue proportion of our high-capacity mobile storage.

- ***Memory IC***: Revenue generated from our memory IC increased by 119.3% from RMB784.2 million in 2024 to RMB1,719.4 million in 2025, primarily because of (1) an 80.5% increase in the sales volume of our memory IC from 2,378.5 million GB to 4,308.2 million GB as a result of our adjustment of inventory management strategy based on market demand, market price trend, our business and financial condition and our production plan, enabling us to enhance our operational efficiency; and (2) a 21.2% increase in the average selling price of our memory IC from RMB0.33 per GB to RMB0.40 per GB as a result of the increase in revenue proportion of low-capacity memory IC, which generally carries higher average selling price per GB than that of high-capacity memory IC.

- ***Others***: Revenue generated from others decreased significantly from RMB180.2 million in 2024 to RMB54.6 million in 2025, primarily because of a decrease in the revenue generated from our controller chips as we used more controller chips as the components for our own memory products.

Comparison between 2024 and 2023: Our revenue remained relatively stable at RMB8,780.7 million in 2023 and RMB8,718.4 million in 2024.

- ***Embedded storage***: Revenue generated from our embedded storage increased by 52.4% from RMB3,732.4 million in 2023 to RMB5,687.7 million in 2024, primarily due to: (i) a 24.6% increase in the sales volume of our embedded storage from 12,410.7 million GB to 15,462.7 million GB, as a result of higher demand from our existing customers primarily due to our enhanced cooperation with the customers; and (ii) a 23.3% increase in the average selling price of our embedded storage from RMB0.30 per GB to RMB0.37 per GB, primarily due to the increase in market price of embedded storage, which was driven by the gradual recovery in downstream demand together with controlled supply from original manufacturers.

- ***SSDs***: Revenue generated from our SSDs decreased by 59.8% from RMB1,932.0 million in 2023 to RMB776.1 million in 2024, primarily because we allocated more resources to prioritize the development of our embedded storage business.

- ***DRAM***: Revenue generated from our DRAM increased significantly from RMB112.1 million in 2023 to RMB1,062.7 million in 2024, primarily due to: (i) a significant increase in the sales volume of our DRAM from 11.6 million GB to 75.7 million GB, primarily because (a) our DRAM products were launched in recent years, and an increasing number of our customers started to purchase our DRAM in bulk after completing their evaluation process; (b) some of our products, such as LPDDR, came into large scale manufacturing; and (c) our customers often purchase our DRAM together with our embedded storage, whose high sales volume drove the increase of the sales volume of our DRAM; and (ii) a 45.7% increase in the average selling price of our DRAM from RMB9.64 per GB to RMB14.05 per GB, primarily due to the launch of our new DDR5 product, which has a higher average selling price.

- ***Mobile storage***: Revenue generated from our mobile storage decreased by 29.1% from RMB321.0 million in 2023 to RMB227.5 million in 2024, primarily because we allocated more resources to prioritize the development of our embedded storage business.

- ***Memory IC***: Revenue generated from our memory IC decreased by 66.8% from RMB2,360.5 million in 2023 to RMB784.2 million in 2024, primarily because of a 83.0% decrease in the sales volume of our memory IC from 14,058.8 million GB to 2,387.5 million GB. The decrease in the sales volume was primarily because we used more memory IC to satisfy our internal production needs. The decrease in the sales volume was partially offset by a 94.1% increase in the average selling price of our memory IC from RMB0.17 per GB to RMB0.33 per GB. The increase in the average selling price was primarily due to an increase in the market price of memory IC, according to Frost and Sullivan.

- ***Others***: Revenue generated from others decreased by 44.2% from RMB322.7 million in 2023 to RMB180.2 million in 2024, primarily because of (i) a decrease in revenue generated from our technical services as we allocated more resources to the research and development of our own products and reduced the amount of such services provided to other parties, and (ii) a decrease in the revenue generated from our controller chips, primarily because we used more controller chips as the components for our own memory products.

Revenue by Geographical Region

The following table sets forth a breakdown of our revenue by geographic region based on the place of registration of counter-parties to our sales contracts during the Track Record Period:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Chinese Mainland	**1,824,779**	**20.8**	**1,264,609**	**14.5**	**4,125,496**	**36.7**	**891,622**	**31.8**	**2,675,665**	**33.4**
Overseas	**6,955,920**	**79.2**	**7,453,803**	**85.5**	**7,112,080**	**63.3**	**1,912,888**	**68.2**	**5,336,610**	**66.6**
Hong Kong[(1)]	6,334,055	72.1	6,717,361	77.0	5,493,413	48.9	1,682,048	60.0	3,601,823	45.0
U.K.	307,775	3.5	358,163	4.1	118,407	1.1	14,065	0.5	63,443	0.8
Taiwan	167,853	1.9	213,586	2.4	454,487	4.0	163,452	5.8	237,075	3.0
Singapore	10,796	0.1	14,023	0.2	753,368	6.7	7,552	0.3	1,259,573	15.7
Others[(2)]	135,441	1.6	150,670	1.8	292,405	2.6	45,771	1.6	174,696	2.1
Total	**8,780,699**	**100.0**	**8,718,412**	**100.0**	**11,237,576**	**100.0**	**2,804,510**	**100.0**	**8,012,275**	**100.0**

(1) During the Track Record Period, the majority of our revenue was derived from overseas markets. Within our overseas markets, the majority of our revenue was generated from Hong Kong. See "Business — Sales and Marketing" for details.

(2) Primarily include the United States, Indonesia, South Korea, India, Poland, Japan and Germany.

Comparison between the four months ended April 30, 2026 and 2025: The revenue proportion of overseas markets remained stable in the four months ended April 30, 2025 and 2026.

Comparison between 2025 and 2024: The revenue proportion of overseas markets decreased from 85.5% in 2024 to 63.3% in 2025, primarily due to (i) the increase in the revenue proportion of DRAM, as the majority of our new DRAM's customers are located in Chinese Mainland; and (ii) the increase in the revenue proportion of Chinese Mainland for our embedded storage.

Comparison between 2024 and 2023: The revenue proportion of overseas markets increased from 79.2% in 2023 to 85.5% in 2024, primarily due to (i) the increase in the revenue proportion of overseas markets for our embedded storage; and (ii) the decrease in the revenue proportion of SSDs, as the majority of our SSDs' customers are domestic customers.

Cost of Sales

The following table sets forth a breakdown of our cost of sales during the Track Record Period:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Raw materials	7,556,231	90.3	6,502,860	88.9	7,321,858	83.3	2,107,928	87.2	2,439,993	80.2
Outsourced services	660,515	7.9	688,895	9.4	1,316,663	15.0	267,509	11.1	553,465	18.2
Others	146,801	1.8	127,050	1.7	152,667	1.7	42,481	1.7	50,009	1.6
Total	**8,363,547**	**100.0**	**7,318,805**	**100.0**	**8,791,188**	**100.0**	**2,417,918**	**100.0**	**3,043,467**	**100.0**

Comparison between the four months ended April 30, 2026 and 2025: Our cost of sales increased by 25.9% from RMB2,417.9 million in the four months ended April 30, 2025 to RMB3,043.5 million in the four months ended April 30, 2026. However, our cost of sales as a percentage of revenue decreased from 86.2% to 38.0% during the same periods, primarily because the increase in cost of sales was lower than the increase in revenue. The increase in the absolute amount of cost of sales was primarily due to an increase in raw material costs as a result of the increase in market prices, partially offset by (1) the increase in raw material and outsourced services, as a result of the significant increase in sales volume under the Customer Supply Arrangement and (2) the decrease in sales volume of certain products, including DRAM and SSDs.

Comparison between 2025 and 2024: Our cost of sales increased by 20.1% from RMB7,318.8 million in 2024 to RMB8,791.2 million in 2025, primarily attributable to (i) an increase in raw material costs, in particular wafers, which was in line with our business growth and (ii) an increase in our outsourced services, which was in line with the increase in the sales volume of our memory products, particularly embedded storage.

Comparison between 2024 and 2023: Our cost of sales decreased by 12.5% from RMB8,363.5 million in 2023 to RMB7,318.8 million in 2024, primarily attributed to a decrease in raw material costs. Such decrease was primarily attributable to a decrease in the quantity of wafers we used, in particular those used for producing SSDs.

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by product during the Track Record Period:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Gross profit RMB'000	*Gross profit margin %*	*Gross profit RMB'000*	*Gross profit margin %*	*Gross profit RMB'000*	*Gross profit margin %*	*Gross profit RMB'000*	*Gross profit margin %*	*Gross profit RMB'000*	*Gross profit margin %*
							(Unaudited)			
Embedded storage	25,724	0.7	1,175,670	20.7	821,431	15.3	147,234	11.0	3,346,545	61.6
SSDs	122,792	6.4	79,116	10.2	320,796	33.3	43,266	14.9	248,556	74.1

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Gross profit RMB'000	*Gross profit margin %*	*Gross profit RMB'000*	*Gross profit margin %*	*Gross profit RMB'000*	*Gross profit margin %*	*Gross profit RMB'000*	*Gross profit margin %*	*Gross profit RMB'000*	*Gross profit margin %*
							(Unaudited)			
DRAM	(22,480)	(20.1)	(93,623)	(8.8)	614,909	22.1	105,419	13.9	619,214	56.9
Mobile storage	47,786	14.9	75,690	33.3	176,232	51.0	50,461	50.2	165,842	77.7
Memory IC	130,093	5.5	145,200	18.5	497,737	28.9	30,750	10.3	583,552	62.9
Others[1]	113,237	35.1	17,554	9.7	15,283	28.0	9,462	36.6	5,099	34.9
Total	**417,152**	**4.8**	**1,399,607**	**16.1**	**2,446,388**	**21.8**	**386,592**	**13.8**	**4,968,808**	**62.0**

(1) Primarily include (i) controller chips, (ii) technical services and (iii) servers.

Comparison between the four months ended April 30, 2026 and 2025: Our gross profit margin increased from 13.8% in the four months ended April 30, 2025 to 62.0% in the four months ended April 30, 2026, primarily due to increases in the gross profit margins of our major products, which were mainly driven by the substantial increase in market prices of memory products.

- ***Embedded storage:*** The gross profit margin of our embedded storage increased from 11.0% in the four months ended April 30, 2025 to 61.6% in the four months ended April 30, 2026, primarily due to an increase in market price of embedded storage, partially offset by the lower gross profit margin of embedded storage sold under the Customer Supply Arrangement. See "Business — Customer Supply Arrangement" for details.

- ***SSDs:*** The gross profit margin of our SSDs increased from 14.9% in the four months ended April 30, 2025 to 74.1% in the four months ended April 30, 2026, primarily due to an increase in market price of SSDs.

- ***DRAM:*** The gross profit margin of our DRAM increased from 13.9% in the four months ended April 30, 2025 to 56.9% in the four months ended April 30, 2026, primarily due to an increase in market price of DRAM, partially offset by an increase in unit cost of sales.

- ***Mobile storage:*** The gross profit margin of our mobile storage increased from 50.2% in the four months ended April 30, 2025 to 77.7% in the four months ended April 30, 2026, primarily due to an increase in market price of mobile storage.

- ***Memory IC:*** The gross profit margin of our memory IC increased from 10.3% in the four months ended April 30, 2025 to 62.9% in the four months ended April 30, 2026, primarily due to an increase in market price of memory IC.

Comparison between 2025 and 2024: Our gross profit margin increased from 16.1% in 2024 to 21.8% in 2025, primarily due to (i) the turnaround of gross loss margin into gross profit margin of DRAM and (ii) an increase in the gross profit margin of SSDs. Specifically:

- ***Embedded storage***: The gross profit margin of our embedded storage decreased from 20.7% in 2024 to 15.3% in 2025, primarily due to (1) the reduction in the gross profit margin of embedded storage under the Customer Supply Arrangement as a result of our negotiations with the relevant customer and (2) our strategic pricing strategy of offering more competitive prices to key customers to strengthen customer relationships. See "Business — Customer Supply Arrangement" for details.

- ***SSDs***: The gross profit margin of our SSDs increased from 10.2% in 2024 to 33.3% in 2025, primarily due to a decrease in the unit cost of sales as a result of our improved technology, leading to better utilization of raw materials.

- ***DRAM***: Our DRAM recorded gross loss margin of 8.8% in 2024 and gross profit margin of 22.1% in 2025, primarily due to our enhanced economies of scale as an increasing number of our customers started to purchase our DRAM in bulk after completing their evaluation process.

- ***Mobile storage***: The gross profit margin of our mobile storage increased from 33.3% in 2024 to 51.0% in 2025, primarily due to the decrease in unit cost of sales of our mobile storage, as a result of our improved technology, leading to better utilization of raw materials.

- ***Memory IC***: The gross profit margin of our memory IC increased from 18.5% in 2024 to 28.9% in 2025, primarily due to the increase in average selling price, as a result of (1) strong demand from enterprise customers, which tightened overall supply and resulted in industry-wide price increases, particularly in the fourth quarter and (2) the increase in revenue proportion of low-capacity memory IC, which generally carries higher average selling price per GB than that of high-capacity memory IC.

- ***Others***: The gross profit margin of others increased from 9.7% in 2024 to 28.0% in 2025, primarily due to (i) an increase in gross profit margin of our controller chips and (ii) an increase in the revenue proportion of servers which had relatively high gross profit margin.

Comparison between 2024 and 2023: Our gross profit margin increased from 4.8% in 2023 to 16.1% in 2024, primarily due to (i) an increase in the gross profit margin of embedded storage, (ii) an increase in the gross profit margin of SSDs and (iii) a decrease in the gross loss margin of DRAM. Specifically:

- ***Embedded storage***: The gross profit margin of our embedded storage increased from 0.7% in 2023 to 20.7% in 2024, primarily due to a 23.3% increase in the average selling price of our embedded storage from RMB0.30 per GB to RMB0.37 per GB. Such increase was primarily due to an increase in the market price of embedded storage, according to Frost and Sullivan.

- ***SSDs***: The gross profit margin of our SSDs increased from 6.4% in 2023 to 10.2% in 2024, primarily due to a 65.0% increase in the average selling price of our SSDs from RMB0.20 per GB to RMB0.33 per GB, primarily due to the increased revenue contribution from our advanced SSD products, which generally carry higher average selling price than our other SSD products. The increase in the average selling price of our SSDs was partially offset by an increase in the unit cost of sales of our SSDs. Such increase was primarily due to an increase in the procurement price of wafers, which was in line with the industry trend, according to Frost & Sullivan.

- ***DRAM***: The gross loss margin of our DRAM decreased from 20.1% in 2023 to 8.8% in 2024, primarily due to a 45.7% increase in the average selling price of our DRAM from RMB9.64 per GB to RMB14.05 per GB, as a result of the launch of our new DDR5 product, which has a higher average selling price and lower gross loss margin. The increase in average selling price of our DRAM was partially offset by an increase in the unit cost of sales of our DRAM. Such increase was primarily due to an increase in our procurement price of wafers, which was in line with the industry trend, according to Frost & Sullivan. We recorded gross loss margin for DRAM in 2023 and 2024 primarily because we did not achieve economies of scale in the beginning of our DRAM business.

- ***Mobile storage***: The gross profit margin of our mobile storage increased from 14.9% in 2023 to 33.3% in 2024, primarily due to: (i) a 16.0% increase in the average selling price of our mobile storage from RMB0.25 per GB to RMB0.29 per GB, as a result of an increase in average selling price of our high-capacity mobile storage, driven by rapid growth in data volume demand and the expansion of application scenarios; and (ii) a decrease in the unit cost of sales of our mobile storage as a result of our improved technology, leading to better utilization of raw materials.

- ***Memory IC***: The gross profit margin of our memory IC increased from 5.5% in 2023 to 18.5% in 2024, primarily due to a 94.1% increase in the average selling price of our memory IC from RMB0.17 per GB to RMB0.33 per GB, as a result of an increase in the market price of memory IC, according to Frost and Sullivan.
- ***Others***: The gross profit margin of others decreased from 35.1% in 2023 to 9.7% in 2024, primarily due to a decrease in the gross profit margin of our controller chips, as a result of a decrease in the average selling price of our controller chips as we adopted a competitive pricing strategy to facilitate our market expansion when developing our controller chips business.

Other Income and Gains

The following table sets forth a breakdown of our other income and gains during the Track Record Period:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Other Income										
Bank interest income	851	1.6	560	1.4	653	1.5	133	0.7	2,865	45.7
Investment income from financial assets at fair value through profit or loss	241	0.5	—	—	—	—	—	—	—	—
Government grants	25,258	49.0	14,294	36.8	21,707	48.6	7,457	38.4	2,361	37.7
Total other income	26,350	51.1	14,854	38.2	22,360	50.1	7,590	39.0	5,226	83.4
Other gains										
Foreign exchange gains, net	5,405	10.5	22,725	58.4	—	—	11,374	58.5	—	—
Gain on deemed disposal of investment in an associate	19,359	37.5	—	—	10,865	24.4	—	—	—	—
Gain on partial disposal of investment in an associate	—	—	—	—	10,665	23.9	—	—	—	—
Gain on disposal of property, plant and equipment	—	—	447	1.1	106	0.2	—	—	478	7.6
Gain on disposal of right-of-use assets	153	0.3	—	—	—	—	—	—	—	—
Others[(1)]	318	0.6	900	2.3	619	1.4	477	2.5	563	9.0
Total gains	25,235	48.9	24,072	61.8	22,255	49.9	11,851	61.0	1,041	16.6
Total other income and gains	**51,585**	**100.0**	**38,926**	**100.0**	**44,615**	**100.0**	**19,441**	**100.0**	**6,267**	**100.0**

(1) Primarily include (i) gain on disposal of assets, (ii) refund of handling fees for withholding individual income tax, and (iii) non-operating income.

Comparison between the four months ended April 30, 2026 and 2025: Our other income and gains decreased by 67.8% from RMB19.4 million in the four months ended April 30, 2025 to RMB6.3 million in the four months ended April 30, 2026, primarily due to (1) a decrease in foreign exchange gains caused by fluctuations of foreign exchange rates; and (2) a decrease in government grants in connection with the IC industry and import and export activities.

Comparison between 2025 and 2024: Our other income and gains increased by 14.6% from RMB38.9 million in 2024 to RMB44.6 million in 2025, primarily due to (1) an increase in gain on the deemed and partial disposal of investment in an associate, resulting from equity interest transfers, capital reduction and dilution of shareholding following capital injections by other investors; and (2) an increase in government grants relating to the IC industry and import and export activities. Such increase was partially offset by the decrease of foreign exchange gains, as a result of the fluctuations of foreign exchange rate.

Comparison between 2024 and 2023: Our other income and gains decreased by 24.5% from RMB51.6 million in 2023 to RMB38.9 million in 2024, primarily due to (i) a decrease in government grant, as a result of a decrease in government subsidies on the integrated circuit industry and (ii) a decrease in gain on deemed disposal of investment in an associate as a result of its issuance of new equity interests. The decrease was partially offset by an increase in foreign exchange gains as a result of changes in exchange rate.

Selling and Distribution Expenses

The following table sets forth a breakdown of our selling and distribution expenses during the Track Record Period:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Employee compensation	28,992	69.2	36,381	68.8	44,203	67.0	12,834	64.1	17,195	60.5
Insurance expenses	3,597	8.6	4,014	7.6	6,499	9.9	1,451	7.3	3,329	11.7
Share-based payment compensation	3,482	8.3	3,513	6.6	6,234	9.5	1,781	8.9	3,036	10.7
Advertising and promotion fees	2,048	4.9	3,477	6.6	3,780	5.7	2,045	10.2	1,780	6.3
Travel and hospitality fees	2,569	6.1	3,484	6.6	3,377	5.1	1,330	6.6	837	2.9
Others[(1)]	1,236	2.9	2,047	3.8	1,840	2.8	570	2.9	2,259	7.9
Total	**41,924**	**100.0**	**52,916**	**100.0**	**65,934**	**100.0**	**20,011**	**100.0**	**28,436**	**100.0**

(1) Primarily include (i) depreciation and amortization and (ii) consumable used.

Comparison between the four months ended April 30, 2026 and 2025: Our selling and distribution expenses increased by 42.1% from RMB20.0 million in the four months ended April 30, 2025 to RMB28.4 million in the four months ended April 30, 2026, primarily due to an increase in employee compensation, as a result of the increase in employee salaries and an expansion of our selling and distribution team.

Comparison between 2025 and 2024: Our selling and distribution expenses increased by 24.6% from RMB52.9 million in 2024 to RMB65.9 million in 2025 primarily due to an increase in employee compensation, as a result of the increase in employee salaries.

Comparison between 2024 and 2023: Our selling and distribution expenses increased by 26.2% from RMB41.9 million in 2023 to RMB52.9 million in 2024, primarily due to an increase in employee compensation, as a result of the expansion of our sales and marketing team.

Administrative Expenses

The following table sets forth a breakdown of our administrative expenses during the Track Record Period:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Employee compensation	54,056	33.4	69,089	46.7	80,167	42.0	24,738	46.7	26,119	32.3
Share-based payment compensation	66,219	40.9	33,019	22.3	43,547	22.8	13,158	24.8	32,165	39.8
Depreciation and amortization	13,635	8.4	14,391	9.7	14,509	7.6	4,659	8.8	5,736	7.1
Taxes and surcharges	5,551	3.4	7,828	5.3	11,178	5.8	2,317	4.4	7,557	9.4
Listing expenses	—	—	—	—	13,523	7.1	—	—	1,618	2.0
Lease payment and utilities	5,428	3.4	6,500	4.4	6,095	3.2	1,987	3.7	1,930	2.4
Consulting and professional service fees	3,105	1.9	3,354	2.3	5,532	2.9	1,706	3.2	1,568	1.9
Others[(1)]	13,966	8.6	13,882	9.3	16,534	8.6	4,427	8.4	4,092	5.1
Total	**161,960**	**100.0**	**148,063**	**100.0**	**191,085**	**100.0**	**52,992**	**100.0**	**80,785**	**100.0**

(1) Primarily include (i) travel and hospitality fees and (ii) office expenses.

Comparison between the four months ended April 30, 2026 and 2025: Our administrative expenses increased by 52.4% from RMB53.0 million in the four months ended April 30, 2025 to RMB80.8 million in the four months ended April 30, 2026, primarily due to an increase in share based payment compensation.

Comparison between 2025 and 2024: Our administrative expenses increased by 29.1% from RMB148.1 million in 2024 to RMB191.1 million in 2025, primarily due to (i) an increase in employee compensation, primarily due to the expansion of our administrative team in line with our business growth, and (ii) an increase in share-based payment compensation and (iii) an increase in listing expenses.

Comparison between 2024 and 2023: Our administrative expenses decreased by 8.6% from RMB162.0 million in 2023 to RMB148.1 million in 2024, primarily due to a decrease in our share-based payment compensation as a result of share-based payments to management team in 2023.

Research and Development Expenses

The following table sets forth a breakdown of our research and development expenses during the Track Record Period:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Employee compensation	173,372	61.4	241,699	61.6	308,890	62.6	100,839	66.6	109,275	54.7
Depreciation and amortization	40,147	14.2	72,208	18.4	80,276	16.3	25,112	16.6	27,108	13.6
Technical service fees	41,940	14.8	23,536	6.0	41,409	8.4	4,689	3.1	31,614	15.8
Share-based payment compensation	15,171	5.4	29,756	7.6	30,392	6.2	13,128	8.7	19,353	9.7
Others[(1)]	11,933	4.2	24,983	6.4	32,213	6.5	7,632	5.0	12,282	6.2
Total	**282,563**	**100.0**	**392,182**	**100.0**	**493,180**	**100.0**	**151,400**	**100.0**	**199,632**	**100.0**

(1) Primarily include (i) office and travel expenses and (ii) consumable used.

Comparison between the four months ended April 30, 2026 and 2025: Our research and development expenses increased by 31.9% from RMB151.4 million in the four months ended April 30, 2025 to RMB199.6 million in the four months ended April 30, 2026, primarily as a result of an increase in technical service fees relating to the development of controller chips.

Comparison between 2025 and 2024: Our research and development expenses increased by 25.8% from RMB392.2 million in 2024 to RMB493.2 million in 2025 primarily due to (i) an increase in our employee compensation as a result of the expansion of our R&D team; and (ii) an increase in technical service fees mainly in relation to the R&D of our controller chips.

Comparison between 2024 and 2023: Our research and development expenses increased by 38.8% from RMB282.6 million in 2023 to RMB392.2 million in 2024, primarily due to (i) an increase in employee compensation as a result of the expansion of our R&D team and (ii) an increase in depreciation and amortization as a result of an increase in our equipment driven by the expansion of our R&D activities.

Other Expenses

The following table sets forth a breakdown of our other expenses during the Track Record Period:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Impairment of goodwill	—	—	55,551	57.5	—	—	—	—	—	—
Impairment of other intangible assets	—	—	40,883	42.3	—	—	—	—	—	—
Foreign exchange losses	—	—	—	—	35,071	93.1	—	—	90,730	100.0
Others	8,480	100.0	224	0.2	2,614	6.9	6	100.0	4	0.0
Total	**8,480**	**100.0**	**96,658**	**100.0**	**37,685**	**100.0**	**6**	**100.0**	**90,734**	**100.0**

We assess whether goodwill is impaired at least annually. This requires us to estimate the value in use of the cash-generating units to which goodwill has been allocated. Estimating value in use requires us to estimate the future cash flows expected to be generated by the relevant cash-generating units and to select an appropriate discount rate in order to calculate the present value of those cash flows. For further details, see Note 16 to the Accountants' Report in Appendix I to this prospectus. At the end of each period during the Track Record Period, we assess whether there are any indications that any of our non-current assets (other than inventories, contract assets, deferred tax assets and financial assets) may be impaired. If any such indication exists, we estimate the recoverable amount of the relevant assets. We identified indicators of impairment for patents at the end of each of the Track Record Period and accordingly performed impairment tests on the non-financial assets of the relevant cash-generating units to which such patents belong. The recoverable amount was determined based on fair value less costs of disposal, with reference to a valuation performed by an independent qualified professional valuer. For further details, see Note 17 to the Accountants' Report in Appendix I to this prospectus.

Comparison between the four months ended April 30, 2026 and 2025: Our other expenses increased from less than RMB0.1 million in the four months ended April 30, 2025 to RMB90.7 million in the four months ended April 30, 2026, primarily due to an increase in foreign exchange losses.

Comparison between 2025 and 2024: Our other expenses decreased by 61.0% from RMB96.7 million in 2024 to RMB37.7 million in 2025, as we recorded large amount of impairment losses recognized on goodwill and other intangible assets in 2024.

Comparison between 2024 and 2023: Our other expenses increased significantly from RMB8.5 million in 2023 to RMB96.7 million in 2024, primarily due to impairment losses recognized on goodwill and other intangible assets, as a result of our estimation of the recoverable amount of one of our subsidiaries.

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units for impairment testing:

- Anhui Memory Solution cash-generating unit (the "**Anhui Memory Solution CGU**"); and
- Intelligent JBOF cash-generating unit (the "**Intelligent JBOF CGU**").

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

	At 31 December 2023	
	Anhui Memory Solution	Intelligent JBOF
	RMB'000	*RMB'000*
Carrying amount of goodwill	406,137	55,551
Accumulated impairment provision recognised	(120,213)	—
Net carrying amount	285,924	55,551

	At 31 December 2024, 2025 and 30 April 2026	
	Anhui Memory Solution	Intelligent JBOF
	RMB'000	*RMB'000*
Carrying amount of goodwill	406,137	55,551
Accumulated impairment provision recognised	(120,213)	(55,551)
Net carrying amount	285,924	—

Anhui Memory Solution CGU

The recoverable amount of the Anhui Memory Solution CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by the senior management. Due to the expected decrease in revenue, the recoverable amount of the Anhui Memory Solution CGU was less than the carrying value as at 31 December 2022 and an impairment provision of RMB120,213,000 was recognised in 2022.

As at 31 December 2023, 2024, 2025 and 30 April 2026, the recoverable amount of the Anhui Memory Solution CGU to which goodwill was allocated has exceeded the carrying value by RMB71,720,000, RMB40,719,000, RMB253,570,000 and RMB397,640,000 respectively. Therefore, no additional impairment was recognised during the Relevant Periods. The pre-tax discount rate applied to the cash flow projections, the revenue growth rate, profit margin and the terminal growth rate used to extrapolate the cash flows of the Anhui Memory Solution CGU beyond the five-year period are as follows:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
Revenue growth rate	18.8%	11.3%	5.2%	6.7%
Profit margin	12.0%	15.7%	16.1%	24.9%
Pre-tax discount rate	13.8%	14.5%	14.7%	14.9%
Terminal growth rate	0%	0%	0%	0%

The values assigned to the key assumptions on gross profit margin, discount rates and growth rates are consistent with management's past experience and external information sources.

The Group performed the sensitivity analysis based on the assumption that the growth rate, pre-tax discount rate and the income distribution rates have been changed. Had the estimated key assumptions during the forecast period been changed as below, the headroom would have decreased by the following:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue growth rate decreased by 0.5%	25,412	26,484	30,486	41,300
Profit margin decreased by 0.5%	32,535	26,352	28,691	31,276
Pre-tax discount rates increased by 0.2%	16,573	15,066	18,261	22,599

Decreases in the revenue growth rate or profit margin as follows (with other assumptions remaining unchanged) would result in the Anhui Memory Solution CGU's recoverable amount equal to its carrying amount as at 31 December 2023 and 2024:

	As at 31 December 2023	As at 31 December 2024
	Increase/(decrease)	Increase/(decrease)
Revenue growth rate	(6.9%)	(5.3%)
Profit margin	(3.3%)	(1.9%)

In the opinion of the directors, no reasonably possible change in any of the key assumptions on which the recoverable amount is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount as at 31 December 2025 and 30 April 2026.

Intelligent JBOF CGU

The recoverable amount of the Intelligent JBOF CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by the senior management.

As at 31 December 2023, the recoverable amount of the Intelligent JBOF CGU to which goodwill was allocated has exceeded the carrying value by RMB30,884,000. As at 31 December 2024, due to the decrease in revenue and the changes in business plan, the recoverable amount of the Intelligent JBOF CGU to which goodwill was allocated was less than the carrying value and an impairment provision of RMB55,551,000 was recognised in 2024.

The pre-tax discount rate applied to the cash flow projections, the revenue growth rate, profit margin and the terminal growth rate used to extrapolate the cash flows of the Intelligent JBOF CGU beyond the five-year period are as follows:

	As at 31 December 2023	As at 31 December 2024
Revenue growth rate	16.7%	33.0%
Profit margin	42.9%	32.1%
Pre-tax discount rate	14.5%	14.5%
Terminal growth rate	0%	0%

The values assigned to the key assumptions on gross profit margin, discount rates and growth rates are consistent with management's past experience and external information sources.

Decreases in the revenue growth rate or profit margin as follows (with other assumptions remaining unchanged) would result in Intelligent JBOF CGU's recoverable amount equal to its carrying amount:

	As at 31 December 2023
	Increase/(decrease)
Revenue growth rate	(12.6%)
Profit margin	(5.6%)

In the opinion of the directors, except for the above, any reasonably possible change in the other key assumptions on which the recoverable amount is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount as at 31 December 2023.

Finance Costs

The following table sets forth a breakdown of our finance costs during the Track Record Period:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Interest on bank and other borrowings	68,556	94.8	151,423	97.9	133,825	97.1	42,980	96.5	41,470	97.4
Interest on other payables	—	—	315	0.2	150	0.1	150	0.3	—	—
Interest expenses on lease liabilities	1,508	2.1	1,552	1.0	1,601	1.2	527	1.2	497	1.2
Interest on redemption liabilities on ordinary shares	—	—	1,317	0.9	1,800	1.3	591	1.3	591	1.4
Other finance cost	2,278	3.1	—	—	468	0.3	297	0.7	—	—
Total	**72,342**	**100.0**	**154,607**	**100.0**	**137,844**	**100.0**	**44,545**	**100.0**	**42,558**	**100.0**

Comparison between the four months ended April 30, 2026 and 2025: Our finance costs decreased by 4.5% from RMB44.5 million in the four months ended April 30, 2025 to RMB42.6 million in the four months ended April 30, 2026, primarily due to a decrease in the interest on bank and other borrowings, mainly attributable to a decrease in the outstanding amount of certain high-interest foreign currency borrowings.

Comparison between 2025 and 2024: Our finance costs decreased by 10.8% from RMB154.6 million in 2024 to RMB137.8 million in 2025, primarily due to a decrease in the interest on bank and other borrowings, as a result of our improved financial conditions.

Comparison between 2024 and 2023: Our finance costs increased significantly from RMB72.3 million in 2023 to RMB154.6 million in 2024, primarily attributable to an increase in our interest on bank loans as a result of an increase in our current interest-bearing bank borrowings.

Income Tax Expenses

The following table sets forth a breakdown of our income tax expenses during the Track Record Period:

	Year ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Current tax	13,081	75,199	135,597	25	782,053
Deferred tax *(note 28)*	(27,880)	10,513	75,432	17,497	(94,195)
Tax (credit)/expense for the year/period	(14,079)	85,712	211,029	17,522	687,858

Comparison between the four months ended April 30, 2026 and 2025: Our income tax expenses increased significantly from RMB17.5 million in the four months ended April 30, 2025 to RMB687.9 million in the four months ended April 30, 2026, primarily due to an increase in current tax as a result of the significant increase in our profit before tax.

Comparison between 2025 and 2024: Our income tax expenses increased significantly from RMB85.7 million in 2024 to RMB211.0 million in 2025, primarily due to (1) increase in our current tax as a result of a significant increase in our profit before tax, and (2) an increase in deferred tax assets arising from inventory write-downs and tax losses available for carryforward.

Comparison between 2024 and 2023: Our income tax credit of RMB14.1 million in 2023 turned into income tax expenses of RMB85.7 million in 2024, primarily due to an increase in our current tax, as a result of the turnaround from our loss before tax in 2023 to profit before tax in 2024.

LIQUIDITY AND CAPITAL RESOURCES

Overview

We have historically funded our cash requirements mainly from cash generated from our business operations and our fundraising activities. After the Global Offering, we intend to finance our future capital requirements through cash generated from our business operations, the net proceeds from the Global Offering and other future equity or debt financings. We currently do not anticipate any changes to the availability of financing to fund our operations in the near future.

Cash Flows Analysis

The following table sets forth selected cash flow statement information during the Track Record Period:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Net cash flows (used in)/from operating activities	(1,048,244)	(1,122,025)	716,701	(430,187)	(2,691,062)
Net cash flows used in investing activities	(8,370)	(127,643)	(120,875)	(31,704)	(28,779)
Net cash flows from/(used in) financing activities	1,245,558	1,269,111	(247,600)	401,055	2,846,459
Net increase/(decrease) in cash and cash equivalents	**188,944**	**19,443**	**348,226**	**(60,836)**	**126,618**
Cash and cash equivalents at the beginning of the year/period	91,148	254,714	275,790	275,790	562,614
Cash and cash equivalents at the end of the year/period	**254,714**	**275,790**	**562,614**	**211,751**	**624,593**

Operating Activities

Our cash flows from operating activities reflect our profit before tax adjusted for: (i) non-cash or non-operating items such as depreciation of items of property, plant and equipment, amortization of other intangible assets, write-down of inventories to net realizable value, finance costs and foreign exchange losses; (ii) the effects of movement in working capital such as inventories, trade payables, trade receivables, prepayments, deposits and other receivables, other payables and accruals, and contract liabilities; and (iii) other cash items such as tax paid. We will continue to monitor our cash flows from operations closely, including (i) managing our trade receivables by monitoring the credit profile of our customers and enhancing our payment collection system, (ii) increasing our inventory turnover rate to increase our cash flows from operating activities, and (iii) increase our bargaining power and extend our credit period with our suppliers. We have also implemented, and will continue to

implement, measures to improve our operating cash flow, including: (1) strengthening our trade receivables management through tighter credit control, enhanced monitoring of outstanding balances and shortened collection cycles; (2) improving our inventory management through refined inventory controls, accelerated turnover, strategic stock planning and timely disposal of aged inventory; (3) strengthening our internal controls to enhance cost and expense discipline; and (4) optimize the composition of our finished goods inventory by maintaining sufficient inventory of products with strong market demand to support timely delivery, while accelerating sales efforts and, where appropriate, offering price discounts for slow-moving products to facilitate inventory turnover.

In the four months ended April 30, 2026, we had net cash flows used in operating activities of RMB2,691.1 million, which primarily consisted of profit before tax of RMB4,528.5 million, adjusted for (i) non-cash and non-operating items such as equity-settled share-based payments of RMB55.0 million, write down of inventories to net realizable value of RMB45.1 million and finance costs of RMB42.6 million, and (ii) the effects of movement in working capital such as increase in inventories of RMB3,759.6 million, increase in prepayments, other receivables and other assets of RMB3,128.5 million and increase in trade receivables of RMB1,279.4 million.

The significant operating cash outflow for the four months ended April 30, 2026 primarily reflected increased working capital requirements arising from our raw material procurement and inventory build-up, increased advance payments for raw materials and higher trade receivables associated with our revenue growth. Amid tightening market supply and rising prices of memory wafers and components, we increased our raw material procurement and accumulated higher levels of raw materials and finished goods to support anticipated demand from our major customers. Higher raw material purchase prices also increased the funding required for procurement, while the accumulation of inventories ahead of their subsequent sale or utilization resulted in additional working capital requirements. In addition, we increased advance payments for raw materials, principally memory wafers and controller chips, to secure supply and production capacity. These procurement and inventory arrangements required us to commit cash before the related products were sold and the sales proceeds were collected. Together with the increase in trade receivables associated with our higher revenue, these factors contributed to our operating cash outflow notwithstanding the profit recorded during the period.

In 2025, we had net cash flows generated from operating activities of RMB716.7 million, which primarily consisted of profit before tax of RMB1,574.9 million, adjusted for (i) non-cash and non-operating items such as finance cost of RMB137.8 million, amortization of other intangible assets of RMB98.2 million and equity-settled share-based payments of RMB81.6 million, and (ii) the effects of movement in working capital such as increase in inventories of RMB3,214.2 million, increase in trade payables of RMB1,268.1 million and decrease in trade receivables of RMB1,058.2 million.

In 2024, we had net cash flows used in operating activities of RMB1,122.0 million, which primarily consisted of profit before tax of RMB568.6 million, adjusted for (i) non-cash and non-operating items such as write-down of inventories to net realizable value of RMB499.0 million, finance costs of RMB154.6 million and amortization of other intangible assets of RMB104.9 million, and (ii) the effects of movement in working capital such as increase in inventories of RMB1,900.6 million, increase in trade receivables of RMB326.1 million and decrease in trade payables of RMB279.4 million.

In 2023, we had net cash flows used in operating activities of RMB1,048.2 million, which primarily consisted of loss before tax of RMB131.5 million, adjusted for (i) non-cash and non-operating items such as write-down of inventories to net realizable value of RMB93.9 million, equity-settled share-based payments of RMB85.8 million, amortization of intangible assets of RMB79.9 million and finance costs of RMB72.3 million, and (ii) the effects of movement in working capital such as increase in trade receivables of RMB1,375.3 million, increase in trade payables of RMB589.8 million and increase in inventories of RMB547.5 million.

Investing Activities

In the four months ended April 30, 2026, we had net cash flows used in investing activities of RMB28.8 million, which primarily resulted from purchase of items of property, plant and equipment of RMB20.0 million and purchases of items of intangible assets of RMB10.0 million. In 2025, we had net cash flows used in investing activities of RMB120.9 million, which primarily resulted from purchase of items of property, plant and equipment of RMB93.2 million and purchases of items of intangible assets of RMB37.0 million. In 2024, we had net cash flows used in investing activities of RMB127.6 million, which primarily resulted from purchase of items of property, plant and equipment of RMB76.5 million and purchases of items of intangible assets of RMB53.5 million. In 2023, we had net cash flows used in investing activities of RMB8.4 million, which primarily resulted from purchase of items of property, plant and equipment of RMB38.6 million and purchases of items of intangible assets of RMB39.2 million, partially offset by proceeds from disposal of financial assets at fair value through profit or loss of RMB67.0 million.

Financing Activities

In the four months ended April 30, 2026, we had net cash flows from financing activities of RMB2,846.5 million, which primarily resulted from new bank and other borrowings of RMB3,988.5 million, partially offset by repayment of bank and other borrowings of RMB1,094.0 million. In 2025, we had net cash flows used in financing activities of RMB247.6 million, primarily due to (i) new bank and other borrowings of RMB4,397.5 million and (ii) capital injection from shareholders of RMB338.5 million, partially offset by repayment of bank and other borrowings of RMB4,562.1 million. In 2024, we had net cash flows from financing activities of RMB1,269.1 million, which primarily resulted from new bank and other borrowings of RMB4,320.1 million, partially offset by repayment of bank and other borrowings of RMB3,199.3 million. In 2023, we had net cash flows from financing activities of RMB1,245.6 million, primarily due to (i) new bank and other borrowings of RMB2,495.3 million and (ii) capital injection from shareholders of RMB476.7 million, partially offset by repayment of bank and other borrowings of RMB1,687.5 million.

SELECTED BALANCE SHEET ITEMS

Current Assets/Liabilities

The following table sets out our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of April 30,	As of August 31,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Current assets					
Inventories	2,548,171	3,949,776	7,172,328	10,886,900	19,006,551
Trade receivables	1,704,906	2,017,104	982,632	2,252,542	1,476,005
Prepayments, deposits and other receivables	260,070	397,128	823,427	3,952,658	2,910,536
Restricted bank deposits	—	15,000	49	—	4,452
Cash and cash equivalents	254,714	275,790	562,614	624,593	366,661
Total current assets	**4,767,861**	**6,654,798**	**9,541,050**	**17,716,693**	**23,764,205**
Current liabilities					
Trade payables	1,342,195	1,062,787	2,330,866	2,860,851	2,549,088
Contract liabilities	45,075	17,531	85,584	653,606	427,684
Other payables and accruals	131,025	214,061	226,869	191,535	189,171
Interest-bearing bank and other borrowings	2,224,812	3,604,530	2,400,208	4,827,455	7,347,047
Lease liabilities	12,797	16,789	14,337	17,417	18,330
Tax payable	—	97	131,308	582,678	800,724
Total current liabilities	**3,755,904**	**4,915,795**	**5,189,172**	**9,133,542**	**11,332,044**
Net current assets	**1,011,957**	**1,739,003**	**4,351,878**	**8,583,151**	**12,432,161**

Inventories

The following table sets forth our inventories as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw material	1,415,250	2,429,753	4,830,806	6,751,863
Finished goods	760,818	1,014,567	1,721,322	3,039,161
Goods shipped in transit	2,915	23,077	—	—
Contract fulfilment cost	6,929	32,081	1,231	763
Materials consigned for processing	362,259	450,298	618,969	1,095,113
Total	**2,548,171**	**3,949,776**	**7,172,328**	**10,886,900**

Our inventories increased by 55.0% from RMB2,548.2 million as of December 31, 2023 to RMB3,949.8 million as of December 31, 2024, primarily due to an increase in raw materials, as we maintained a relatively high inventory level at the end of 2024 to meet customer demand for embedded storage and DRAM. Our inventories increased by 81.6% from RMB3,949.8 million as of December 31, 2024 to RMB7,172.3 million as of December 31, 2025, primarily due to (i) an increase in raw materials as we maintained a higher level of raw materials to meet the market demand for DRAM and (ii) an increase in finished goods. Our inventories increased by 51.8% from RMB7,172.3 million as of December 31, 2025 to RMB10,886.9 million as of April 30, 2026, primarily due to (i) an increase in raw materials to meet the market demand for NAND Flash and (ii) an increase in finished goods.

The following table sets an aging analysis of our inventories as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 3 months	1,518,130	1,972,020	4,876,030	5,538,249
4-12 months	552,071	1,709,263	1,454,502	4,243,361
1-2 years	316,076	436,966	555,129	760,676
Over 2 years	256,001	335,082	344,884	418,251
Less: provision for impairment	(94,106)	(503,556)	(58,217)	(73,637)
Total	**2,548,171**	**3,949,776**	**7,172,328**	**10,886,900**

The following table sets forth our inventory turnover days for the periods indicated.

	Year ended December 31,			Four months ended April 30,
	2023	2024	2025	2026
Inventory turnover days[(1)]	101	162	231	356

(1) Average inventory turnover days were calculated based on the average of the opening and closing balances of inventories of a given period divided by the cost of sales for that corresponding period and multiplied by the number of days in that period.

Our inventory turnover days increased from 101 days in 2023 to 162 days in 2024, primarily due to our proactive inventory build-up to meet anticipated demand from key customers. Our inventory turnover days further increased from 162 days in 2024 to 231 days in 2025, as we strategically build up our inventory levels, in response to the significant increase in the average selling price of our memory products. Our inventory turnover days increased from 231 days in 2025 to 356 days in the four months ended April 30, 2026, primarily because (1) we proactively increased inventories of raw materials and finished goods to support anticipated demand from our major customers amid strengthening market demand and rising memory product prices; in particular, the increase in our inventories mainly reflected an increase in the carrying amount of component kits, being sets of materials and components procured

and held for use together in the production of our memory products, primarily attributable to higher purchase prices of the underlying materials and components; and (2) higher wafer and component purchase prices increased the weighted-average unit cost and carrying amount of our inventories, notwithstanding a comparatively lower increase in physical quantities.

To improve our inventory turnover days and manage our cash conversion cycle, we seek to enhance the efficiency of our inventory deployment while maintaining appropriate levels of strategic inventories to support anticipated customer demand. We intend to further (1) coordinate rolling sales forecasts and confirmed customer orders with procurement, production and delivery plans, and determine appropriate inventory levels by product category and demand visibility; (2) prioritize the production, customer qualification and delivery of products supported by confirmed or foreseeable demand, thereby accelerating the conversion of raw materials and finished goods into sales; and (3) strengthen the monitoring of inventory aging, product life cycles, demand coverage and the ability to use relevant raw materials across different product models, where technically feasible.

In addition, we have adopted inventory management policies to manage inventory backlog and impairment risks while maintaining appropriate safety stock. We may increase inventories in anticipation of stronger customer demand, tightening supply, longer procurement lead times or further increases in raw material prices, taking into account our expected production and delivery requirements, working capital needs and the risks of changes in market demand and prices. In making procurement decisions, we consider prevailing raw material prices, expected selling prices and margins of the relevant products, and our ability to pass on higher procurement costs to customers. Where purchase prices are considered commercially unfavorable having regard to these factors, we may reduce or defer procurement, taking into account our existing customer commitments and the need to maintain continuity of supply. We may also reduce replenishment and prioritize the utilization or sale of existing inventories where they are sufficient to meet anticipated production and delivery requirements, or where customer demand or inventory consumption falls below expectations.

Purchase orders and logistics arrangements are subject to internal submission and approval procedures. We use ERP software to monitor inventory levels and the inflow and outflow of raw materials and finished goods from our warehouses in real time, and conduct comprehensive inventory checks quarterly. We also assess the condition and realizable value of our inventories to identify potential impairment. Our measures to manage slow-moving inventory include adjusting procurement and production plans, accelerating sales efforts and, where appropriate, offering price discounts to facilitate inventory turnover.

As of August 31, 2026, RMB4,966.2 million, or 45.3%, of our inventories as of April 30, 2026 had been sold or utilized. As market prices of memory products increased and market demand strengthened, we strategically built up our inventory levels to support anticipated customer demand. As of December 31, 2023, 2024 and 2025 and April 30, 2026, our provision for impairment of inventories amounted to RMB94.1 million, RMB503.6 million, RMB58.2 million and RMB73.6 million, respectively. We have assessed the condition and realizable value of our inventories and have not identified material impairment issues. Our inventories, including those held for longer periods, remain in good condition and are expected to be sold or utilized in the normal course of business. For further information regarding our accounting policies for inventory impairment, please see Note 2.3 to the Accountants' Report in Appendix I to this prospectus.

Trade Receivables

The following table sets forth a breakdown of our trade receivables as of the dates indicated:

	As of December 31,			As of April 30,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	1,728,972	2,055,171	996,438	2,275,660
Allowance for expected credit losses	(24,066)	(38,067)	(13,806)	(23,118)
Total	**1,704,906**	**2,017,104**	**982,632**	**2,252,542**

Our trade receivables increased by 18.3% from RMB1,704.9 million as of December 31, 2023 to RMB2,017.1 million as of December 31, 2024, primarily due to the expansion of our customer base. Our trade receivables decreased by 51.3% from RMB2,017.1 million as of December 31, 2024 to RMB982.6 million as of December 31. 2025, primarily due to our improved ability to collect trade receivables from our customers, driven by significant increase in market demand for memory products in the second half of 2025. Our trade receivables increased by 129.2% from RMB982.6 million as of December 31, 2025 to RMB2,252.5 million as of April 30, 2026, primarily due to the increase in our revenue.

The following table sets forth the aging analysis of the trade receivables as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 3 months	1,546,684	1,607,378	905,434	2,251,958
3 to 6 months	155,076	392,036	66,103	28
Over 6 months	3,146	17,690	11,095	556
Total	**1,704,906**	**2,017,104**	**982,632**	**2,252,542**

The following table sets forth our trade receivables turnover days during the Track Record Period:

	Year ended December 31,			Four months ended April 30,
	2023	2024	2025	2026
Trade receivables turnover days[(1)]	43	78	49	24

(1) Trade receivables turnover days were calculated based on the average of opening and closing balance of trade receivables (less allowance for impairment) for a given period, divided by the revenue for the corresponding period and multiplied by the number of days in that period.

Our trade receivables turnover days increased from 43 days in 2023 to 78 days in 2024, primarily due to an increase in proportion of our large customers, to whom we granted relatively longer credit terms. Our trade receivable turnover days decreased from 78 days in 2024 to 49 days in 2025, primarily due to our improved ability to collect trade receivables from our customers, driven by significant increase in market demand for memory products in the second half of 2025. Our trade receivables turnover days decreased from 49 days in 2025 to 24 days in the four months ended April 30, 2026, primarily due to improved collection efficiency from customers as market demand for memory products grew.

As of August 31, 2026, RMB2,132.4 million, or 93.7%, of our trade receivables as of April 30, 2026, had been settled. As of April 30, 2026, substantially all of our trade receivables were aged within three months, and all trade receivables remained within the applicable credit terms with none past due. Taking into account the aging profile and our customers' historically low default rates, we had not identified any material recoverability issues and considered that adequate allowance for expected credit losses had been recognized.

Prepayments, Deposits and Other Receivables

The following table sets forth a breakdown of our prepayments, deposits and other receivables as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments	180,969	77,589	621,526	3,681,819
Deposits and other receivables	1,465	2,177	1,206	2,983
VAT recoverable	77,636	317,362	196,843	263,565
Deferred listing expenses	—	—	3,852	4,291
	260,070	397,128	823,427	3,952,658
Less: Impairment of other receivables	—	—	—	—
Total	**260,070**	**397,128**	**823,427**	**3,952,658**

Our prepayments, deposits and other receivables increased by 52.7% from RMB260.1 million as of December 31, 2023 to RMB397.1 million as of December 31, 2024, primarily due to an increase in our VAT recoverable, as a result of an increase in the raw material procured by our onshore entities. The increase in VAT recoverable was partially offset by a decrease in our prepayment primarily due to our enhanced bargaining power with our suppliers. Our prepayments, deposits and other receivables increased significantly from RMB397.1 million as of December 31, 2024 to RMB823.4 million as of December 31, 2025, primarily due to an increase in the prepayment for raw material. Our prepayments, deposits and other receivables increased significantly from RMB823.4 million as of December 31, 2025 to RMB3,952.7 million as of April 30, 2026, primarily due to an increase in the prepayments from RMB621.5 million to RMB3,681.8 million, as we increased advance payments for raw materials, principally memory wafers and controller chips, to secure supply and production capacity amid tightening market supply, rising raw material prices and increased procurement requirements to support anticipated customer demand.

As of August 31, 2026, RMB3,174.9 million, or 80.1%, of our prepayments, deposits and other receivables as of April 30, 2026, had been settled.

Trade Payables

Our trade payables decreased by 20.8% from RMB1,342.2 million as of December 31, 2023 to RMB1,062.8 million as of December 31, 2024, primarily due to a decrease in our raw material cost, as a result of our strategic purchase of wafers in the fourth quarter of 2023 at relatively low prices, in anticipation of an increase in market price in the future.

Our trade payables increased significantly from RMB1,062.8 million as of December 31, 2024 to RMB2,330.9 million as of December 31, 2025, primarily due to an increase in (i) procurement of raw materials and (ii) outsourced services to support our expanding production and business operations.

Our trade payables increased by 22.7% from RMB2,330.9 million as of December 31, 2025 to RMB2,860.9 million as of April 30, 2026, primarily due to an increase in raw material procurement and outsourced services to support our expansion in production and business operations.

The following table sets forth an aging analysis of our trade payables as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	1,340,939	1,060,228	2,326,655	2,855,018
Over one year	1,256	2,559	4,211	5,833
Total	**1,342,195**	**1,062,787**	**2,330,866**	**2,860,851**

The following table sets forth our trade payables turnover days for the periods indicated:

	Year ended December 31,			Four months ended April 30,
	2023	2024	2025	2026
Trade payables turnover days[(1)]	46	60	70	102

(1) Trade payables turnover days are calculated based on the average of opening and closing balance of trade payables for a given period divided by the cost of sales for the corresponding period and multiplied by the number of days in that period.

Our trade payables turnover days increased from 46 days in 2023 to 60 days in 2024 and further to 70 days in 2025, primarily due to the longer credit term granted by our suppliers as a result of our enhanced bargaining power with our suppliers. Our trade payables turnover days increased from 70 days in 2025 to 102 days in the four months ended April 30, 2026, primarily due to an increase in trade payables for raw material procurement as a result of our business growth and the increase in raw material prices.

As of August 31, 2026, RMB2,682.4 million, or 93.8%, of total trade payables as of April 30, 2026, had been subsequently settled.

Other Payables and Accruals

The following table sets forth a breakdown of our other payables and accruals as of the dates indicated.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payments for long-term assets purchase	17,325	30,116	22,424	18,130
Payroll payables	56,798	81,222	98,389	56,256
Other payables and accruals	9,417	29,526	23,353	15,129
Investment received in advance	9,200	—	—	—
Advance payment from a customer	31,160	34,712	31,150	4,621
Redemption liabilities on ordinary shares	—	31,317	33,117	33,708
Listing expenses payables	—	—	8,716	2,017
Other tax payables	7,125	7,168	9,720	61,674
Total	**131,025**	**214,061**	**226,869**	**191,535**

Our other payables and accruals increased by 63.4% from RMB131.0 million as of December 31, 2023 to RMB214.1 million as of December 31, 2024, primarily because of (i) an increase in payroll payables attributable to an increase in the number of our employees and (ii) an increase in redemption liabilities on ordinary shares. The increase in redemption liabilities on ordinary shares was primarily due to our entering into a subscription agreement with one Pre-IPO investor in March 2024, pursuant to which we granted the Pre-IPO investor redemption rights to request us to repurchase part or all of the equity held by the Pre-IPO investor. For details, please see "History, Development and Corporate Structure — Pre-IPO Investments — Special Rights of the Pre-IPO Investors." Our other payables and accruals decreased by 15.6% from RMB226.9 million as of December 31, 2025 to RMB191.5 million as of April 30, 2026, primarily due to (i) a decrease in payroll payables, as a large amount of year-end bonuses was accrued as of December 31, 2025; and (ii) a decrease in advances from customers as such advances were recognized as revenue. Such decrease was partially offset by an increase in other tax payables.

As of August 31, 2026, RMB114.5 million, or 59.8%, of our other payables and accruals as of April 30, 2026, had been settled.

Interest-Bearing Bank and Other Borrowings

Our interest-bearing bank and other borrowings consist of (i) bank loans and (ii) other loans. Our interest-bearing bank and other borrowings increased by 62.0% from RMB2,224.8 million as of December 31, 2023 to RMB3,604.5 million as of December 31, 2024, primarily due to our business growth. Our interest-bearing bank and other borrowings decreased by 33.4% from RMB3,604.5 million as of December 31, 2024 to RMB2,400.2 million as of December 31, 2025, primarily due to our improved financial condition in the second half of 2025, enabling us to make early repayments of our bank borrowings. Our interest-bearing bank and other borrowings increased by 101.1% from RMB2,400.2 million as of December 31, 2025 to RMB4,827.5 million as of April 30, 2026, primarily due to additional financing obtained for raw material procurement, inventory stocking and daily working capital requirements in response to increases in raw material prices.

Lease Liabilities

Our lease liabilities increased by 31.2% from RMB12.8 million as of December 31, 2023 to RMB16.8 million as of December 31, 2024, primarily because of an increase in the new office and warehouse leases to support our business expansion. Our lease liabilities decreased by 14.9% from RMB16.8 million as of December 31, 2024 to RMB14.3 million as of December 31, 2025, primarily due to the expiration and the reclassification of certain leases to short-term leases as they approached maturity. Our lease liabilities increased by 21.5% from RMB14.3 million as of December 31, 2025 to RMB17.4 million as of April 30, 2026, primarily due to additional leased properties and buildings used for research and development, office operations, warehousing and employee accommodation.

Contract Liabilities

Our contract liabilities arose from short-term advances received from customers. Our contract liabilities decreased by 61.1% from RMB45.1 million as of December 31, 2023 to RMB17.5 million as of December 31, 2024, primarily because we received higher advances from our customers in 2023, due to the upward trend of the memory product market. Our contract liabilities increased significantly from RMB17.5 million as of December 31, 2024 to RMB85.6 million as of December 31, 2025, primarily due to advance payments received from four customers shortly before the end of 2025 in respect of orders that had not yet been delivered as of December 31, 2025. Such advance payments were RMB79.1 million, representing 92.4% of our contract liabilities as of December 31, 2025. In particular, three customers, whose payment terms generally required payment before delivery, made aggregate advance payments of RMB69.4 million before the year-end, with the relevant products subsequently delivered in early 2026. Another customer made an advance payment of RMB9.8 million, representing 70% of the relevant order amount, before the year-end, with the relevant products subsequently delivered and the remaining consideration collected in early 2026. Accordingly, the increase primarily reflected the timing of customer prepayments and product deliveries around the year-end, and was generally consistent with our business expansion and the rebound of the memory product market. Our contract liabilities increased significantly from RMB85.6 million as of December 31, 2025 to RMB653.6 million as of April 30, 2026, primarily due to the increase in advances from customers as our business continued to expand alongside the expansion of the memory product market. In particular, we recorded contract liabilities of RMB649.3 million relating to 14 customers, representing substantially all of our total contract liabilities as of April 30, 2026. Such contract liabilities primarily comprised (1) aggregate advance payments of RMB435.6 million received from seven customers, mainly for eMMC products, as certain customers made advance payments to secure product supply amid increasing market demand and prices, with the relevant products to be delivered in batches based on their requirements; (2) aggregate advance payments of RMB140.3 million received from six customers whose payment terms required full payment before delivery; and (3) a credit balance of RMB73.5 million relating to sales of DDR products to one customer from June to November 2025. Following a sales discount arrangement entered into with such customer in December 2025 in respect of these sales, the payments previously received exceeded the outstanding trade receivables, and the resulting excess was recorded as contract liabilities.

As of August 31, 2026, RMB571.8 million, or 87.5%, of our contract liabilities as of April 30, 2026, had been recognized.

Non-Current Assets and Liabilities

The following table sets out our non-current assets and liabilities as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	59,677	100,365	134,811	124,251
Right-of-use assets	27,367	36,110	37,180	48,337
Other intangible assets	462,205	372,512	301,648	290,814
Investments in an associate	27,141	18,959	19,019	25,019
Goodwill	341,475	285,924	285,924	285,924
Deferred tax assets	179,216	154,431	69,143	166,752
Prepayments, deposits and other receivables	3,892	7,071	14,867	8,766
Total non-current assets	**1,100,973**	**975,372**	**862,592**	**949,863**
Non-current liabilities				
Interest-bearing bank and other borrowings	50,000	65,140	816,500	1,286,370
Lease liabilities	15,985	21,532	23,736	32,916
Deferred income	950	313	—	—
Deferred tax liabilities	52,461	36,731	28,067	31,745
Total non-current liabilities	**119,396**	**123,716**	**868,303**	**1,351,031**
Net non-current assets	**981,577**	**851,656**	**(5,711)**	**(401,168)**

Property, Plant and Equipment

The following table sets forth our property, plant and equipment as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Construction in progress	33	33	9,374	1,997
Machine equipment	8,054	26,341	27,791	25,139
Electronic equipment	40,098	64,359	87,960	87,731
Furniture and fixtures	1,362	1,333	1,463	1,287
Transportation equipment	270	55	—	493
Leasehold improvement	9,860	8,244	8,223	7,604
Total	**59,677**	**100,365**	**134,811**	**124,251**

The carrying amount of our property, plant and equipment increased by 68.2% from RMB59.7 million as of December 31, 2023 to RMB100.4 million as of December 31, 2024, primarily attributable to an increase in machine and electronic equipment due to our investments in testing equipment to conduct necessary functionality and performance evaluations. The carrying amount of our property, plant and equipment increased by 34.3% from RMB100.4 million as of December 31, 2024 to RMB134.8 million as of December 31, 2025, primarily due to (1) an increase in electronic equipment,

primarily relating to investments in non-testing equipment such as computers and test boards; and (2) an increase in construction in progress as a result of the arrival of additional electronic equipment that remained pending acceptance.

Right-of-Use Assets

Our right-of-use assets consist of leased properties and buildings. Our right-of-use assets increased by 31.9% from RMB27.4 million as of December 31, 2023 to RMB36.1 million as of December 31, 2024, primarily due to the addition of leased properties and buildings for the purpose of research and development, office operations, warehousing, and employee accommodation. Our right-of-use assets remained stable at RMB36.1 million in 2024 and RMB37.2 million in 2025. The right-of-use assets increased by 30.0% from RMB37.2 million as of December 31, 2025 to RMB48.3 million as of April 30, 2026, primarily due to additional leased properties and buildings used for research and development, office operations, warehousing and employee accommodation.

Other Intangible Assets

The following table sets forth our other intangible assets as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Software	6,083	22,685	18,803	17,088
Patents	421,246	320,786	265,794	247,463
IP licenses	34,876	29,041	17,051	26,263
Total	**462,205**	**372,512**	**301,648**	**290,814**

Our other intangible assets decreased by 19.4% from RMB462.2 million as of December 31, 2023 to RMB372.5 million as of December 31, 2024, primarily due to impairment losses and amortization recognized on our patent assets. Our other intangible assets further decrease by 19.0% from RMB372.5 million as of December 31, 2024 to RMB301.6 million as of December 31, 2025, primarily due to amortization of our patent assets. Other intangible assets remained stable at RMB301.6 million as of December 31, 2025 and RMB290.8 million as of April 30, 2026.

Interest-Bearing Bank and Other Borrowings

Our interest-bearing bank and other borrowings consist of secured bank loans. Our interest-bearing bank and other borrowings increased by 30.3% from RMB50.0 million as of December 31, 2023 to RMB65.1 million as of December 31, 2024, and increased significantly from RMB65.1 million as of December 31, 2024 to RMB816.5 million as of December 31, 2025, primarily due to the adjustment of our current and non-current interest-bearing bank and other borrowings structure. Our interest-bearing bank and other borrowings increased by 57.5% from RMB816.5 million as of December 31, 2025 to RMB1,286.4 million as of April 30, 2026, primarily due to additional borrowings obtained to fund raw material procurement, inventory stocking and daily working capital requirements in response to increases in raw material prices.

Lease liabilities

Our lease liabilities consist of properties and buildings for research and development, office operations, warehousing, and employee accommodation. Our lease liabilities increased by 34.7% from RMB16.0 million as of December 31, 2023 to RMB21.5 million as of December 31, 2024, primarily due to the addition of properties and buildings for the purpose of research and development, office operations, warehousing and employee accommodation. Our lease liabilities further increased by 10.2% from RMB21.5 million as of December 31, 2024 to RMB23.7 million as of December 31, 2025, primarily due to an increase in leases of office buildings. Our lease liabilities increased by 38.7% from

RMB23.7 million as of December 31, 2025 to RMB32.9 million as of April 30, 2026, primarily due to additional leased properties and buildings used for research and development, office operations, warehousing and employee accommodation.

INDEBTEDNESS

The table below sets out the details of our indebtedness as of the dates indicated:

	As of December 31,			As of April 30,	As of August 31,
	2023	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*
Current					
Interest-bearing bank and other borrowings	2,224,812	3,604,530	2,400,208	4,827,455	7,347,047
Lease liabilities	12,797	16,789	14,337	17,417	18,330
Non-current					
Interest-bearing bank and other borrowings	50,000	65,140	816,500	1,286,370	1,778,870
Lease liabilities	15,985	21,532	23,736	32,916	31,439
Total	**2,303,594**	**3,707,991**	**3,254,781**	**6,164,158**	**9,175,686**

Interest-Bearing Bank and Other Borrowings

As of December 31, 2023, 2024 and 2025 and April 30, 2026, our bank borrowings, including current and non-current portion, were RMB2,274.8 million, RMB3,669.7 million, RMB3,216.7 million and RMB6,113.8 million, respectively, mainly representing bank loans primarily to general corporate purposes. See "— Selected Balance Sheet Items — Current Assets/Liabilities — Interest-Bearing Bank Borrowings", and "Selected Balance Sheet Items — Non-Current Assets and Liabilities — Interest-Bearing Bank Borrowings" for details. Our bank borrowings increased by 90.1% from RMB3,216.7 million as of December 31, 2025 to RMB6,113.8 million as of April 30, 2026, primarily due to additional financing obtained to support raw material procurement, reflecting our business growth and increases in raw material prices.

During the Track Record Period, our bank borrowings are denominated in RMB, TWD and USD. As of August 31, 2026, our committed unutilized banking facilities were RMB3,211.9 million. For further information regarding our interest-bearing bank borrowings, please see Note 24 to the Accountants' Report in Appendix I to this prospectus. Our Directors confirm that there was no default in payments of our liabilities or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Lease Liabilities

As of December 31, 2023, 2024 and 2025 and April 30, 2026, our lease liabilities, including current and non-current portion, were RMB28.8 million, RMB38.3 million, RMB38.1 million and RMB50.3 million, respectively, mainly representing lease liabilities primarily to our leased office buildings and warehouses. See "— Selected Balance Sheet Items — Current Assets/Liabilities — Lease Liabilities" and "— Selected Balance Sheet Items — Non-Current Assets and Liabilities — Lease Liabilities" for details. Our lease liabilities increased slightly from RMB38.1 million as of December 31, 2025 to RMB50.3 million as of April 30, 2026.

No Other Outstanding Indebtedness

Except as disclosed above, as of August 31, 2026, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. After due and careful consideration, our Directors confirm that, up to the Latest Practicable Date, there has been no material change in our indebtedness since August 31, 2026.

CONTINGENT LIABILITIES OR GUARANTEES

During the Track Record Period and up to the Latest Practicable Date, we did not have any material contingent liabilities that would have a material impact on our financial position or results of operations.

CAPITAL EXPENDITURE

The following table sets forth a breakdown of our capital expenditures for the periods indicated:

	Year ended December 31,			Four months ended April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Purchases of property, plant and equipment	38,636	76,466	93,220	19,982
Additions of intangible assets	39,192	53,512	36,970	9,992
Total	**77,828**	**129,978**	**130,190**	**29,974**

We funded our capital expenditure requirements during the Track Record Period mainly from cash flow generated from operating activities, equity and debt financing. We expect to fund these capital expenditures with a combination of cash flow generated from operating activities, equity and debt financing and net proceeds from the Global Offering. Please see "Future Plans and Use of Proceeds — Use of Proceeds" for further details. We will continue to make capital expenditures to meet the expected growth of our business.

CAPITAL COMMITMENTS

The following table sets forth a breakdown of our capital commitments as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Purchases of property, plant and equipment	4,723	9,430	5,034	24,143
Additions of intangible assets	5,004	3,450	9,648	5,236
Total	**9,727**	**12,880**	**14,682**	**29,379**

KEY FINANCIAL RATIOS

The following table sets out our key financial ratios for the periods indicated:

	As of or for the year ended December 31,			As of or for the four months ended April 30,	
	2023	2024	2025	2025	2026
				(Unaudited)	
Net (loss)/profit margin[(1)]	(1.3)%	5.5%	12.1%	4.4%	47.9%
Current ratio[(2)]	1.3	1.4	1.8	1.4	1.9

	As of or for the year ended December 31,			As of or for the four months ended April 30,	
	2023	2024	2025	2025	2026
				(Unaudited)	
Adjusted EBITDA *('000)* (non-IFRS measures)	151,283	952,285	1,962,937	267,391	4,682,968
(Loss)/Return on equity[3]	(6.4)%	21.1%	39.3%	4.3%	61.3%

(1) Net profit margin equals net profit divided by revenue for the period multiplied by 100%.

(2) Current ratio equals current assets divided by current liabilities as of the end of the period.

(3) Return on equity equals profits for the period divided by average balance of total equity at the beginning and the end of that period multiplied by 100%.

Net Profit Margin

We recorded net loss margin of 1.3% in 2023 and net profit margin of 5.5% in 2024, primarily due to the significant increase in our gross profit margin from 4.8% in 2023 to 16.1% in 2024, as a result of the increase in the average selling price of our memory products. Our net profit margin increased from 5.5% in 2024 to 12.1% in 2025, primarily due to the increase of our gross profit margin from 16.1% in 2024 to 21.8% in 2025, as a result of (i) the turnaround of gross loss margin into gross profit margin of DRAM and (ii) an increase in the gross profit margin of memory IC. Our net profit margin increased from 4.4% in the four months ended April 30, 2025 to 47.9% in the four months ended April 30, 2026, primarily due to the significant increase of our gross profit margin from 13.8% to 62.0% for the respective periods, as a result of increase in gross profit margins of major products.

Current Ratio

Our current ratio remained relatively stable at 1.3 as of December 31, 2023 and 1.4 as of December 31, 2024. Our current ratio increased from 1.4 as of December 31, 2024 to 1.8 as of December 31, 2025, primarily due to an increase in our current assets because of the increase in our inventories as we maintained a higher level of inventories to meet the market demand. Our current ratio remained stable at 1.8 as of December 31, 2025 and 1.9 as of April 30, 2026.

Adjusted EBITDA (Non-IFRS Measures)

See "— Results of Operations — Non-IFRS Measures."

(Loss)/Return on Equity

We recorded loss on equity of 6.4% in 2023 and return on equity of 21.1% in 2024 primarily due to our turnaround from net loss of RMB117.5 million in 2023 to net profit of RMB482.9 million in 2024. Our return on equity increased from 21.1% in 2024 to 39.3% in 2025, primarily due to an increase in our net profit from RMB482.9 million in 2024 to RMB1,363.9 million in 2025. Our return on equity increased from 4.3% in the four months ended April 30, 2025 to 61.3% in the four months ended April 30, 2026, primarily due to an increase in our net profit from RMB123.1 million to RMB3,840.6 million for the respective periods.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

MATERIAL RELATED PARTY TRANSACTIONS

Related party transactions are set out in Note 34 to the Accountants' Report in Appendix I to this prospectus. Our Directors confirm that these transactions were conducted in the ordinary and usual course of business and on an arm's length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

FINANCIAL RISKS DISCLOSURE

Our principal financial instruments comprise cash and cash equivalents, interest-bearing bank and other borrowings, and redemption liabilities on ordinary shares. The main purpose of these financial instruments is to raise finance for our operations. We have various other financial assets and liabilities such as trade receivables and trade payables, other receivables and other payables, which arise directly from our operations. The main risks arising from the our financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. Our Board reviewed and agreed the following risk management policies. Please see Note 37 to the Accountants' Report in Appendix I to this prospectus for details.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to the our interest-bearing bank and other borrowings.

Foreign Currency Risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which we conduct business may affect the our financial condition and results of operations.

Credit Risk

We trade only with recognized and creditworthy parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and our exposure to bad debts is not significant. The credit risk of our other financial assets, which comprise cash and cash equivalents, financial assets included in prepayments, other receivables and other assets, arises from default of the counter-party, with a maximum exposure equal to the carrying amounts of these instruments. For financial assets included in prepayments, other receivables and other assets, our management makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. Our Directors believe that there is no material credit risk inherent in our outstanding balance of other receivables. For details of our credit risk, please see Note 37 to the Accountants' Report set out in Appendix I to this prospectus.

Liquidity Risk

We monitor our risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets and projected cash flows from operations. Our objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings and lease liabilities. For details of the remaining contractual maturity our financial liabilities, please see Note 37 to the Accountants' Report set out in Appendix I to this prospectus.

Capital Management

The primary objectives of our capital management are to safeguard our ability to continue as a going concern and to maintain healthy capital ratios in order to support our business and maximize our shareholders' value. We manage our capital structure and make adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, we may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. We monitor capital using a gearing ratio, which is total liabilities divided by total assets. Our policy is to maintain the gearing ratio at a reasonable level. For more details, please see Note 37 to the Accountants' Report set out in Appendix I to this prospectus.

DIVIDENDS

No dividend was paid or declared by us during the Track Record Period. As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend distribution ratio. PRC laws require that dividends be paid only out of our distributable profits. Distributable profits refer to our after-tax profits, after making up for previous years' losses (if any) and appropriating statutory reserves (we are required to set aside 10% of the after-tax profits as statutory reserves, and the appropriation may be suspended when the accumulated amount of statutory reserves reaches 50% of the registered capital) and other reserves as required. Pursuant to our Articles of Association, our Board may formulate profit distribution proposals 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, applicable PRC laws and approval by our Shareholders at the general meeting of shareholders. As advised by our PRC Legal Advisor, no dividend shall be declared or payable, unless we have profits and reserves lawfully available for distribution.

WORKING CAPITAL

The Directors are of the opinion that, taking into account of the financial resources available to us, including (i) our future operating cash flows in respective periods; (ii) cash and cash equivalents; (iii) current financial assets at fair value through profit or loss; (iv) available bank facilities; and (v) the estimated net proceeds from the Global Offering, we have sufficient working capital for our requirements for at least the next 12 months from the date of this prospectus.

LISTING EXPENSES

Our listing expenses mainly include (i) underwriting-related expenses, such as underwriting fees and commissions, and (ii) non-underwriting-related expenses, comprising professional fees paid to our legal advisors and Reporting Accountants for their services rendered in relation to the Listing and the Global Offering, and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total listing expenses (based on the mid-point of the Offer Price Range and assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised and no additional Shares are issued pursuant to the Pre-IPO Share Option Scheme) for the Global Offering are approximately HK$87.9 million, accounting for approximately 7.69% of our gross proceeds. Among such estimated total listing expenses, we expect to pay underwriting-related expenses of HK$42.3 million, professional fees for our legal advisors and Reporting Accountants of HK$30.5 million and other fees and expenses of HK$15.1 million. An estimated amount of HK$43.5 million for our listing expenses, accounting for approximately 3.80% of our gross proceeds, was or is expected to be expensed through the statement of profit or loss and the remaining amount of HK$44.4 million is expected to be recognized directly as a deduction from equity upon the Listing. We did not recognize any listing expenses in 2023 and 2024. We recognized listing expenses of RMB13.5 million in 2025 and RMB1.6 million in the four months ended April 30, 2026 in our consolidated statements of profit or loss and other comprehensive income.

UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Appendix II — Unaudited Pro Forma Financial Information."

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the date of this prospectus there has been no material adverse change in our financial or trading position or prospects since April 30, 2026, being the date of our latest audited financial statements, and there has been no event since April 30, 2026 which would materially affect the information shown in the Accountants' Report set out in Appendix I to this prospectus.

DISCLOSURE REQUIRED UNDER LISTING RULES

Except as otherwise disclosed in this prospectus, our Directors confirm that, as of the Latest Practicable Date, they were not aware of any circumstances which would give rise to a disclosure requirement under Rule 13.13 to Rule 13.19 of the Listing Rules.

THE CORNERSTONE PLACING

We have 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, subject to certain conditions, to 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 HK$451.56 million (calculated based on the exchange rates as disclosed in "Information about this Prospectus and the Global Offering — Exchange Rate Conversion" in this prospectus, and exclusive of brokerage fee, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee) (the "**Cornerstone Placing**").

Pursuant to paragraph 3.2 of Practice Note 18 to the Listing Rules, at least 40% of the total number of Offer Shares initially offered in the Global Offering must be allocated to investors in the placing tranche (other than the Cornerstone Investors). As our Company is initially offering approximately 10% of the total number of Offer Shares in the Hong Kong Public Offering, no more than 50% of the total number of the Offer Shares initially offered in the Global Offering can be allocated to all Cornerstone Investors (the "**Cornerstone Placing Allocation Limit**"). Each of the Cornerstone Investors has agreed in their respective Cornerstone Investment Agreements that our Company, the Sole Sponsor and the Sole Sponsor-Overall Coordinator shall have the right to, in their sole and absolute discretion, adjust the allocation of the number of Offer Shares to be subscribed for by the relevant Cornerstone Investor to ensure compliance with the Listing Rules, including the Cornerstone Placing Allocation Limit. Accordingly, our Company, the Sole Sponsor and the Sole Sponsor-Overall Coordinator will adjust the allocation of the number of Offer Shares to be subscribed for by the Cornerstone Investors in proportion to their respective initial subscription amounts set out in their respective Cornerstone Investment Agreements where necessary based on the final Offer Price to ensure compliance with the Cornerstone Placing Allocation Limit, and will disclose the number of the Offer Shares finally allocated to each of the Cornerstone Investors in the allotment results announcement of our Company to be published on or around November 11, 2026.

We believe that the Cornerstone Placing signifies our Cornerstone Investors' confidence in our Company and its business prospects, and that the Cornerstone Placing will help to raise the profile of our Company. Save as otherwise disclosed, we became acquainted with each of the Cornerstone Investors through our business connections in our ordinary course of operation and/or through introduction by our business partners.

The table below sets out the relevant percentages such Offer Shares would represent immediately after completion of the Global Offering (assuming no additional Shares are issued pursuant to the Pre-IPO Share Option Scheme).

		Assuming the Offer Size Adjustment Option is not exercised				Assuming the Offer Size Adjustment Option is exercised in full			
	Total number of Offer Shares to be subscribed for by the Cornerstone Investors[1]	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full		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	Approximate % of the Offer Shares	Approximate % of the total issued share capital	Approximate % of the Offer Shares	Approximate % of the total issued share capital
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Assuming an Offer Price of HK$72.29 per H Share, being the low-end of the indicative Offer Price range	6,246,200	42.44	1.29	36.91	1.29	36.91	1.29	32.09	1.28

	Total number of Offer Shares to be subscribed for by the Cornerstone Investors[1]	Assuming the Offer Size Adjustment Option is not exercised				Assuming the Offer Size Adjustment Option is exercised in full			
		Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full		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	Approximate % of the Offer Shares	Approximate % of the total issued share capital	Approximate % of the Offer Shares	Approximate % of the total issued share capital
		(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Assuming an Offer Price of HK$77.60 per H Share, being the mid-point of the indicative Offer Price range	5,818,600	39.54	1.21	34.38	1.20	34.38	1.20	29.90	1.19
Assuming an Offer Price of HK$82.90 per H Share, being the high-end of the indicative Offer Price range	5,446,800	37.01	1.13	32.18	1.12	32.18	1.12	27.98	1.12

Note:

(1) Rounded down to the nearest whole board lot of 100 H Shares.

The Cornerstone Placing will form part of the International Offering, and, save where the Stock Exchange has otherwise given its consent, the Cornerstone Investors 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 for by the Cornerstone Investors 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 our Company under Rule 19A.13A of the Listing Rules and in compliance with the requirement under Rule 8.08(3) 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 our Company, and none of the Cornerstone Investors and their close associates will become a substantial Shareholder of our Company. An affiliate of Transsion International is an existing customer of our Group. 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 our 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.

To the best knowledge of our Company, among the Cornerstone Investors, Pine Vigor (as defined below) is a close associate of one of our existing Shareholders, namely Future Pafi, which held approximately 7.60% of the total issued share capital of our Company immediately before the Global Offering. The Stock Exchange has granted a consent under paragraph 18 of Chapter 4.15 of the Guide to permit our Company to allocate Offer Shares in the International Offering to Pine Vigor under the Size-Based Exemption. For further details, see "Waivers from Strict Compliance with the Listing Rules — Allocation of Offer Shares to Close Associate of an Existing Shareholder as Cornerstone Investor."

To the best knowledge of our Company, the Sole Sponsor and the Sole Sponsor-Overall Coordinator, and based on the indicative investment interest 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. Our 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. Whether such Cornerstone Investors and/or their close associates will place orders in the International Offering is uncertain and will be subject to the final investment decisions of such investors and the terms and conditions of the Global Offering.

Save as disclosed in this section, to the best knowledge and belief of our Company, (i) each of the Cornerstone Investors is an Independent Third Party; (ii) other than Pine Vigor, which is a close associate of an existing Shareholder, none of the Cornerstone Investors is accustomed to taking instructions from our Company, the Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders of our Company 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) other than Pine Vigor, which is a close associate of an existing Shareholder, none of the subscriptions of the relevant Offer Shares by any of the Cornerstone Investors is financed by our Company, the Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders of our Company or any of their respective subsidiaries or their respective close associates; (iv) each Cornerstone Investor will be utilizing its internal financial resources or financial resources of its shareholders 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; (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) or their shareholders is required for the relevant Cornerstone Placing; and (vi) except for the respective shareholder(s) of Longsys Investment and Transsion International, none of the Cornerstone Investors or their respective shareholders (whether direct or indirect) is listed on any stock exchange. We further confirm that (i) none of the Cornerstone Investors has the right to nominate any Director nor has any representative on our Board; and (ii) none of the Cornerstone Investors is expected to be involved in the management of the business of our Company. In addition, to the best knowledge of our 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 fully pay for the relevant Offer Shares that they have subscribed for before dealings in the H Shares commence on the Stock Exchange. Each of the Cornerstone Investors has agreed that our Company, the Sole Sponsor and the Sole Sponsor-Overall Coordinator may in their sole discretion defer the delivery of all or part of the Offer Shares it will subscribe for to a date later than the Listing Date. Such delayed delivery arrangement is in place to facilitate the over-allocation in the International Offering. There will be no delayed delivery if there is no over-allocation in the International Offering. 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 for by the Cornerstone Investors.

The total number of Offer Shares to be subscribed for by the Cornerstone Investors may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering. Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of our Company to be published on or around November 11, 2026.

THE CORNERSTONE INVESTORS

The table below sets forth details of the Cornerstone Placing (assuming no additional Shares are issued pursuant to the Pre-IPO Share Option Scheme):

			Based on the Offer Price of HK$72.29 (being the low-end of the indicative Offer Price range)							
			Assuming the Offer Size Adjustment Option is not exercised				Assuming the Offer Size Adjustment Option is exercised in full			
Cornerstone Investor	Subscription amount[1]	Number of Offer Shares[5]	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full		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 issued share capital (%)*	*Approximate % of the Offer Shares (%)*	*Approximate % of the issued share capital (%)*	*Approximate % of the Offer Shares (%)*	*Approximate % of the issued share capital (%)*	*Approximate % of the Offer Shares (%)*	*Approximate % of the issued share capital (%)*
	(HKD in millions)									
Flourish Holding Limited ("**Flourish**")	126.74[2][4]	1,735,700	11.79	0.36	10.26	0.36	10.26	0.36	8.92	0.36
Pine Vigor Capital Limited ("**Pine Vigor**")	78.50[3]	1,085,900	7.38	0.23	6.42	0.22	6.42	0.22	5.58	0.22
Transsion International Limited (傳音國際有限公司) ("**Transsion International**")	78.48[2][4]	1,074,700	7.30	0.22	6.35	0.22	6.35	0.22	5.52	0.22
Longsys Investment Co., Limited (江波龍投資有限公司) ("**Longsys Investment**")	62.78[2][4]	859,800	5.84	0.18	5.08	0.18	5.08	0.18	4.42	0.18
Gottfried (HK) Limited ("**Gottfried**")	50.00[2]	684,700	4.65	0.14	4.05	0.14	4.05	0.14	3.52	0.14
STRONG LION LIMITED (雄獅有限公司) ("**Strong Lion**")	35.32[2][4]	483,600	3.29	0.10	2.86	0.10	2.86	0.10	2.48	0.10
Mr. Chen Chun-Cheng (陳俊成)	23.50[2]	321,800	2.19	0.07	1.90	0.07	1.90	0.07	1.65	0.07
Total	**455.32**	**6,246,200**	**42.44**	**1.29**	**36.91**	**1.29**	**36.91**	**1.29**	**32.09**	**1.28**

			Based on the Offer Price of HK$77.60 (being the mid-point of the indicative Offer Price range)							
			Assuming the Offer Size Adjustment Option is not exercised				Assuming the Offer Size Adjustment Option is exercised in full			
Cornerstone Investor	Subscription amount[1]	Number of Offer Shares[5]	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full		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 issued share capital (%)*	*Approximate % of the Offer Shares (%)*	*Approximate % of the issued share capital (%)*	*Approximate % of the Offer Shares (%)*	*Approximate % of the issued share capital (%)*	*Approximate % of the Offer Shares (%)*	*Approximate % of the issued share capital (%)*
	(HKD in millions)									
Flourish	126.74[2][4]	1,616,900	10.99	0.34	9.55	0.33	9.55	0.33	8.31	0.33
Pine Vigor	78.50[3]	1,011,500	6.87	0.21	5.98	0.21	5.98	0.21	5.20	0.21
Transsion International	78.48[2][4]	1,001,200	6.80	0.21	5.92	0.21	5.92	0.21	5.14	0.21
Longsys Investment	62.78[2][4]	800,900	5.44	0.17	4.73	0.17	4.73	0.17	4.11	0.16
Gottfried	50.00[2]	637,800	4.33	0.13	3.77	0.13	3.77	0.13	3.28	0.13
Strong Lion	35.32[2][4]	450,500	3.06	0.09	2.66	0.09	2.66	0.09	2.31	0.09
Mr. Chen Chun-Cheng (陳俊成)	23.50[2]	299,800	2.04	0.06	1.77	0.06	1.77	0.06	1.54	0.06
Total	**455.32**	**5,818,600**	**39.54**	**1.21**	**34.38**	**1.20**	**34.38**	**1.20**	**29.90**	**1.19**

Cornerstone Investor	Subscription amount[1]	Number of Offer Shares[5]	Based on the Offer Price of HK$82.90 (being the high-end of the indicative Offer Price range)							
			Assuming the Offer Size Adjustment Option is not exercised				Assuming the Offer Size Adjustment Option is exercised in full			
			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full		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 issued share capital (%)*	*Approximate % of the Offer Shares (%)*	*Approximate % of the issued share capital (%)*	*Approximate % of the Offer Shares (%)*	*Approximate % of the issued share capital (%)*	*Approximate % of the Offer Shares (%)*	*Approximate % of the issued share capital (%)*
	(HKD in millions)									
Flourish	126.74[2][4]	1,513,600	10.28	0.31	8.94	0.31	8.94	0.31	7.78	0.31
Pine Vigor	78.50[3]	946,900	6.43	0.20	5.59	0.20	5.59	0.20	4.87	0.19
Transsion International	78.48[2][4]	937,200	6.37	0.19	5.54	0.19	5.54	0.19	4.82	0.19
Longsys Investment	62.78[2][4]	749,700	5.09	0.16	4.43	0.15	4.43	0.15	3.85	0.15
Gottfried	50.00[2]	597,100	4.06	0.12	3.53	0.12	3.53	0.12	3.07	0.12
Strong Lion	35.32[2][4]	421,700	2.87	0.09	2.49	0.09	2.49	0.09	2.17	0.09
Mr. Chen Chun-Cheng (陳俊成)	23.50[2]	280,600	1.91	0.06	1.66	0.06	1.66	0.06	1.44	0.06
Total	**455.32**	**5,446,800**	**37.01**	**1.13**	**32.18**	**1.12**	**32.18**	**1.12**	**27.98**	**1.12**

Notes:

(1) Each of the Cornerstone Investors has agreed in their respective Cornerstone Investment Agreements that our Company, the Sole Sponsor and the Sole Sponsor-Overall Coordinator shall have the right to, in their sole and absolute discretion, adjust the allocation of the number of Offer Shares to be subscribed for by the relevant Cornerstone Investor to ensure compliance with the Listing Rules, including the Cornerstone Placing Allocation Limit. Our Company, the Sole Sponsor and the Sole Sponsor-Overall Coordinator will adjust the allocation of the number of Offer Shares to be subscribed for by the Cornerstone Investors in proportion to their respective initial subscription amounts set out in their respective Cornerstone Investment Agreements where necessary based on the final Offer Price and will disclose the number of the Offer Shares finally allocated to each of the Cornerstone Investors in the allotment results announcement of our Company to be published on or around November 11, 2026.

(2) Inclusive of brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy.

(3) Exclusive of brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy.

(4) Calculated based on the exchange rates as disclosed in "Information about this Prospectus and the Global Offering — Exchange Rate Conversion" in this prospectus. The actual investment amount may vary due to the exchange rate prescribed in the relevant Cornerstone Investment Agreements, where applicable.

(5) Rounded down to the nearest whole board lot of 100 H Shares.

The information about the Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing.

Flourish

Flourish is a company incorporated under the laws of the British Virgin Islands and primarily engaged in investment. As of the Latest Practicable Date, the ultimate beneficial owner of Flourish is Mr. Chen Li-Shun (陳立順), an Independent Third Party. Mr. Chen has over 20 years of investment experience across various sectors, including AI, chips and semiconductors. He serves as the director at MagiCapital. MagiCapital is a private equity firm with a focus on growth capital investments in the Greater China region. MagiCapital participated in, among others, the carve-out of ITH Technology (Cayman) Co., Ltd. (currently known as ITH Corporation, which subsequently completed its IPO and listing on the Taiwan Stock Exchange (stock code: 6962)), the holding company of ILI Technology Corp. (奕力科技股份有限公司), from MediaTek Inc. We became acquainted with Mr. Chen through an annual investor event.

Pine Vigor

Pine Vigor is a company incorporated under the laws of Hong Kong with limited liability, and primarily engaged in investment. As of the Latest Practicable Date, it was indirectly wholly owned by W&W Capital Limited, which was in turn wholly owned by WEI, Chun-chieh (魏俊杰), an Independent Third Party. Pine Vigor invests in various sectors, including semiconductors, high technology and healthcare.

As of the Latest Practicable Date, Future Pafi, one of the existing Shareholders, was indirectly wholly-owned by FUTURE PARTNERS ASIA I, L.P., and the general partner of FUTURE PARTNERS ASIA I, L.P. was wholly owned by W&W Capital Limited. As such, Pine Vigor is a close associate of Future Pafi and accordingly a close associate of an existing Shareholder. The Company has applied for, and the Stock Exchange has granted, its consent under paragraph 18 of Chapter 4.15 of the Guide to permit the Company to allocate Offer Shares in the International Offering to Pine Vigor. For further details, see "Waivers from Strict Compliance with the Listing Rules — Allocation of Offer Shares to Close Associate of an Existing Shareholder as Cornerstone Investor."

Transsion International

Transsion International is a company incorporated under the laws of Hong Kong with limited liability. As of the Latest Practicable Date, it was wholly owned by Shenzhen Tecno Technology Co., Ltd. (深圳市泰衡諾科技有限公司), which was in turn wholly owned by Shenzhen Transsion Holdings Co., Ltd. (深圳傳音控股股份有限公司) ("**Shenzhen Transsion**"), a company listed on the Stock Exchange (stock code: 2636) and Shanghai Stock Exchange STAR Market (stock code: 688036.SH), whose ultimate controller was Mr. Zhu Zhaojiang (竺兆江), an Independent Third Party. Transsion International is primarily engaged in R&D, consultancy and sale of electronic products, import and export of goods and technologies and after-sales maintenance services. Shenzhen Transsion is primarily engaged in the design, R&D, production, sale and brand operation of smartphones as the core intelligent terminal products.

Shenzhen Transsion is an existing customer of the Group. Hosin HK, a wholly-owned subsidiary of the Company, subscribed for 2,124,200 H shares of Shenzhen Transsion at a consideration of approximately HK$75.0 million as a cornerstone investor and a placee in its global offering and listing on the Stock Exchange in October 2026. As confirmed by the Company, the investment from Transsion International as a Cornerstone Investor and the aforementioned cornerstone investment by Hosin HK in Shenzhen Transsion are not inter-conditional.

Longsys Investment

Longsys Investment is a limited liability company incorporated in Hong Kong on November 20, 2015, and primarily engaged in investment. As of the Latest Practicable Date, it was wholly owned by Shenzhen Longsys Electronics Co., Ltd. (深圳市江波龍電子股份有限公司) ("**Shenzhen Longsys**"), a company listed on the Stock Exchange (stock code: 9976) and the Shenzhen Stock Exchange (stock code: 301308.SZ). Shenzhen Longsys is principally engaged in the design, development, backend manufacturing and sale of a comprehensive range of storage products. Its core capabilities cover controller IC design, memory chip design, firmware development, and backend manufacturing, including system-level packaging, testing and assembly.

Hosin HK, a wholly-owned subsidiary of the Company, subscribed for 232,750 H shares of Shenzhen Longsys at a consideration of approximately HK$56 million as a cornerstone investor in its global offering and listing on the Stock Exchange in September 2026. For more details, please see "Waivers from Strict Compliance with the Listing Rules — Waiver in Relation to Post-Track Record Period Acquisitions." The relevant cornerstone investment agreement was entered into on August 27, 2026, and the discussions regarding the proposed cornerstone investment by Longsys Investment in the Company commenced in mid-October 2026, after Shenzhen Longsys completed its listing on the Stock Exchange. As confirmed by the Company, the investment from Longsys Investment as a Cornerstone Investor and the investment by Hosin HK in Shenzhen Longsys as a cornerstone investor in its global offering are not inter-conditional.

In January 2024, we received a letter from Shenzhen Longsys regarding a portfolio of patents which Shenzhen Longsys claimed to be standard-essential patents ("**SEPs**") in relation to certain storage-related standards. During the ensuing licensing negotiations, MTL Memory Technologies (Shenzhen) Co., Ltd. (埃姆梯爾存儲技術(深圳)有限公司) ("**Shenzhen MTL**"), in which Shenzhen Longsys held a 49.0% equity interest, progressively acquired ownership of, or obtained the authority to license, all patents in the relevant portfolio. In September 2026, we entered into strategic cooperation arrangements with Shenzhen Longsys, Shenzhen MTL and other counterparties to resolve the patent-licensing dispute in respect of the covered patents and activities. As part of this commercial

resolution, we paid the entire patent-licensing consideration under these arrangements, amounting to tens of millions of Renminbi, to Shenzhen MTL as the ultimate authorizing party for the patent license and related protection for historical activities.

The definitive agreement grants us and our subsidiaries a worldwide, non-exclusive, non-transferable and non-sublicensable license to specified storage-related patents for qualifying products within the agreed scope. The license covers relevant historical activities and continues until expiry of the last licensed patent, subject to specified termination and change-of-control provisions. Its terms were negotiated having regard to the parties' commercial circumstances, cooperation history and the business scale of the covered products. The licensors warrant their authority to grant the license and provide an indemnity for breach of that warranty. The agreement contains confidentiality obligations and contractual remedies for specified breaches. Certain equity changes that do not affect our substantive business activities are exempt from the change-of-control provisions.

Gottfried

Gottfried is a company incorporated under the laws of Hong Kong with limited liability, and primarily engaged in the trading and processing of integrated circuits and electronic components, including the sale of finished and semi-finished products resulting from such processing. As of the Latest Practicable Date, it was ultimately wholly-owned by Ms. Liu Ling (劉玲), an Independent Third Party. We became acquainted with Ms. Liu through introduction by a management member.

Strong Lion

Strong Lion is a company incorporated in the Republic of Seychelles, and primarily engaged in investment. As of the Latest Practicable Date, it was wholly owned by Mr. Yeh, Pei-Chen (葉培城), an Independent Third Party. Mr. Yeh has approximately 40 years of experience in the electronics and technology industries, including business operations and management across various sectors, with expertise in technology business management, commercial operations and marketing. We became acquainted with Mr. Yeh through introduction by a mutual acquaintance.

Mr. Chen Chun-Cheng (陳俊成)

Mr. Chen Chun-Cheng (陳俊成) is an individual Cornerstone Investor and an Independent Third Party. Mr. Chen previously served as a deputy general manager of The CID Group Ltd. (華威國際科技顧問股份有限公司), an independent director of Asia Vital Components Co. Ltd. (奇鋐科技股份有限公司) (a company listed on the Taiwan Stock Exchange (stock code: 3017)), a supervisor of FLEXIUM INTERCONNECT INC (台郡科技股份有限公司) (a company listed on the Taiwan Stock Exchange (stock code: 6269)), and a director of Taiwan Taxi Co., Ltd (台灣大車隊股份有限公司) (a company listed on the Taipei Exchange (stock code: 2640)). We became acquainted with Mr. Chen through introduction by a mutual acquaintance.

CLOSING CONDITIONS

The obligation of each Cornerstone Investor 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 upon between our Company and the Sole Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters);

(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) the CSRC having accepted the CSRC filings and published the filing results in respect of the CSRC filings on its website, and such notice of acceptance and/or filing results published not having otherwise been rejected, withdrawn, revoked or invalidated prior to the commencement of dealings in the H Shares on the Stock Exchange;

(v) no laws shall have been enacted or promulgated by any governmental authorities which prohibit 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

(vi) the respective representations, warranties, undertakings, confirmations and acknowledgements of the relevant Cornerstone Investor under the respective Cornerstone Investment Agreement are complete, 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 it has purchased pursuant to the relevant Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries which will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

FUTURE PLANS

See "Business — Our Strategies" in this Prospectus for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds of HK$1,054.2 million after deducting underwriting fees and commissions and estimated offering expenses paid and payable by us in the Global Offering, assuming no Offer Size Adjustment Option or Over-allotment Option is exercised, no additional Shares are issued pursuant to the Pre-IPO Share Option Scheme and an Offer Price of HK$77.60 per Offer Share (being the mid-point of the Offer Price range stated in this Prospectus).

We intend to use the proceeds from the Global Offering for the purposes set forth below:

- Approximately 40.0% of the net proceeds, or HK$421.7 million, is expected to be used for the development and commercialization of memory products. We will leverage our competitive strengths to solidify our market position in consumer-grade application scenarios while strategically expanding into diverse application scenarios. Specifically:

  (i) approximately 15.0% of the net proceeds, or HK$158.1 million, is expected to be used for the expansion our memory product R&D team and sales team. We plan to recruit approximately 76 R&D talents over the next three years, such as NAND analysis engineers, firmware engineers, application software engineers, application engineers and others, to meet the evolving product demands of end-users and maintaining our technological leadership. We also plan to recruit additional approximately nine field application engineers skilled in memory product industry over the next three years to enhance our ability to respond to customer needs in a timely manner. The average annual salary for these personnels is expected to range from RMB400 thousand to RMB500 thousand.

  (ii) approximately 15.0% of the net proceeds, or HK$158.1 million, is expected to be used for purchasing equipment suitable for memory product development over the next three years, consisting of (a) R&D equipment such as high-speed digital oscilloscopes, protocol analyzers and logic analyzers; and (b) supporting professional software. We intend to procure, among others, seven high-speed digital oscilloscopes at an estimated unit price of RMB3.1 million to RMB4.8 million, nine protocol analyzers at an estimated unit price of RMB0.2 million to RMB2.8 million, and nine logic analyzers at an estimated unit price of RMB2.3 million.

  (iii) approximately 8.0% of the net proceeds, or HK$84.3 million, is expected to be used for purchasing advanced testing equipment over the next three years to conduct additional in-house testing on certain high-end embedded storage and DRAM. We intend to procure, among others, 12 aging test devices at an estimated unit price of RMB1.6 million, nine test sorting machines at an estimated unit price of RMB1.4 million, and 25 automated conveyor systems at an estimated unit price of RMB0.5 million to RMB1.0 million.

  (iv) approximately 2.0% of the net proceeds, or HK$21.1 million, is expected to be used for leasing or purchasing properties in Shenzhen and Hefei, Anhui Province that support the development and commercialization of memory products, including office areas for R&D personnel, laboratories and testing facilities. Specifically, over the next three years, we plan to lease or purchase additional properties with an aggregate gross floor area of approximately 7,000 sq.m. in Shenzhen and Hefei, Anhui Province for office areas for R&D personnel and laboratories. In addition, over the next three years, we plan to lease or purchase additional properties in Pingshan, Shenzhen, including approximately 6,450 sq.m. for memory product testing facilities and approximately 400 sq.m. for employee dormitories.

See "Business — Our Strategies — Continuously develop memory products, expand diverse application scenarios."

- Approximately 35.0% of the net proceeds, or HK$369.0 million, is expected to be used for development and iteration of the controller chips. Controller chips are a core component of our end-to-end technology platform and are critical to the performance, power efficiency and reliability of our memory products. This investment will support the parallel development and upgrade of multiple controller chip models across major interfaces, covering key activities such as design, tape-out, validation and optimization. We will focus on the following areas to advance the design and development of advanced controller chips, including interface upgrades, process optimization and density breakthroughs. Specifically:

  (i) approximately 12.5% of the net proceeds, or HK$131.8 million, is expected to be used for covering the wafer tape-out expenses in our controller chip R&D projects over the next three years. Wafer tape-out involves submitting a finalized controller chip design to a foundry to produce trial wafers and chip samples for testing and validation, thereby supporting the development of our controller chips and the memory products incorporating such controller chips. The expenses comprise (1) MPW tape-outs, under which multiple chip designs share the same photomasks and wafer run and are generally used for early-stage prototyping and design validation; and (2) full-mask wafer tape-outs, under which dedicated photomasks are prepared for a specific chip design and are generally used for engineering validation, product qualification and preparation for commercialization or mass production.

  (ii) approximately 11.0% of the net proceeds, or HK$116.0 million, is expected to be used for acquiring equipment suitable for controller chip R&D over the next three years, consisting of R&D equipment and supporting professional software. We intend to procure the following R&D equipment: 120 field-programmable gate array prototyping platforms at an estimated unit price of RMB0.05 million to RMB0.2 million, one high-speed digital oscilloscope at an estimated unit price of RMB3.1 million to RMB4.8 million, and two protocol analyzers at an estimated unit price of RMB2.8 million, among others.

  (iii) approximately 8.0% of the net proceeds, or HK$84.3 million, is expected to be used for expanding our controller chip R&D team. We intend to recruit approximately 50 R&D talents over the next three years, including chip architecture engineers, integrated circuit engineers, design verification engineers, firmware development engineers, firmware verification and validation engineers, integrated circuit verification engineers and application engineers. The average annual salary for these personnels is expected to ranges from RMB450 thousand to RMB550 thousand.

  (iv) approximately 3.5% of the net proceeds, or HK$36.9 million, is expected to be used for leasing or purchasing properties in Shenzhen and Hefei, Anhui Province that support the R&D of controller chips, including office areas for R&D personnel, laboratories and testing facilities. Specifically, over the next three years, we plan to lease additional properties with an aggregate gross floor area of approximately 15,000 sq.m. in Shenzhen and Hefei, Anhui Province for office areas for R&D personnel, and approximately 2,600 sq.m. for laboratories.

  See "Business — Our Strategies — Continue investing in technology capabilities and product development."

- Approximately 15.0% of the net proceeds, or HK$158.1 million, is expected to be used for enhancing our in-house wafer-level inspection and controller chip validation, verification and quality-management testing capabilities. Rigorous validation, reliability, compatibility and quality-control testing across different wafers, process conditions and application scenarios is critical to ensuring the performance and quality of our controller chips and memory products.

This investment will strengthen our in-house testing systems and infrastructure to support faster product qualification and iteration and more reliable mass production with our supply chain partners. We will establish an advanced validation and testing center that covers wafer-level inspection and validation, BGA validation testing and reliability testing. Specifically,

(i) approximately 10.0% of the net proceeds, or HK$105.4 million, is expected to be used for acquiring a range of advanced testing equipment and supporting auxiliary facilities over the next three years. We intend to procure, among others, one chip core testers at an estimated unit price of RMB13.0 million, one probe station at an estimated unit price of RMB10.2 million, and one automatic test equipment at an estimated unit price of RMB16.5 million, among others.

(ii) approximately 3.0% of the net proceeds, or HK$31.6 million, is expected to be used for expanding our testing team. We intend to recruit approximately 26 testing team members, including software architecture engineers, software development engineers, firmware development engineers and software validation engineers for our testing center, over the next three years.

(iii) approximately 2.0% of the net proceeds, or HK$21.1 million, is expected to be used for leasing or purchasing properties in Shenzhen for the testing center, including wafer testing area and controller chip testing area. Specifically, such properties are expected to include approximately 15,000 sq.m. for wafer testing area, approximately 5,250 sq.m. for controller chip testing area and approximately 1,000 sq.m. for employee dormitories.

See "Business — Our Strategies — Continue investing in technology capabilities and product development."

- Approximately 10.0% of the net proceeds, or HK$105.4 million, is expected to be used for working capital and for general corporate purposes.

The above allocation of the proceeds will be adjusted on a pro rata basis in the event that the Offer Price is fixed at a higher or lower level compared to the mid-point of the estimated Offer Price range. If the Offer Price is determined at HK$72.29 per Offer Share, being the low end of the Offer Price range stated in this Prospectus, after deducting the underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering, we will receive net proceeds of approximately HK$979.0 million. If the Offer Price is determined at HK$82.90 per Offer Share, being the high end of the Offer Price range stated in this Prospectus, after deducting the underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering, we will receive net proceeds of approximately HK$1,129.3 million. 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 put into effect any part of our future development plans as intended, we will only deposit such net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Future Ordinance or the applicable laws and regulations in other jurisdictions). We will make an appropriate announcement if there is any change to the above proposed use of proceeds.

HONG KONG UNDERWRITERS

China Securities (International) Corporate Finance Company Limited
BOCI Asia Limited
DBS Asia Capital Limited
Futu Securities International (Hong Kong) Limited
Tiger Brokers (HK) Global Limited

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters.

The Global Offering comprises the Hong Kong Public Offering of initially 1,471,800 Hong Kong Offer Shares and the International Offering of initially 13,245,400 International Offer Shares, subject, in each case, to reallocation on the basis as described in the section headed "Structure of the Global Offering" in this prospectus as well as to the Over-allotment Option and the Offer Size Adjustment Option (in the case of the International Offering).

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering the Hong Kong Offer Shares for subscription on 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 approval for the listing of, and permission to deal in, the H Shares (including any additional H Shares that may be issued pursuant to the exercise of the Over-allotment Option and the Offer Size Adjustment Option) on the Main Board of the Stock Exchange and such approval not having been subsequently revoked prior to the commencement of trading of the H Shares on the Stock Exchange and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the Hong Kong Offer Shares being offered which 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.

The Hong Kong Underwriting Agreement is conditional on, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for termination

If any of the events set out below occur at any time prior to 8:00 a.m. on the Listing Date, the Sole Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) may, in its sole and absolute discretion and upon giving notice in writing to our Company, terminate the Hong Kong Underwriting Agreement with immediate effect:

(a) there develops, occurs, exists or comes into force:

  (i) any new law or regulation or any change or development involving a prospective change or any event or series of events or circumstances likely to result in a change or a development involving a prospective change in existing laws or regulations, or the interpretation or application thereof by any court or any competent authority in or affecting Hong Kong, the PRC, the United States, the United Kingdom, the European

Union (or any member thereof), Japan, Singapore, or other jurisdictions relevant to the Group or our Global Offering (each a "**Relevant Jurisdiction**" and collectively, the "**Relevant Jurisdictions**"); or

(ii) any change or development involving a prospective change, or any event or series of events or circumstances likely to result in a change or prospective change, in any local, national, regional or international financial, political, military, industrial, economic, fiscal, legal, regulatory, currency, credit or market conditions or sentiments, taxation, equity securities or currency exchange rate or controls or any monetary or trading settlement system, or foreign investment regulations (including, without limitation, a devaluation of the Hong Kong dollar, United States dollar or Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or the Renminbi is linked to any foreign currency or currencies) or other financial markets (including, without limitation, conditions and sentiments in stock and bond markets, money and foreign exchange markets, the inter-bank markets and credit markets) in or affecting any Relevant Jurisdictions, or affecting an investment in the Offer Shares; or

(iii) any event or series of events, or circumstances in the nature of force majeure (including, without limitation, any acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, economic sanctions, strikes, labor disputes, other industrial actions, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public disorder, paralysis in government operations, acts of war, epidemic, pandemic, outbreak or escalation, mutation or aggravation of diseases, accident or interruption or delay in transportation, local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared), act of God or act of terrorism (whether or not responsibility has been claimed)) in or affecting any of the Relevant Jurisdictions; or

(iv) the imposition or declaration of any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on (i) the trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; or (ii) the trading in any securities of our Company listed or quoted on a stock exchange or an over-the-counter market; or

(v) the imposition or declaration of any general moratorium on banking activities in or affecting any of the Relevant Jurisdictions or any disruption in commercial banking or foreign exchange trading or securities settlement or clearing services, procedures or matters in or affecting any of the Relevant Jurisdictions; or

(vi) other than with the prior written consent of the Sole Sponsor-Overall Coordinator, the issue or requirement to issue by our 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 other regulatory or political body or organization of any public action or investigation against any member of our Group or a director or a senior management member of any member of our Group or announcing an intention to take any such action; or

(viii) the imposition of sanctions or export controls in whatever form, directly or indirectly, on any member of our Group or any of the Controlling Shareholders or by or on any Relevant Jurisdiction, or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or

(ix) any valid demand by creditors for payment or repayment of indebtedness of any member of our Group or in respect of which any member of our Group is liable prior to its stated maturity; or

(x) 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 (as defined in the Hong Kong Underwriting Agreement) ("**CSRC Filings**") or any aspect of the Global Offering with the Listing Rules or any other applicable laws; or

(xi) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against any member of our Group or any Controlling Shareholder or any Director or senior management members as named in this prospectus; or

(xii) any contravention by any member of our Group or any Director of the Listing Rules or applicable laws; or

(xiii) any change or prospective change, or a materialization of, any of the risks set out in the section headed "Risk Factors" in this prospectus,

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Sole Sponsor and the Sole Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters): (A) has or will or may have a Material Adverse Effect (as defined in the Hong Kong Underwriting Agreement), whether directly or indirectly; 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 (as defined in the Hong Kong Underwriting Agreement) ("**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 Sole Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) that:

(i) any statement contained in any of the Offering Documents, the CSRC Filings and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) (the "**Global Offering Documents**") (save and except for any Underwriters' information) was, when it was issued, or has become untrue, incorrect, inaccurate in any material respect or misleading; or that any estimate, forecast, expression of opinion, intention or expectation contained in any such 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 breach of, or any event or circumstance rendering untrue or incorrect or misleading in any respect, any of the representations, warranties and undertakings given by our Company or the Controlling Shareholders in the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or

(iv) any event, act or omission which gives rise or is likely to give rise to any liability of our Company or any Controlling Shareholder pursuant to the indemnities in the Hong Kong Underwriting Agreement; or

(v) any breach of any of the obligations or undertakings imposed upon our Company or any member of the Controlling Shareholders or any cornerstone investor (as applicable) to the Hong Kong Underwriting Agreement, the International Underwriting Agreement or the Cornerstone Investment Agreements; or

(vi) there is any change or development involving a prospective change, constituting or having a Material Adverse Effect (as defined in the Hong Kong Underwriting Agreement); or

(vii) that the chairman of the Board, any Director or any member of senior management of our Company named in this prospectus seeks to retire, or is removed from office or vacates his/her office; or

(viii) any Director or any member of senior management of our 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

(ix) our 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

(x) 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 and the Offer Size Adjustment Option) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or

(xi) any of the experts named 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

(xii) any prohibition on our Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or

(xiii) any person (other than the Sole Sponsor and the Sole Sponsor-Overall Coordinator) has withdrawn or sought to withdraw its consent to being named in any of the Offering Documents or to the issue of any of the Offering Documents; or

(xiv) an order or petition is presented for the winding-up or liquidation of any member of our Group, or any member of our Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of our Group or a provisional liquidator, receiver or

manager is appointed over all or part of the assets or undertaking of any member of our Group or anything analogous thereto occurs in respect of any member of our Group; or

(xv) (A) the notice of acceptance of the CSRC Filings issued by the CSRC and/or the results of the CSRC Filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated; or (B) other than with the prior written consent of the Sole Sponsor-Overall Coordinator, the issue or requirement to issue by our Company of a supplement or amendment to the CSRC Filings pursuant to the CSRC Rules (as defined in the Hong Kong Underwriting Agreement) ("**CSRC Rules**") or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC Filings with the CSRC Rules or any other applicable laws; or

(xvi) (i) a material portion of the orders placed or confirmed in the bookbuilding process or (ii) any investment commitment made by any cornerstone investors under the Cornerstone Investment Agreements signed with such cornerstone investors, have been withdrawn, terminated or cancelled, or with respect to which the payment of the relevant orders and/or investment commitment has not been received or settled in the stipulated time and manner or otherwise.

Undertakings to the Stock Exchange Pursuant to the Listing Rules

Undertakings by our Company

Pursuant to Rule 10.08 of the Listing Rules, we have undertaken to the Stock Exchange that no further Shares or securities convertible into equity securities of the Company (whether or not of a class already listed) shall be issued or sold or transferred out of treasury or form the subject of any agreement to such an issue, or sale or transfer out of treasury within six months from the date on which H Shares of the Company first commence dealing on the Stock Exchange (whether or not such issue of Shares or securities, or sale or transfer of treasury Shares will be completed within six months from the commencement of dealing), except for the issue of the Offer Shares pursuant to the Global Offering (including the exercise of the Over-allotment Option and the Offer Size Adjustment Option) or for circumstances permitted under Rule 10.08 of the Listing Rules.

Undertakings by our Controlling Shareholders

In addition to the requirement pursuant to the applicable PRC laws that all existing Shareholders are not permitted to dispose of any of the Shares held by them within 12 months following the Listing Date, pursuant to Rule 10.07 of the Listing Rules, our Controlling Shareholders have undertaken to our Company and the Stock Exchange that they shall not and shall procure that the relevant registered holder(s) shall not:

(a) in the period commencing on the day by reference to which disclosure of their shareholdings in the Company are made in this prospectus and ending on the date which is six (6) months from the date on which dealings in the H Shares of the Company commence on the Stock Exchange (the "**First Six-Month Period of the 10.07 Undertaking**"), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of any of the securities of the Company in respect of which our Controlling Shareholders are shown in this prospectus to be the beneficial owners (the "**Relevant Securities**") (save for a pledge or charge of any Relevant Securities as security in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan in accordance with Note (2) to Rule 10.07(2) of the Listing Rules, or a share lending arrangement entered into by our Controlling Shareholders pursuant to Rule 10.07(3) of the Listing Rules); or

(b) in the period of a further six (6) months commencing on the date on which the First Six-Month Period of the 10.07 Undertaking expires (the "**Second Six-Month Period of the 10.07 Undertaking**"), dispose of, nor enter into any agreement to dispose of or otherwise

create any options, rights, interests or encumbrances in respect of, any of the Relevant Securities if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, our Controlling Shareholders will cease to be a Controlling Shareholder of the Company or a member of the group of Controlling Shareholders of the Company or would together with the other Controlling Shareholders cease to be a group of Controlling Shareholders of the Company (save for a pledge or charge of any Relevant Securities as security in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan in accordance with Note (2) to Rule 10.07(2) of the Listing Rules, or a share lending arrangement entered into by them pursuant to Rule 10.07(3) of the Listing Rules).

Our Controlling Shareholders have further jointly and severally undertaken to our Company and the Stock Exchange that, during the First Six-Month Period of the 10.07 Undertaking and the Second Six-Month Period of the 10.07 Undertaking, they shall:

(i) when they pledge or charge any Relevant Securities beneficially owned by them in favor of an authorized institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan pursuant to Note (2) to Rule 10.07(2) of the Listing Rules, immediately inform the Company of such pledge or charge together with the number of the Relevant Securities so pledged or charged; and

(ii) when any of them receives indications, either verbal or written, from the pledgee or chargee of the Relevant Securities that such Relevant Securities will be disposed of, immediately inform the Company in writing of such indications.

We will also inform the Stock Exchange as soon as we have been informed of the above matters (if any) by our Controlling Shareholders and disclose such matters in accordance with the publication requirements under Rule 2.07C of the Listing Rules as soon as possible after being so informed by our Controlling Shareholders.

Undertakings pursuant to the Hong Kong Underwriting Agreement

Undertaking by our Company and the Controlling Shareholders in respect of our Company

Our Company has undertaken to each of the Sole Sponsor, the Sole Sponsor-Overall Coordinator, the Sole Overall Coordinator, the Sole Global Coordinator, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that except pursuant to the Global Offering (including pursuant to the Over-allotment Option and the Offer Size Adjustment Option), at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling six months after the Listing Date (the "**First Six-Month Period**"), it will not, without the prior written consent of the Sole Sponsor and the Sole Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, or repurchase, any legal or beneficial interest in the share capital or any other securities of our Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase any share capital or other securities of the Company, as applicable), or deposit any share capital or other securities of our Company, as applicable, with a depositary in connection with the issue of depositary receipts; or

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of the H Shares or any other securities of the Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares); or

(c) enter into any transaction with the same economic effect as any transaction described in (a) or (b) above; or

(d) offer to or agree to do any of the foregoing specified in (a), (b) or (c) above or announce any intention to do so,

in each case, whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities of the Company, in cash or otherwise (whether or not the issue of such share capital or other securities will be completed within the First Six-Month Period).

The Company further agrees that, in the event the Company is allowed to enter into any of the transactions described in (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction during the period of six months commencing on the date on which the First Six-Month Period expires (the "**Second Six-Month Period**"), it will take all reasonable steps to ensure that such an issue or disposal will not, and no other act of the Company will, create a disorderly or false market for any H Shares or other securities of the Company.

Our Controlling Shareholders undertake to each of the Sole Sponsor, the Sole Sponsor-Overall Coordinator, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Lead Managers, the Joint Bookrunners, the Capital Market Intermediaries and the Hong Kong Underwriters that it/he/she shall procure our Company to comply with the undertakings hereunder.

Undertaking by our Controlling Shareholders in respect of themselves

Each of our Controlling Shareholders has undertaken to each of our Company, the Sole Sponsor, the Sole Sponsor-Overall Coordinator, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters that, without the prior written consent of the Sole Sponsor and the Sole Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(a) it/he/she will not, and will procure that the relevant registered holder(s), any nominee or trustee holding on trust for it/him/her and the companies controlled by it/him/her will not, at any time during the First Six-Month Period, (i) sell, offer to sell, accept subscription for, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any H Shares or other securities of the Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares or any such other securities, as applicable or any interest in any of the foregoing), or deposit any H Shares or other securities of the Company with a depositary in connection with the issue of depositary receipts, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any H Shares or other securities of the Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares or any such other securities, as applicable or any interest in any of the foregoing), or (iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above, or (iv) offer to or agree to or announce any intention to effect any transaction specified in (i), (ii) or (iii) above, in each case, whether

any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of H Shares or other securities of the Company or in cash or otherwise, and whether or not the transactions will be completed within the First Six-Month Period;

(b) it/he/she will not, during the Second Six-Month Period, enter into any of the transactions specified in paragraph (a) (i), (ii) or (iii) above or offer to or agree to or contract to or publicly announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or encumbrance pursuant to such transaction, it will cease to be a Controlling Shareholder of the Company or a member of a group of the Controlling Shareholders of the Company or would together with the other Controlling Shareholders cease to be "Controlling Shareholders" of the Company; and

(c) until the expiry of the Second Six-Month Period, in the event that it/he/she enters into any of the transactions specified in paragraphs (a)(i), (ii) or (iii) above or offers to or agrees to or contracts to or publicly announces any intention to effect any such transaction, it/he/she will take all reasonable steps to ensure that such a disposal will not create a disorderly or false market in the securities of our Company.

The restrictions above shall not prevent the Controlling Shareholders from (i) purchasing additional H Shares or other securities of the Company and disposing of such additional H Shares or securities of the Company in accordance with the Listing Rules, provided that any such purchase or disposal does not contravene the lock-up arrangements with the Controlling Shareholders referred to above or the compliance by the Company with the minimum public float requirement, and (ii) using the H Shares or other securities of the Company or any interest therein beneficially owned by them as security (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan, provided that (a) the relevant Controlling Shareholder will immediately inform the Company and the Sole Sponsor-Overall Coordinator in writing of such pledge or charge together with the number of H Shares or other securities of the Company so pledged or charged if and when it/he/she or the relevant registered holder(s) pledges or charges any H Shares or other securities of the Company beneficially owned by it/him/her, and (b) when the relevant Controlling Shareholder receives indications, either verbal or written, from the pledgee or chargee of any H Shares that any of the pledged or charged H Shares or other securities of the Company will be disposed of, it/he/she will immediately inform the Company and the Sole Sponsor-Overall Coordinator of such indications.

Our Company hereby undertakes to the Sole Sponsor, the Sole Sponsor-Overall Coordinator, the Sole Overall Coordinator, the Sole Global Coordinator, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that upon receiving such information in writing from our Controlling Shareholders, it will, as soon as practicable and if required pursuant to the Listing Rules, the SFO and/or any other applicable law, notify the Stock Exchange and/or other relevant authorities and make a public disclosure in relation to such information by way of an announcement.

Hong Kong Underwriters' interests in our Company

Save for their respective obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters was interested, legally or beneficially, directly or indirectly, in any H Shares or any securities of any member of our Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any H Shares or any securities of any member of our Group.

Following the completion of the Global Offering, the Hong Kong 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.

International Offering

International Underwriting Agreement

In connection with the International Offering, our Company expects to enter into the International Underwriting Agreement with, among others, the Sole Sponsor, the Sole Sponsor-Overall Coordinator and the International Underwriters. Under the International Underwriting Agreement and subject to the Over-allotment Option and the Offer Size Adjustment Option, the International Underwriters would, subject to certain conditions set out therein, agree severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the International Offer Shares initially being offered pursuant to the International Offering. It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed. See "Structure of the Global Offering — The International Offering" in this prospectus.

Over-allotment Option

Our Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Sole Sponsor-Overall Coordinator for itself and on behalf of the International Underwriters at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, pursuant to which our Company may be required to issue up to an aggregate of 2,207,500 H Shares, representing not more than 15% of the number of Offer Shares initially available under the Global Offering (assuming the Offer Size Adjustment Option is not exercised) or up to an aggregate of 2,538,700 Offer Shares, representing approximately 15% of the Offer Shares available under the Global Offering (assuming the Offer Size Adjustment Option is exercised in full), at the Offer Price, to cover over-allocations in the International Offering, if any. See "Structure of the Global Offering — Over-allotment Option" in this prospectus.

Offer Size Adjustment Option

The Offer Size Adjustment Option is exercisable by the Company on or before the second Business Day prior to the Listing Date and will lapse immediately thereafter, pursuant to which the Company may allot and issue up to an aggregate of 2,207,500 additional Offer Shares, representing approximately 15.0% of the Offer Shares initially being offered under the Global Offering at the Offer Price to cover any excess demand in the International Offering. The Offer Size Adjustment Option provides flexibility to increase the number of Offer Shares available for purchase under the International Offering to cover additional market demand. Further details are set out in the section headed "Structure of the Global Offering — Offer Size Adjustment Option" in this prospectus.

Commissions and Expenses

The Underwriters will receive an underwriting commission of 2.4% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option and the Offer Size Adjustment Option) (the "**Fixed Fees**"), out of which they will pay any sub-underwriting commissions and other fees.

Our Company may, at its sole discretion, pay to any one or more of the Underwriters a discretionary incentive fee of an aggregate of up to 1.3% of the Offer Price for each Offer Share (the "**Discretionary Fees**"). As of the date of this prospectus, the allocation of a portion of the Fixed Fees remains subject to our Company's discretion. For the purpose of disclosure of the ratio of fixed and discretionary fees payable (the "**Fee Split Ratio**") as required under paragraph 3B of Appendix D1A to the Listing Rules, assuming the incentive fees are paid in full, the Fee Split Ratio will be approximately 51.89:48.11.

For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Offering, to the relevant International Underwriters.

The aggregate underwriting commissions and fees together with the Stock Exchange listing fees, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering (collectively, the "**Commissions and Fees**") are estimated to be approximately HK$87.9 million (based on the mid-point of the Offer Price range and assuming the Over-allotment Option and the Offer Size Adjustment Option are not exercised).

Indemnity

Each of the Company and the Controlling Shareholders has agreed to indemnify the Sole Sponsor, the Sole Sponsor-Overall Coordinator, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries 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 our Company of the Hong Kong Underwriting Agreement.

ACTIVITIES BY SYNDICATE MEMBERS

The Underwriters of the Hong Kong Public Offering and the International Offering (together, the "**Syndicate Members**") and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of our Company and/or persons and entities with relationships with our Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with our Group's loans and other debt.

In relation to the H Shares, the activities of the Syndicate Members and their 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 (which financing may be secured by the H Shares) in the Global Offering, proprietary trading in the H Shares, and entering into over-the-counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the H Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares, which may have a negative impact on the trading price of the H Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and 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 Syndicate Members or their 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 described in the section headed "Structure of the Global Offering" in this prospectus. Such activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of the price of the H Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

(a) the Syndicate Members (other than the Stabilizing Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to our Company and each of its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering.

The listing of the H Shares on the Stock Exchange is sponsored by the Sole Sponsor. The Sole Sponsor has made an application on behalf of our Company to the Stock Exchange for the listing of, and permission to deal in, the H Shares in issue and to be issued as mentioned in this prospectus.

14,717,200 Offer Shares will initially be made available under the Global Offering comprising:

(a) the Hong Kong Public Offering of initially 1,471,800 H Shares (subject to reallocation) in Hong Kong as described in "— The Hong Kong Public Offering" in this section below; and

(b) the International Offering of initially 13,245,400 H Shares (subject to reallocation, the Over-allotment Option and the Offer Size Adjustment Option) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, as described in the sub-section headed "— The International Offering" in this section below.

Investors may either:

(i) apply for Hong Kong Offer Shares under the Hong Kong Public Offering; or

(ii) apply for or indicate an interest for International Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 3.05% of the total Shares in issue immediately following the completion of the Global Offering without taking into account the exercise of the Offer Size Adjustment Option and the Over-allotment Option. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 3.49% of the total Shares in issue (assuming the Offer Size Adjustment Option is not exercised at all) or approximately 3.99% of the total Shares in issue (assuming the Offer Size Adjustment Option is exercised in full) immediately following the completion of the Global Offering and the issue of Offer Shares pursuant to the Over-allotment Option.

References in this prospectus to applications, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

Our Company is initially offering 1,471,800 H Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10% of the total number of Offer Shares initially available under the Global Offering.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors in Hong Kong. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in "— Conditions of the Global Offering" in this section.

Allocation

Allocation of 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 could mean that some

applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally into two pools: pool A and pool B (with any odd lot being allocated to pool A). The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK$5 million (excluding the brokerage, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK$5 million (excluding the brokerage, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable) and up to the total value in pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are unsubscribed, such unsubscribed 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 the immediately preceding paragraph only, the "price" for Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 735,900 Hong Kong Offer Shares (being 50% of the 1,471,800 Offer Shares initially available under the Hong Kong Public Offering) is 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 Sole Sponsor-Overall Coordinator. Subject to the allocation cap described in the subsequent paragraph, the Sole 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 Sole 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 it 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 Sole Sponsor-Overall Coordinator deems 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 735,700 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 2,207,500 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option and the Offer Size Adjustment Option) and the final Offer Price shall be fixed at the bottom end of the indicative price range (i.e. HK$72.29 per Offer Share) in accordance with Chapter 4.14 of the Guide.

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows the provisions 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.

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application 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 International Offer Shares under the International Offering. Such applicant's application under the International Offering is liable to be rejected if such undertaking and/or confirmation is/are breached and/or untrue (as the case may be).

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the maximum Offer Price of HK$82.90 per Offer Share in addition to the brokerage, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK$8,373.60 for one board lot of 100 H Shares. 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 Offer Shares initially offered

The International Offering will consist of an offering of initially 13,245,400 H Shares, representing approximately 90% of the total number of Offer Shares initially available under the Global Offering (subject to reallocation, the Over-allotment Option and the Offer Size Adjustment Option).

Allocation

The International Offering will involve private placements of the Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for our Offer Shares in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that 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 "— Pricing" in this section 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 H Shares and/or hold or sell its H Shares after the Listing. Such allocation is intended to result in a distribution of the H Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Group and the H Shareholders as a whole.

The Sole Sponsor-Overall Coordinator (on behalf of the International 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 Sole Sponsor-Overall Coordinator so as to allow it to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of Offer Shares under the International Offering.

Reallocation

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of the arrangement described in "— The Hong Kong Public Offering — Reallocation" in this section above, the exercise of the Over-allotment Option and the Offer Size Adjustment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

PRICING

Determining the Pricing of the Offer Shares

The Offer Price for the purposes of the various offerings under the Global Offering will be fixed between our Company and the Sole Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) on the Price Determination Date. The Price Determination Date is expected to be on or around Tuesday, November 10, 2026 (Hong Kong time) and in any event no later than 12:00 noon on Tuesday, November 10, 2026 (Hong Kong time), and the allocation of the International Offer Shares under the International Offering will be determined shortly thereafter.

The Offer Price will be not more than HK$82.90 per Offer Share and is currently expected not to be less than HK$72.29 per Offer Share unless otherwise announced, as further explained below. Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to the application channels), the maximum Offer Price of HK$82.90 for each Hong Kong Offer Share together with brokerage of 1%, a Stock Exchange trading fee of 0.00565%, a SFC transaction levy of 0.0027% and an AFRC transaction levy of 0.00015%. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative price range stated in this prospectus.

Reduction in Number of Offer Shares and/or Offer Price

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 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.

If, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Offering, the Sole Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) considers it appropriate, with our consent the number of Offer Shares being offered under the Global Offering and/or the Offer Price range stated in this prospectus may be reduced 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, we 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 Stock Exchange's website at **www.hkexnews.hk**, and on our Company's website at **www.hosinglobal.com** notice of such reduction in the number of Offer Shares being offered under the Global Offering and/or the Offer Price range. Upon issue of such notice, the revised number of Offer Shares in the Global Offering and/or the revised Offer Price range will be final and conclusive and the Offer Price, if agreed upon between the Sole Sponsor-Overall Coordinator (on behalf of the Underwriters) and our Company, will be fixed within such revised Offer Price range.

As soon as practicable after the decision to make such reduction with respect to the number of Offer Shares and/or the Offer Price range, we will also issue a supplemental prospectus updating investors of such reduction together with an update of all financial and other information in connection with such change. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

In the absence of any such notice and supplemental prospectus so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon between our Company and the Sole Sponsor-Overall Coordinator (on behalf of the Underwriters), will under no circumstances be set outside the Offer Price range stated in this prospectus.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares being offered under the Global Offering and/or the Offer Price range may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering.

In the event of a reduction in the number of Offer Shares, the Sole 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 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 Hong Kong Offer Shares and the International Offer Shares may, in certain circumstances, be reallocated as between the Hong Kong Public Offering and International Offering at the discretion of the Sole Sponsor-Overall Coordinator and the Sole Sponsor.

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 "How to Apply for Hong Kong Offer Shares — B. Publication of Results."

Price Payable on Application

Applicants for Hong Kong Offer Shares may be required to pay, on application (subject to application channels), the maximum Offer Price per Hong Kong Offer Share plus the brokerage fee of 1%, the SFC transaction levy of 0.0027%, the AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565%, amounting to a total of HK$8,373.60 for one board lot of 100 H Shares. If the Offer Price, as finally determined in the manner described in "— Determining the Pricing of the Offer Shares" above, is less than the maximum Offer Price, appropriate refund payments (including the brokerage, the SFC transaction levy, the Stock Exchange trading fee and the 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 "How to Apply for Hong Kong Offer Shares."

Announcement of the Basis of Allocations

The level of applications in the Hong Kong Public Offering, level of indications of interest in the International Offering, and basis of allocations of the Hong Kong Offer Shares are expected to be made available through a variety of channels in the manner described in the subsection headed "How to Apply for Hong Kong Offer Shares — B. Publication of Results."

OVER-ALLOTMENT OPTION

In connection with the Global Offering, our Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Sole Sponsor-Overall Coordinator (for itself and on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Sole Sponsor-Overall Coordinator (for itself and on behalf of the International Underwriters) at its sole and absolute discretion at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require our Company to issue up to an aggregate of 2,207,500 additional H Shares, representing approximately 15% of the total number of Offer Shares initially available under the Global Offering (assuming the Offer Size

Adjustment Option is not exercised) or up to an aggregate of 2,538,700 additional H Shares, representing approximately 15% of the Offer Shares available under the Global Offering (assuming the Offer Size Adjustment Option is exercised in full), at the Offer Price under the International Offering to, among other things, cover over-allocations in the International Offering, if any. We will delay delivery of the Offer Shares allocated to certain investors under the International Offering in order to cover over-allocation of the Offer Shares before exercise of the Over-allotment Option.

If the Over-allotment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 0.46% of the total number of Shares in issue immediately following the completion of the Global Offering and the exercise of the Over-allotment Option (assuming the Offer Size Adjustment Option is not exercised). If the Offer Size Adjustment Option and the Over-allotment Option are exercised in full, the additional Offer Shares to be issued pursuant to the Over-allotment Option will represent approximately 0.52% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering. If the Over-allotment Option and/or the Offer Size Adjustment Option are exercised, an announcement will be made.

OFFER SIZE ADJUSTMENT OPTION

In order to provide flexibility to increase the number of Offer Shares available for purchase under the International Offering to cover additional market demand, the Company has an Offer Size Adjustment Option, which is exercisable by the Company on or before the second business day prior to the Listing Date and will lapse immediately thereafter, pursuant to which the Company may allot and issue up to an aggregate of 2,207,500 additional Offer Shares (representing approximately 15.0% of the Offer Shares initially being offered under the Global Offering) at the Offer Price to cover any excess demand in the International Offering.

If the Offer Size Adjustment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 0.46% of our issued share capital immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised) and the full exercise of the Offer Size Adjustment Option.

In considering whether to exercise the Offer Size Adjustment Option, the Company and the Sole Sponsor-Overall Coordinator will take into account a number of factors, including, among other things:

(i) whether the level of interest expressed by prospective professional and institutional investors during the book-building process under the International Offering is sufficient to cover:

  (a) the total number of Offer Shares, which represents the aggregate of the Offer Shares initially available under the Global Offering and the additional Offer Shares upon any exercise of the Offer Size Adjustment Option; and

  (b) the corresponding number of Shares under the Over-allotment Option;

(ii) the prices at which prospective professional and institutional investors have indicated they would be prepared to acquire the Offer Shares in the course of the book-building process;

(iii) the quality of investors, with a view to establishing a solid professional and institutional investor shareholder base to the benefit of the Company and its Shareholders as a whole; and

(iv) general market conditions.

The dilution effect of the Offer Size Adjustment Option (assuming the Over-allotment Option is not exercised) is set out below:

Number of H Shares issued under the Global Offering before the exercise of the Offer Size Adjustment Option (the "Original Subscribers")	Approximate percentage of total issued share capital held by the Original Subscribers before the exercise of the Offer Size Adjustment Option	Number of H Shares issued under the Global Offering after the full exercise of the Offer Size Adjustment Option	Approximate percentage of total issued share capital held by the Original Subscribers after the full exercise of the Offer Size Adjustment Option
14,717,200	3.05%	16,924,700	3.49%

The Offer Size Adjustment Option will not be used for price stabilization purposes and will not be subject to the provisions of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong). The Offer Size Adjustment Option will be in addition to the Over-allotment Option.

If the Offer Size Adjustment Option is exercised in full, the additional net proceeds received from the placing of the additional Shares allotted and issued will be allocated in accordance with the allocations as disclosed in the section headed "Future Plans and Use of Proceeds" in this prospectus, on a pro rata basis.

The Company will disclose in its allotment results announcement if and to what extent the Offer Size Adjustment Option has been exercised, or will confirm that if the Offer Size Adjustment Option has not been exercised by the Price Determination Date, it will lapse and cannot be exercised at any future date.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager (or 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. However, there is no obligation on the Stabilizing Manager (or any person acting for it) to conduct any such stabilizing action. Such stabilizing action, if taken, (a) will be conducted at the absolute discretion of the Stabilizing Manager (or any person acting for it) and in what the Stabilizing Manager reasonably regards as the best interest of our Company; (b) may be discontinued at any time; and (c) is required to be brought to an end within 30 days of the last day for lodging applications under the Hong Kong Public Offering.

Stabilization action will be entered into in accordance with the laws, rules and regulations in place in Hong Kong. Stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules of the SFO includes (a) over-allocating for the purpose of preventing or minimizing any reduction in the market price of the H Shares; (b) 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; (c) purchasing, or agreeing to purchase, the H Shares pursuant to the Over-allotment Option in order to close out any position established under paragraph (a) or (b) above; (d) 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, (e) selling or agreeing to sell any H Shares in order to liquidate any position established as a result of those purchases, and (f) offering or attempting to do anything as described in paragraph (b), (c), (d) or (e) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that: (a) the Stabilizing Manager (or any person acting for it) may, in connection with the stabilizing action, maintain a long position in the H Shares; (b) there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager (or any person acting for it) will maintain such a long position; (c) liquidation of any such long position by the Stabilizing Manager (or any person acting for it) and selling in the open market may have an adverse impact on the market price of the H Shares; (d) no stabilizing action can be taken to support the price of the H Shares for longer than the stabilization period, which will begin on the Listing Date, and is expected to expire on Wednesday, December 9, 2026, being the 30th day after the last day for lodging applications 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; (e) the price of the H Shares cannot be assured to stay at or above the Offer Price either during or after the stabilization period by the taking of any stabilizing action; and (f) stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

In order to effect stabilization actions, the Stabilizing Manager will arrange cover of up to an aggregate of 2,207,500 H Shares, representing up to approximately 15% of the initial Offer Shares (assuming the Offer Size Adjustment Option is not exercised), or up to an aggregate of 2,538,700 H Shares, representing approximately 15% of the Offer Shares (assuming the Offer Size Adjustment Option is exercised in full), 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.

Our Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

Over-Allocation

Following any over-allocation of H Shares in connection with the Global Offering, the Stabilizing Manager (or any person acting for it) may cover such over-allocations by exercising the Over-allotment Option in full or in part, by using H Shares purchased by the Stabilizing Manager (or any person acting for it) in the secondary market at prices that do not exceed the Offer Price or a combination of these means.

Announcement of Offer Price and Basis of Allocations

The final Offer Price, the level of indications of interest in the Global Offering, the results of allocations and the basis of allotment of the Hong Kong Offer Shares are expected to be announced on Wednesday, November 11, 2026 on the website of the Stock Exchange at **www.hkexnews.hk** and on the website of our Company at **www.hosinglobal.com**.

UNDERWRITING

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, among other things, the Sole Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and our Company agreeing on the Offer Price.

Our Company expects to enter into the International Underwriting Agreement relating to the International Offering on or around the Price Determination Date.

These underwriting arrangements, including the Underwriting Agreements, are summarized in the section headed "Underwriting" in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on, among other things:

(a) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares in issue and 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 the Offer Size Adjustment Option) on the Main Board of the Stock Exchange and such approval not subsequently having been withdrawn or revoked prior to the commencement of trading of the H Shares on the Stock Exchange;

(b) the Offer Price having been agreed between the Sole Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and our Company;

(c) the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date; and

(d) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements or otherwise,

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 by 12:00 noon on Tuesday, November 10, 2026 (Hong Kong time) between the Sole Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters) and our Company, 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 dates and times specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published on the websites of our Company and the Stock Exchange at **www.hosinglobal.com** and **www.hkexnews.hk**, respectively, on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out 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 bank or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

H Share certificates for the Offer Shares will only become valid evidence of title at 8:00 a.m. on Thursday, November 12, 2026, provided that the Global Offering has become unconditional in all respects at or before that time.

DEALINGS IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Thursday, November 12, 2026, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Thursday, November 12, 2026.

The H Shares will be traded in board lots of 100 H Shares each and the stock code of the H Shares will be 2681.

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.hosinglobal.com.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying: (a) are 18 years of age or older; (b) have a Hong Kong address *(for the **HK eIPO White Form** service only)*; and (c) are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act).

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: (a) are an existing Shareholder or any of their close associates; or (b) are a Director or any of his/her close associates.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Friday, October 30, 2026 and end at 12:00 noon on Monday, November 9, 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
HK eIPO White Form service	**www.hkeipo.hk**	Investors who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Friday, October 30, 2026 to 11:30 a.m. on Monday, November 9, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Monday, November 9, 2026, Hong Kong time.

Application Channel	Platform	Target Investors	Application Time
HKSCC EIPO channel. . . .	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction	Investors who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

The **HK eIPO White Form** 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 **HK eIPO White Form** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **HK eIPO White Form** 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 **HK eIPO White Form** service more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **HK eIPO White Form** service, you are deemed to have authorized the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** 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 the **HKSCC EIPO** channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  - i. HKID card; or
  - ii. National identification document; or
  - iii. Passport; and
- Identity document number

For Corporate Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  - i. LEI registration document; or
  - ii. Certificate of incorporation; or
  - iii. Business registration certificate; or
  - iv. Other equivalent document; and
- Identity document number

Notes:

1. If you are applying through the **HK eIPO White Form** 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 shares in a public offer. Similarly for corporate applicants, an LEI number must be used if an entity has an 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: (i) control the composition of the board of directors of that company; (ii) control more than half of the voting power of that company; or (iii) hold more than half of the issued share capital of that 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 the **HKSCC EIPO** channel, and making an application under a power of attorney, we and the Sole 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$82.90 per H Share.

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

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your broker or custodian.

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

No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum Amount payable[2] on application/ successful allotment
	HK$		*HK$*		*HK$*		*HK$*
100	8,373.60	2,500	209,340.12	30,000	2,512,081.40	600,000	50,241,627.90
200	16,747.21	3,000	251,208.13	40,000	3,349,441.85	700,000	58,615,232.56
300	25,120.82	3,500	293,076.16	50,000	4,186,802.33	735,900[1]	61,621,356.62
400	33,494.42	4,000	334,944.19	60,000	5,024,162.79		
500	41,868.02	4,500	376,812.21	70,000	5,861,523.25		
600	50,241.62	5,000	418,680.23	80,000	6,698,883.72		
700	58,615.24	6,000	502,416.28	90,000	7,536,244.19		
800	66,988.84	7,000	586,152.33	100,000	8,373,604.66		
900	75,362.44	8,000	669,888.37	200,000	16,747,209.30		
1,000	83,736.04	9,000	753,624.41	300,000	25,120,813.96		
1,500	125,604.08	10,000	837,360.46	400,000	33,494,418.60		
2,000	167,472.10	20,000	1,674,720.94	500,000	41,868,023.26		

(1) Maximum number of Hong Kong Offer Shares you may apply for and this is 50% of the Hong Kong Offer Shares initially offered.

(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) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

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. Application for Hong Kong Offer Shares — 3. Information Required to Apply"* in this section. If you are suspected of submitting or causing to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **HK eIPO White Form** service, (ii) **HKSCC EIPO** channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **HK eIPO White Form** service or **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply for any International Offer Shares.

The H Share Registrar will record all applications into its system and identify suspected multiple applications with identical names and identification document numbers according to the Best Practice Note on Treatment of Multiple/Suspected Multiple Applications ("**Best Practice Note**") issued by the Federation of Share Registrars Limited.

Since applications are subject to personal information collection statements, identification document numbers displayed are redacted.

6. Terms and Conditions of an Application

By applying for Hong Kong Offer Shares through the **HK eIPO White Form** 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 Sole Sponsor-Overall Coordinator, as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the **HKSCC EIPO** channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;

(ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **HK eIPO White Form** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

(iii) (if you are applying through the **HKSCC EIPO** channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;

(v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;

(vi) agree that the Relevant Persons[1], 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 our Company, any of our directors, chief executives, substantial Shareholder(s) or existing Shareholder(s) of our 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 our Company, any of our Directors, chief executives, substantial Shareholder(s) or existing Shareholder(s) of our 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;

1 Relevant Persons would include the Sole Sponsor, the Sole Sponsor-Overall Coordinator, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their or our Company's respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering.

(xv) confirm that you understand that we and the Sole 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 **HK eIPO White Form** 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 or to the **HK eIPO White Form** 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 **HK eIPO White Form** service or **HKSCC EIPO** channel:		
Website	The designated results of allocation at the "Allotment Results" page at **www.hkeipo.hk/IPOResult** (or **www.tricor.com.hk/ipo/result**) with a "search by ID" function.	24 hours, from 11:00 p.m. on Wednesday, November 11, 2026 to 12:00 midnight on Tuesday, November 17, 2026 (Hong Kong time)
	The full list of (i) wholly or partially successful applicants using the **HK eIPO White Form** service and **HKSCC EIPO** channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed at **www.hkeipo.hk/IPOResult** or **www.tricor.com.hk/ipo/result**.	
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **www.hosinglobal.com** which will provide links to the above-mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Wednesday, November 11, 2026 (Hong Kong time).
Telephone	+852 3691 8488 — the allocation results telephone enquiry line provided by the H Share Registrar	between 9:00 a.m. and 6:00 p.m., from Thursday, November 12, 2026 to Tuesday, November 17, 2026 (Hong Kong time) on a business day

For those applying through the **HKSCC EIPO** channel, you may also check with your broker or custodian from 6:00 p.m. on Tuesday, November 10, 2026 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Tuesday, November 10, 2026 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the results of the final Offer Price, the level of indications of interest in the Global Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.hosinglobal.com** by no later than 11:00 p.m. on Wednesday, November 11, 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, the Sole 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: (a) within three weeks from the closing date of the application lists; or (b) 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: (a) you make multiple applications or suspected multiple applications. You may refer to the paragraph headed "— *A. Application for Hong Kong Offer Shares — 5. Multiple Applications Prohibited*" in this section on what constitutes multiple applications; (b) your application instruction is incomplete; (c) your payment (or confirmation of funds, as the case may be) is not made correctly; (d) the Underwriting Agreements do not become unconditional or are terminated; (e) we or the Sole 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 H Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the receiving bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their Designated Bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the **HKSCC EIPO** channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the H Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid evidence of title at 8:00 a.m. on Thursday, November 12, 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 H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	HK eIPO White Form service	HKSCC EIPO channel
Despatch/collection of H Share certificate[2]		
For application of 500,000 Hong Kong Offer Shares or more . .	Collection in person at the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. **Time:** from 9:00 a.m. to 1:00 p.m. on Thursday, November 12, 2026 (Hong Kong time). If you are an individual, you must not authorise any other person to collect for you. If you are a corporate applicant, your authorised representative must bear a letter of authorization from your corporation stamped with your corporation's chop.	H 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.

2 Except in the event of any Severe Weather Signals (as defined below) in force in Hong Kong in the morning on the business day before the Listing Date rendering it impossible for the relevant H Share certificates to be despatched to HKSCC in a timely manner, our 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.

	HK eIPO White Form service	HKSCC EIPO channel
	Both individuals and authorised 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 500,000 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:** Wednesday, November 11, 2026	
Refund mechanism for surplus application monies paid by you		
Date.	Thursday, November 12, 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.	**HK eIPO White Form** e-Auto 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	

E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Monday, November 9, 2026 if there is/are: (a) a tropical cyclone warning signal number 8 or above; (b) a black rainstorm warning; and/or (c) an "extreme conditions" announcement issued after a super typhoon ("**Extreme Conditions**"), (collectively, "**Severe Weather Signals**"), in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Monday, November 9, 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.hosinglobal.com** of the revised timetable.

If a **Severe** Weather Signal is hoisted on Wednesday, November 11, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificate(s) to the CCASS Depository's service counter so that they would be available for trading on Thursday, November 12, 2026.

If a **Severe** Weather Signal is hoisted on Wednesday, November 11, 2026, for application of less than 500,000 Hong Kong Offer Shares, the despatch of physical H Share certificate(s) will be made by ordinary post when the post office re-opens after the **Severe** Weather Signal is lowered or cancelled (e.g. in the afternoon of Wednesday, November 11, 2026 or on Thursday, November 12, 2026).

If a **Severe** Weather Signal is hoisted on Thursday, November 12, 2026, for application of 500,000 Hong Kong Offer Shares or more, physical H Share certificate(s) will be available for collection in person at the H Share Registrar's office after the **Severe** Weather Signal is lowered or cancelled (e.g. in the afternoon of Thursday, November 12, 2026 or on Friday, November 13, 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 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 our Company, the H Share Registrar, the receiving bank and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of our 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 our 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 our 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 our 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: (a) processing your application and refund cheque and **HK eIPO White Form** e-Auto 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; (b) compliance with applicable laws and regulations in Hong Kong and elsewhere; (c) registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees; (d) maintaining or updating the register of members of our Company; (e) verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the H Shares; (f) facilitating Hong Kong Offer Shares balloting; (g) establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.; (h) distributing communications from our Company and its subsidiaries; (i) compiling statistical information and profiles of the holder of the H Shares; (j) disclosing relevant information to facilitate claims on entitlements; and (k) any other incidental or associated purposes relating to the above and/or to enable our Company and the H Share Registrar to discharge their obligations to applicants and holders of the H Shares and/or regulators and/or any other purposes to which applicants and holders of the H Shares may from time to time agree.

4. Transfer of personal data

Personal data held by our Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but our 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: (a) our Company's appointed agents such as financial advisers, receiving bank and overseas principal share registrar; (b) 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); (c) any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to our Company or the H Share Registrar in connection with their respective business operation; (d) 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 (e) 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

Our 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 fulfil 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 our Company or the H Share Registrar holds their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. Our 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 our 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 our company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report, prepared for the purpose of incorporation in this document, received from the independent reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong.



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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF HOSIN ELECTRONICS CO., LTD. AND CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED

Introduction

We report on the historical financial information of HOSIN Electronics Co., LTD. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-3 to I-86, which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024, 2025 and the four months ended 30 April 2026 (the "**Relevant Periods**"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024, 2025 and 30 April 2026 and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-3 to I-86 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 30 October 2026 (the "**Prospectus**") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's

internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024, 2025 and 30 April 2026 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of Interim Comparative Financial Information

We have reviewed the Interim Comparative Financial Information of the Group which comprises the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the four months ended 30 April 2025 and other explanatory information (the "**Interim Comparative Financial Information**").

The directors of the Company are responsible for the preparation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 12 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

Ernst & Young
Certified Public Accountants
Hong Kong
30 October 2026

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes	Year ended 31 December			Four months ended 30 April	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
REVENUE	*5*	8,780,699	8,718,412	11,237,576	2,804,510	8,012,275
Cost of sales		(8,363,547)	(7,318,805)	(8,791,188)	(2,417,918)	(3,043,467)
Gross profit		417,152	1,399,607	2,446,388	386,592	4,968,808
Other income and gains	*6*	51,585	38,926	44,615	19,441	6,267
Selling and distribution expenses		(41,924)	(52,916)	(65,934)	(20,011)	(28,436)
Administrative expenses		(161,960)	(148,063)	(191,085)	(52,992)	(80,785)
Research and development expenses		(282,563)	(392,182)	(493,180)	(151,400)	(199,632)
Impairment losses on financial assets, net		(19,938)	(13,868)	23,693	7,088	(9,484)
Other expenses		(8,480)	(96,658)	(37,685)	(6)	(90,734)
Finance costs	*8*	(72,342)	(154,607)	(137,844)	(44,545)	(42,558)
Share of (losses)/profits of an associate		(13,059)	(11,654)	(14,054)	(3,577)	5,058
(LOSS)/PROFIT BEFORE TAX	*7*	(131,529)	568,585	1,574,914	140,590	4,528,504
Income tax credit/(expense)	*11*	14,079	(85,712)	(211,029)	(17,522)	(687,858)
(LOSS)/PROFIT FOR THE YEAR/PERIOD		(117,450)	482,873	1,363,885	123,068	3,840,646
Attributable to:						
Owners of the parent		(117,450)	482,873	1,363,885	123,068	3,840,646
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*13*					
Basic *(RMB per share)*		(0.28)	1.09	2.94	0.27	8.21
Diluted *(RMB per share)*		(0.28)	1.09	2.94	0.27	8.21

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
(LOSS)/PROFIT FOR THE YEAR /PERIOD	(117,450)	482,873	1,363,885	123,068	3,840,646
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	(14,136)	9,845	(47,203)	(8,020)	(60,891)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	(14,136)	9,845	(47,203)	(8,020)	(60,891)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD	(131,586)	492,718	1,316,682	115,048	3,779,755
Attributable to:					
Owners of the parent	(131,586)	492,718	1,316,682	115,048	3,779,755

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December			As at 30 April
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment	*14*	59,677	100,365	134,811	124,251
Right-of-use assets	*15*	27,367	36,110	37,180	48,337
Goodwill	*16*	341,475	285,924	285,924	285,924
Other intangible assets	*17*	462,205	372,512	301,648	290,814
Investments in an associate	*18*	27,141	18,959	19,019	25,019
Deferred tax assets	*28*	179,216	154,431	69,143	166,752
Prepayments, other receivables and other assets	*22*	3,892	7,071	14,867	8,766
Total non-current assets		1,100,973	975,372	862,592	949,863
CURRENT ASSETS					
Inventories	*20*	2,548,171	3,949,776	7,172,328	10,886,900
Trade receivables	*21*	1,704,906	2,017,104	982,632	2,252,542
Prepayments, other receivables and other assets	*22*	260,070	397,128	823,427	3,952,658
Restricted bank deposits	*23*	—	15,000	49	—
Cash and cash equivalents	*23*	254,714	275,790	562,614	624,593
Total current assets		4,767,861	6,654,798	9,541,050	17,716,693
CURRENT LIABILITIES					
Trade payables	*25*	1,342,195	1,062,787	2,330,866	2,860,851
Contract liabilities	*26*	45,075	17,531	85,584	653,606
Other payables and accruals	*27*	131,025	214,061	226,869	191,535
Interest-bearing bank and other borrowings	*24*	2,224,812	3,604,530	2,400,208	4,827,455
Lease liabilities	*15*	12,797	16,789	14,337	17,417
Tax payable		—	97	131,308	582,678
Total current liabilities		3,755,904	4,915,795	5,189,172	9,133,542
NET CURRENT ASSETS		1,011,957	1,739,003	4,351,878	8,583,151
TOTAL ASSETS LESS CURRENT LIABILITIES		2,112,930	2,714,375	5,214,470	9,533,014
NON-CURRENT LIABILITIES					
Interest-bearing bank and other borrowings	*24*	50,000	65,140	816,500	1,286,370
Lease liabilities	*15*	15,985	21,532	23,736	32,916
Deferred income		950	313	—	—
Deferred tax liabilities	*28*	52,461	36,731	28,067	31,745
Total non-current liabilities		119,396	123,716	868,303	1,351,031
Net assets		1,993,534	2,590,659	4,346,167	8,181,983
EQUITY					
Equity attributable to owners of the parent					
Share capital	*29*	442,650	449,354	467,814	467,814
Reserves	*31*	1,550,884	2,141,305	3,878,353	7,714,169
		1,993,534	2,590,659	4,346,167	8,181,983
Total equity		1,993,534	2,590,659	4,346,167	8,181,983

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent						
	Share capital	Capital reserve	Share based payment reserve	Other reserve	Exchange fluctuation reserve	Retained profits	Total equity
	RMB'000 (Note 29)	*RMB'000 (Note 31)*	*RMB'000 (Note 30)*	*RMB'000 (Note 31)*	*RMB'000 (Note 31)*	*RMB'000*	*RMB'000*
At 1 January 2023	406,233	1,914,956	44,208	5,411	25,422	(842,622)	1,553,608
Loss for the year	—	—	—	—	—	(117,450)	(117,450)
Other comprehensive loss for the year:							
Exchange differences on translation of foreign operations	—	—	—	—	(14,136)	—	(14,136)
Total comprehensive loss for the year	—	—	—	—	(14,136)	(117,450)	(131,586)
Share-based payments *(note 30)*	—	—	85,765	—	—	—	85,765
Issue of shares	36,417	440,266	—	—	—	—	476,683
Share of capital reserves of an associate	—	—	—	2,064	—	—	2,064
Deemed capital contributions from a shareholder	—	7,000	—	—	—	—	7,000
At 31 December 2023	442,650	2,362,222*	129,973*	7,475*	11,286*	(960,072)*	1,993,534

Year ended 31 December 2024

	Attributable to owners of the parent							
	Share capital	Capital reserve	Share based payment reserve	Other reserve	Exchange fluctuation reserve	Statutory surplus reserve	Retained profits	Total equity
	RMB'000 (Note 29)	*RMB'000 (Note 31)*	*RMB'000 (Note 30)*	*RMB'000 (Note 31)*	*RMB'000 (Note 31)*	*RMB'000 (Note 31)*	*RMB'000*	*RMB'000*
At 1 January 2024	442,650	2,362,222	129,973	7,475	11,286	—	(960,072)	1,993,534
Profit for the year	—	—	—	—	—	—	482,873	482,873
Other comprehensive income for the year:								
Exchange differences on translation of foreign operations	—	—	—	—	9,845	—	—	9,845
Total comprehensive income for the year	—	—	—	—	9,845	—	482,873	492,718
Share-based payments *(note 30)*	—	—	67,742	—	—	—	—	67,742
Issue of shares	6,704	47,496	—	—	—	—	—	54,200
Recognition of redemption liabilities on ordinary shares	—	—	—	(30,000)	—	—	—	(30,000)
Share of capital reserves of an associate	—	—	—	3,465	—	—	—	3,465
Deemed capital contributions from a shareholder	—	9,000	—	—	—	—	—	9,000
Transferred from retained profits	—	—	—	—	—	49,097	(49,097)	—
At 31 December 2024	449,354	2,418,718*	197,715*	(19,060)*	21,131*	49,097*	(526,296)*	2,590,659

Year ended 31 December 2025

	Attributable to owners of the parent							
	Share capital	Capital reserve	Share based payment reserve	Other reserve	Exchange fluctuation reserve	Statutory surplus reserve	Retained profits	Total equity
	RMB'000 (Note 29)	*RMB'000 (Note 31)*	*RMB'000 (Note 30)*	*RMB'000 (Note 31)*	*RMB'000 (Note 31)*	*RMB'000 (Note 31)*	*RMB'000*	*RMB'000*
At 1 January 2025	449,354	2,418,718	197,715	(19,060)	21,131	49,097	(526,296)	2,590,659
Profit for the year	—	—	—	—	—	—	1,363,885	1,363,885
Other comprehensive loss for the year:								
Exchange differences on translation of foreign operations	—	—	—	—	(47,203)	—	—	(47,203)
Total comprehensive income for the year	—	—	—	—	(47,203)	—	1,363,885	1,316,682
Share-based payments *(note 30)*	—	—	81,584	—	—	—	—	81,584
Issue of shares	18,460	320,052	—	—	—	—	—	338,512
Share of capital reserves of an associate	—	—	—	4,010	—	—	—	4,010
Deemed capital contributions from a shareholder	—	14,720	—	—	—	—	—	14,720
Transferred from retained profits	—	—	—	—	—	48,834	(48,834)	—
At 31 December 2025	467,814	2,753,490*	279,299*	(15,050)*	(26,072)*	97,931*	788,755*	4,346,167

Four months ended 30 April 2026

	Attributable to owners of the parent							
	Share capital	Capital reserve	Share based payment reserve	Other reserve	Exchange fluctuation reserve	Statutory surplus reserve	Retained profits	Total equity
	RMB'000 (Note 29)	*RMB'000 (Note 31)*	*RMB'000 (Note 30)*	*RMB'000 (Note 31)*	*RMB'000 (Note 31)*	*RMB'000 (Note 31)*	*RMB'000*	*RMB'000*
At 1 January 2026	467,814	2,753,490	279,299	(15,050)	(26,072)	97,931	788,755	4,346,167
Profit for the period	—	—	—	—	—	—	3,840,646	3,840,646
Other comprehensive loss for the period:								
Exchange differences on translation of foreign operations	—	—	—	—	(60,891)	—	—	(60,891)
Total comprehensive income for the period	—	—	—	—	(60,891)	—	3,840,646	3,779,755
Share-based payments *(note 30)*	—	—	55,030	—	—	—	—	55,030
Share of capital reserves of an associate	—	—	—	1,031	—	—	—	1,031
At 30 April 2026	467,814	2,753,490*	334,329*	(14,019)*	(86,963)*	97,931*	4,629,401*	8,181,983

* The reserve accounts comprise the consolidated reserves of RMB1,550,884,000, RMB2,141,305,000, RMB3,878,353,000 and RMB7,714,169,000 in the consolidated statements of financial position as at 31 December 2023, 2024, 2025, 30 April 2026, respectively.

Four months ended 30 April 2025 (Unaudited)

	Attributable to owners of the parent							
	Share capital	Capital reserve	Share based payment reserve	Other reserve	Exchange fluctuation reserve	Statutory surplus reserve	Retained profits	Total equity
	RMB'000 (Note 29)	*RMB'000 (Note 31)*	*RMB'000 (Note 30)*	*RMB'000 (Note 31)*	*RMB'000 (Note 31)*	*RMB'000 (Note 31)*	*RMB'000*	*RMB'000*
At 1 January 2025	449,354	2,418,718	197,715	(19,060)	21,131	49,097	(526,296)	2,590,659
Profit for the period	—	—	—	—	—	—	123,068	123,068
Other comprehensive loss for the period:								
Exchange differences on translation of foreign operations	—	—	—	—	(8,020)	—	—	(8,020)
Total comprehensive income for the period	—	—	—	—	(8,020)	—	123,068	115,048
Share-based payments *(note 30)*	—	—	28,541	—	—	—	—	28,541
Issue of shares	18,460	320,052	—	—	—	—	—	338,512
Share of capital reserves of an associate	—	—	—	1,351	—	—	—	1,351
At 30 April 2025 (unaudited)	467,814	2,738,770	226,256	(17,709)	13,111	49,097	(403,228)	3,074,111

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December			Four months ended 30 April	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES						
(Loss)/profit before tax		(131,529)	568,585	1,574,914	140,590	4,528,504
Adjustments for:						
Finance costs	8	72,342	154,607	137,844	44,545	42,558
Bank interest income	7	(851)	(560)	(653)	(133)	(2,865)
Investment income from financial assets at fair value through profit or loss	7	(241)	—	—	—	—
Loss/(gain) on disposal of items of property, plant and equipment	7	5	(447)	(106)	—	(478)
(Gain)/loss on disposal of right-of-use assets	7	(153)	66	80	—	—
Loss on disposal of other intangible assets	7	—	—	13	—	—
Depreciation of items of property, plant and equipment	7	31,928	40,706	53,558	16,586	22,020
Impairment of items of other intangible assets	7	—	40,883	—	—	—
Impairment of goodwill	7	—	55,551	—	—	—
Amortisation of other intangible assets	7	79,892	104,909	98,237	31,565	31,845
Depreciation of right-of-use assets	7	13,736	16,296	17,453	5,697	5,876
Share of losses/(profits) of an associate	7	13,059	11,654	14,054	3,577	(5,058)
Impairment/ (reversal of impairment) on trade receivables	7	19,938	13,868	(23,693)	(7,088)	9,484
Write down/(reversal) of inventories to net realisable value	7	93,892	498,974	(8,387)	(75,747)	45,069
Realised loss on derivative instruments — transactions not qualifying as hedges	7	8,302	—	2,334	—	—
Equity-settled share-based payment		85,765	67,742	81,584	28,541	55,030
Gain on deemed disposal of investment in an associate	6	(19,359)	—	(10,865)	—	—
Gain on partial disposal of investment in an associate	6	—	—	(10,665)	—	—
Foreign exchange losses/(gains)		6,070	17,480	6,928	(3,909)	3,970
		272,796	1,590,314	1,932,630	184,224	4,735,955
Increase in inventories		(547,542)	(1,900,579)	(3,214,165)	(966,024)	(3,759,641)
(Increase)/decrease in trade receivables		(1,375,255)	(326,066)	1,058,165	(241,699)	(1,279,394)
Decrease/(increase) in prepayments, other receivables and other assets		91,448	(74,129)	(428,945)	(177,550)	(3,128,456)
Increase/(decrease) in trade payables		589,760	(279,408)	1,268,079	810,126	529,985
(Decrease)/increase in other payables and accruals		(41,939)	33,321	33,359	(36,685)	(30,028)
Increase/(decrease) in contract liabilities		13,914	(27,544)	68,053	(2,345)	568,022
Decrease in deferred income		(878)	(637)	(313)	(139)	—
(Increase)/decrease in restricted cash		—	—	(49)	—	49
Cash (used in)/from operations		(997,696)	(984,728)	716,814	(430,092)	(2,363,508)
Income tax paid		(51,399)	(137,857)	(766)	(228)	(330,419)
Interest received		851	560	653	133	2,865
Net cash flows (used in)/from operating activities		(1,048,244)	(1,122,025)	716,701	(430,187)	(2,691,062)

	Notes	Year ended 31 December			Four months ended 30 April	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from disposal of financial assets at fair value through profit or loss		67,020	—	—	—	—
Proceeds from settlement of derivative instruments		964	—	—	—	—
Payment for settlement of derivative instruments		—	—	(2,334)	—	—
Purchases of items of property, plant and equipment		(38,636)	(76,466)	(93,220)	(20,339)	(19,982)
Purchases of items of intangible assets		(39,192)	(53,512)	(36,970)	(11,368)	(9,992)
Proceeds from partial disposal of investment in an associate		—	—	11,396	—	—
Proceeds from disposal of items of property, plant and equipment		1,474	2,335	253	3	1,195
Net cash flows used in investing activities		(8,370)	(127,643)	(120,875)	(31,704)	(28,779)
CASH FLOWS FROM FINANCING ACTIVITIES						
Addition in other interest bearing payable		—	14,492	—	—	—
Repayment of other interest bearing payable		—	—	(14,809)	(14,809)	—
Addition in borrowings from related parties	*35*	28,500	360,000	—	—	—
Repayment of borrowings to related parties	*35*	(28,500)	(92,500)	(270,000)	(270,000)	—
Interest paid on related party borrowings	*35*	(687)	(2,581)	(7,222)	(7,222)	—
New bank and other borrowings		2,495,252	4,320,143	4,397,498	1,332,322	3,988,499
Repayment of bank and other borrowings		(1,687,545)	(3,199,267)	(4,562,131)	(932,508)	(1,093,970)
Interest paid on bank and other borrowings		(56,205)	(153,047)	(137,539)	(39,759)	(38,882)
Lease payments		(16,010)	(17,129)	(19,819)	(5,481)	(5,245)
Deemed capital contributions from a shareholder		7,000	9,000	14,720	—	—
Payment for listing expense		—	—	(1,810)	—	(2,043)
Receipt of deposit of bank borrowings arising from discounted letters of credit		17,870	—	15,000	—	—
Payment of deposit of bank and other borrowings		—	(15,000)	—	—	(1,900)
Capital injection from shareholders		476,683	45,000	338,512	338,512	—
Prepayment received from an investor	*27*	9,200	—	—	—	—
Net cash flows from/(used in) financing activities		1,245,558	1,269,111	(247,600)	401,055	2,846,459
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		188,944	19,443	348,226	(60,836)	126,618
Cash and cash equivalents at beginning of year/period		91,148	254,714	275,790	275,790	562,614
Effect of foreign exchange rate changes, net		(25,378)	1,633	(61,402)	(3,203)	(64,639)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		254,714	275,790	562,614	211,751	624,593
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and cash equivalents as stated in the consolidated statements of financial position and the consolidated statements of cash flows	*23*	254,714	275,790	562,614	211,751	624,593

STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December			As at 30 April
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment	*14*	25,859	51,214	65,981	61,750
Right-of-use assets	*15*	9,422	9,525	9,041	17,813
Other intangible assets	*17*	21,193	48,095	33,843	41,733
Investments in subsidiaries	*19*	1,640,738	1,759,277	1,843,943	1,857,448
Deferred tax assets	*28*	67,534	17,749	10,308	6,348
Prepayments, other receivables and other assets	*22*	800	3,710	11,559	3,707
Total non-current assets		1,765,546	1,889,570	1,974,675	1,988,799
CURRENT ASSETS					
Inventories	*20*	747,061	933,671	2,461,062	4,455,919
Trade receivables	*21*	1,816,312	2,455,503	1,622,085	2,298,896
Prepayments, other receivables and other assets	*22*	116,045	1,661,646	2,450,120	5,655,767
Restricted bank deposits	*23*	—	15,000	35	—
Cash and cash equivalents	*23*	108,915	191,796	397,359	96,712
Total current assets		2,788,333	5,257,616	6,930,661	12,507,294
CURRENT LIABILITIES					
Trade payables	*25*	238,801	367,991	485,296	548,429
Contract liabilities	*26*	2,478	1,373	10,241	432,846
Other payables and accruals	*27*	165,031	258,476	702,231	811,709
Interest-bearing bank and other borrowings	*24*	1,376,559	2,805,566	2,299,984	4,623,855
Lease liabilities	*15*	4,607	6,688	4,520	5,566
Tax payable		—	—	34,997	109,700
Total current liabilities		1,787,476	3,440,094	3,537,269	6,532,105
NET CURRENT ASSETS		1,000,857	1,817,522	3,393,392	5,975,189
TOTAL ASSETS LESS CURRENT LIABILITIES		2,766,403	3,707,092	5,368,067	7,963,988
NON-CURRENT LIABILITIES					
Interest-bearing bank and other borrowings	*24*	50,000	58,000	809,400	1,132,280
Lease liabilities	*15*	6,344	4,352	5,487	13,127
Total non-current liabilities		56,344	62,352	814,887	1,145,407
Net assets		2,710,059	3,644,740	4,553,180	6,818,581
EQUITY					
Share capital	*29*	442,650	449,354	467,814	467,814
Reserves	*31*	2,267,409	3,195,386	4,085,366	6,350,767
Total equity		2,710,059	3,644,740	4,553,180	6,818,581

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

HOSIN Electronics Co., LTD. (深圳宏芯宇電子股份有限公司) (the "**Company**") was incorporated as a joint stock company with limited liability under the Company Law of the PRC on 18 December 2018. The registered office address of the Company is Room 2501, 2401, 2301 and 1501, Block 2, Shenzhen Next-Generation Industrial Park, 136 Zhongkang Road, Meilin Sub-district, Meidu Community, Futian District, Shenzhen, Guangdong Province, PRC.

During the Relevant Periods, the Company and its subsidiaries (collectively the "Group") were primarily engaged in the design, research and development, manufacture and sale of semiconductor memory application products.

In the opinion of the directors, Mr. Wu, Ms. Wu Jiamin, Xinruilai, Hongxin Micro, Shenzhen Jubang, Hongxin Chuang, Hongxintai No. 2, Hosintai, Ningbo Zhaohan, Ningbo Zhaoxin and Hangzhou Feisuan will together constitute a group of the controlling shareholders of the Group as at the end of the Relevant Periods.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of the principal subsidiaries are set out below:

Name	Place and date of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Hefei Kaimeng Technology Co., Ltd (合肥開夢科技有限責任公司*) *(Note (a))*	February 24, 2023 PRC/Chinese Mainland	RMB20,000,000	—	100	Research and development, design and sales of memory products
HOSIN Global (HK) Electronics Co., Limited (宏芯宇電子有限公司) *(Note (b))*	January 11, 2019 HONG KONG	USD8,050,000	100	—	Sales of memory products

* The English name of the entity registered in the PRC represents the best efforts made by the management of the Company to directly translate its Chinese name as it did not register any official English name.

Notes:

(a) The statutory financial statements of this entity for the years ended 31 December 2023, 2024 and 2025 prepared in accordance with Accounting Standards for Business Enterprises Basic Standard and specific accounting standards, implementation guidance, interpretations and other relevant provisions ("**PRC GAAP**") issued by the Ministry of Finance, were audited by Pan-China Certified Public Accountants LLP (天健會計師事務所(特殊普通合夥)), Shenzhen Yongbo Certified Public Accountants (深圳市永博會計師事務所(普通合夥)) and Shenzhen Chenghua Certified Public Accountants Co., Ltd. (深圳誠華會計師事務所有限公司) certified public accountants registered in PRC, respectively.

(b) The statutory financial statements of this entity for the year ended 31 December 2023, 2024 and 2025 prepared in accordance with HKFRS Accounting Standards were audited by Jointek Consultants Limited (駿德顧問有限公司), a certified public accounting firm registered in Hong Kong.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprises all standards and interpretations approved by the International Accounting Standards Board ("**IASB**").

All IFRS Accounting Standards effective for the accounting period commencing from 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 Relevant Periods and in the period covered by the Interim Comparative Financial Information.

The Historical Financial Information has been prepared under the historical cost convention except for certain financial instruments which have been measured at fair value at the end of each of the Relevant Periods.

Basis of consolidation

The Historical Financial Information includes the financial information of the Group for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

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

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

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

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

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

IFRS 18	*Presentation and Disclosure in Financial Statements*[1]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[1]
Amendments 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*[2]
IFRS 20	*Regulatory Assets and Regulatory Liabilities*[3]

Amendments to IAS 28	*Fair Value Option for Investments in Associates and Joint Ventures*[1]

[1] Effective for annual/reporting periods beginning on or after 1 January 2027
[2] No mandatory effective date yet determined but available for adoption
[3] Effective for annual/reporting periods beginning on or after 1 January 2029

The Group is in the process of making an assessment of the impact of these revised IFRS Accounting Standards upon initial application. So far, the Group considers that these new and revised IFRS Accounting Standards, except for IFRS 18, may result in changes in accounting policies but are unlikely to have a significant impact on the Group's financial performance and financial position in the period of initial application. 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 statements of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group's financial information.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Investment in an associate

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it 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 over those policies.

The Group's investment in an associate is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of an associate is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of an associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's investment in the associate, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investment in an associate.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed 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. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

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

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

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

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

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

Impairment of non-financial assets

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

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

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

Related parties

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

(a) the party is a person or a close member of that person's family and that person

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

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

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

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

Machine equipment	20.00%
Electronic equipment	33.33%
Transportation equipment	25.00%
Furniture and fixtures	33.33%
Leasehold improvement	Shorter of remaining lease terms and estimated useful lives

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

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

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each Relevant Periods.

Intangible assets with definite useful lives are amortized on the straight-line basis over the following useful economic lives:

Software	13 to 60 months
Patents	10 to 12 years
IP licenses	13 to 60 months

Research and development expenses

All research expenses are charged to the consolidated statements of profit or loss as incurred.

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

Leases

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

Group as a lessee

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

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Plant and properties	2 to 5 years

(b) Lease liabilities

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

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

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office and employee dormitory (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

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

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

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

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair

value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Financial assets at fair value through profit or loss

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

Derecognition of financial assets

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

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

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

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

Impairment of financial assets

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

General approach

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

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

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

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

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

Stage 1 Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

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

The Group's financial liabilities include trade payables, financial liabilities included in other payables and accruals, interest-bearing bank and other borrowings.

Subsequent measurement

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

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

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

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

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

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

Cash and cash equivalents

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

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Income tax

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

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

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

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

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

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

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

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

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

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

Government grants

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

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

Revenue recognition

Revenue from contracts with customers

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

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

(a) Sales of products

Revenue from the sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products for export sales and acceptance of the products for domestic sales.

Some contracts for the sales of products provide customers with volume rebates, giving rise to variable consideration.

Rebates are offset against amounts payable by the customer. The most likely amount method is used to best estimate the variable consideration for the expected future rebates.

(b) Provision of technical services

Revenue from the provision of technical service is recognised over time, using the input method to determine the progress forwards the complete satisfaction of the performance obligation, because the customer simultaneously receives and consumes the benefits provided by the Group.

Other income

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

Contract liabilities

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

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Share-based payments

The Group operates share option scheme and restricted share scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value of restricted shares refers to the fair value of the underlying ordinary shares and the fair value of share options is determined using a binomial model. Further details are included in note 30 to the Historical Financial Information.

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

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

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

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

Other employee benefits

Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance for all of its eligible employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. Other than the monthly contributions, the Group has no further payment obligations once the contributions have been made.

Borrowing costs

All borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

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

Foreign currencies

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

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

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of the Relevant Periods, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the Relevant Periods and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognized in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognized in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the average exchange rates of the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Recognition of income taxes and deferred tax assets

Determining income tax provision involves judgement on the future tax treatment of certain transactions and when certain matters relating to the income taxes have not been confirmed by the local tax bureau. Management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatments of such transactions are reconsidered periodically to take into account all changes in tax legislation.

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

Research and development expenses

All research expenses are charged to the profit or loss as incurred. Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred. Determining the timing and the amounts of development costs to be capitalised requires the use of judgements and estimation. In the opinion of the directors, during the Relevant Periods the criteria for capitalization of development costs were not met and development expenditure was expensed.

Principal versus agent considerations

The Group determines whether it is a principal or an agent in providing goods to customers. The Group is a principal and therefore records revenue on a gross basis if it controls promised goods before transferring the goods to the customer. Otherwise, the Group is an agent and records revenue as the net amount that it retains if its role is to arrange to provide the goods. To assess whether the Group controls the goods before they are transferred to the customer, the Group has considered various factors, including but not limited to whether the Group is (i) the primary obligor in the arrangement, (ii) has general inventory risk, (iii) has discretion in establishing the selling price.

Estimation uncertainty

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

Leases — Estimating the incremental borrowing rate ("IBR")

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

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

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 21 to the Historical Financial Information.

Provision against obsolete and slow-moving inventories

The Group reviews the condition of its inventories at the end of each reporting periods and makes provisions against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use based on sales forecasts. Such sales forecasts are prepared based on agreements or orders on hand and estimated sales in the foreseeable future based on historical experiences with its customers and current market conditions of the semiconductor industry. Management estimates the net realisable value for those obsolete and slow-moving inventories based primarily on the latest invoice prices and current market conditions. The estimation is reassessed at the end of each reporting periods. The provision against obsolete and slow-moving inventories requires the use of judgements and

estimates. Where the actual outcome or expectation in future is different from the original estimate, such difference will impact on the carrying value of inventories and the write-down of inventories recognised in the periods in which such estimates have been changed.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in note 16 to the Historical Financial Information.

Impairment of non-current assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including property, plant, and equipment, right-of-use assets and intangible assets) at the end of each Relevant Periods. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

During the Relevant Periods, the Group has made impairment provisions for intangible assets, further details are given in note 17 to the Historical Financial Information.

Useful lives of intangible assets

The Group's finite life intangible assets primarily included patents acquired in the business acquisitions. These intangible assets are amortized on a straight-line basis over their useful economic lives. Additional amortization is recognized if the estimated useful lives are different from the previous estimation. Useful lives are reviewed at the end of each of the Relevant Periods based on changes in circumstances.

Fair value of share-based payments

The equity-settled share-based payments were estimated based on fair value of the awards as at the date of grant using the valuation model depending on the terms and conditions of the grant. This requires the Group to determine the most appropriate inputs to the valuation model and make assumptions about them. Further details are included in note 30 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

The Group manages its business as a whole for the purpose of making decision on resource allocation and performance assessment, therefore, no operating segment information is presented.

Geographical information

(a) Revenue from external customers

	Year ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Chinese Mainland*	1,824,779	1,264,609	4,125,496	891,622	2,675,665
Other countries/regions**	6,955,920	7,453,803	7,112,080	1,912,888	5,336,610
Total revenue	8,780,699	8,718,412	11,237,576	2,804,510	8,012,275

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

* Chinese Mainland means the People's Republic of China excluding Hong Kong, Macau and Taiwan.

** Other countries/regions mainly including Hong Kong, U.K., Taiwan, Singapore, India, the United States, Germany, Indonesia, Japan, etc.

(b) Non-current assets

All significant operating assets of the Group are located in Chinese Mainland. Accordingly, no geographical information of non-current assets is presented.

Information about a major customer

Revenue derived from a single customer which accounted for 10% or more of the Group's total revenue is as follows:

	Year ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Customer A and its related party	1,836,063	1,840,103	1,732,429	617,594	1,247,994
Customer B and its related parties	1,059,147	N/A*	N/A*	N/A*	N/A*
Customer C	N/A*	2,914,783	N/A*	303,083	N/A*
Customer G	N/A*	N/A*	1,508,873	N/A*	N/A*

* Less than 10% of the Group's revenue.

5. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Revenue from contracts with customers	8,780,699	8,718,412	11,237,576	2,804,510	8,012,275

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Types of goods or services					
Sales of products	8,707,197	8,691,397	11,231,762	2,803,791	8,010,681
Provision of services	73,502	27,015	5,814	719	1,594
Total	8,780,699	8,718,412	11,237,576	2,804,510	8,012,275
Geographical markets					
Chinese Mainland	1,824,779	1,264,609	4,125,496	891,622	2,675,665
Other countries/regions	6,955,920	7,453,803	7,112,080	1,912,888	5,336,610
Total	8,780,699	8,718,412	11,237,576	2,804,510	8,012,275
Timing of revenue recognition					
Products transferred at a point in time	8,707,197	8,691,397	11,231,762	2,803,791	8,010,681
Services transferred over time	73,502	27,015	5,814	719	1,594
Total	8,780,699	8,718,412	11,237,576	2,804,510	8,012,275

The following table shows the amounts of revenue recognised in the current reporting periods that were included in the contract liabilities at the beginning of the reporting periods:

	Year ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting periods:					
Sale of products	29,094	42,695	17,133	16,726	85,497

(b) Performance obligations

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

Sales of products

The performance obligation is satisfied upon the acceptance of delivered products and payment is mainly due within 30 to 120 days from delivery. Some contracts require advance payment before delivery. Some contracts provide customers with volume rebates which give rise to variable consideration subject to constraint.

Provision of services

The performance obligation of technical services is satisfied over time and the amount is billed on quarterly basis. The payment is generally due within 45 days after billing.

As the contracts with customers are rendered in a short period of time, which is generally less than one year, the Group has elected the practical expedient for not to disclose the remaining performance obligations for these types of contracts.

6. OTHER INCOME AND GAINS

An analysis of other income and gains, net is as follows:

	Year ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Other income					
Bank interest income	851	560	653	133	2,865
Investment income from financial assets at fair value through profit or loss	241	—	—	—	—
Government grants*	25,258	14,294	21,707	7,457	2,361
Total other income	26,350	14,854	22,360	7,590	5,226
Other gains					
Foreign exchange gains, net	5,405	22,725	—	11,374	—
Gain on deemed disposal of investment in an associate**	19,359	—	10,865	—	—
Gain on partial disposal of investment in an associate***	—	—	10,665	—	—
Gain on disposal of property, plant and equipment	—	447	106	—	478
Gain on disposal of right-of-use assets	153	—	—	—	—
Others	318	900	619	477	563
Total gains	25,235	24,072	22,255	11,851	1,041
Total other income and gains	51,585	38,926	44,615	19,441	6,267

* Government grants have been received from local government authorities as subsidies to the Group. There were no unfulfilled conditions or contingencies relating to these grants.

** In 2023 and 2025, the Group's interest in an associate was diluted as a result of the capital contribution from external investors to the associate, over which the Group still has significant influence. Accordingly, the Group accounts for the changes in its proportionate interest in the associate as a gain on deemed disposal.

*** In 2025, the Group reduced its equity interests in an associate for a total cash consideration of RMB11,396,000 over which the Group still has significant influence.

7. (LOSS)/PROFIT BEFORE TAX

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

	Notes	Year ended 31 December			Four months ended 30 April	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Cost of inventories sold*		8,340,829	7,308,336	8,790,027	2,417,593	3,043,408
Cost of services provided		22,718	10,469	1,161	325	59
Write-down/(Reversal) of inventories to net realisable value*		93,892	498,974	(8,387)	(75,747)	45,069
Depreciation of property, plant and equipment**	*14*	31,928	40,706	53,558	16,586	22,020
Depreciation of right-of-use assets**	*15*	13,736	16,296	17,453	5,697	5,876
Amortisation of other intangible assets**	*17*	79,892	104,909	98,237	31,565	31,845
Research and development expenses		282,563	392,182	493,180	151,400	199,632
Lease payments not included in the measurement of lease liabilities		4,590	3,379	4,286	1,492	460
Employee benefit expense (excluding directors' and supervisors' remuneration *(note 9)*):						
Salaries and other benefits		241,490	337,508	396,008	126,475	139,268
Pension scheme contributions, social welfare and other welfare***		40,169	56,415	73,087	22,939	28,692
Equity-settled share-based payments		26,304	54,808	69,622	25,744	39,016
Total		307,963	448,731	538,717	175,158	206,976
Listing expense		—	—	13,523	—	1,618
Auditors' remuneration		1,120	719	644	4	—
Impairment losses on financial assets, net:						
Impairment/(reversal of impairment) on trade receivable	*21*	19,938	13,868	(23,693)	(7,088)	9,484
Total		19,938	13,868	(23,693)	(7,088)	9,484
Impairment of goodwill****	*16*	—	55,551	—	—	—
Impairment of other intangible assets****	*17*	—	40,883	—	—	—
Share of (losses)/profits of an associate		(13,059)	(11,654)	(14,054)	(3,577)	5,058
Bank interest income	*6*	(851)	(560)	(653)	(133)	(2,865)
Investment income from financial assets at fair value through profit or loss	*6*	(241)	—	—	—	—
Realised loss on derivative instruments — transactions not qualifying as hedges		8,302	—	2,334	—	—
Loss/(gain) on disposal of items of property, plant and equipment****		5	(447)	(106)	—	(478)
Loss on disposal of other intangible assets****		—	—	13	—	—
(Gain)/loss on disposal of right-of-use assets****		(153)	66	80	—	—
Foreign exchange (gains)/losses		(5,405)	(22,725)	35,071	(11,374)	90,730
Government grants	*6*	(25,258)	(14,294)	(21,707)	(7,457)	(2,361)

* The amounts disclosed for cost of inventories sold included write-down of inventories to net realisable value.

** The depreciation of property, plant and equipment and right-of-use assets and amortisation of other intangible assets are included in "Cost of sales", "Selling and distribution expenses", "Administrative expenses" and "Research and development expenses" in profit or loss, respectively.

*** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

**** The amounts are included in "Other expenses" or "Other income and gains" in profit or loss.

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Interest on bank and other borrowings	68,556	151,423	133,825	42,980	41,470
Interest on other payables *(note 27)*	—	315	150	150	—
Interest expenses on lease liabilities	1,508	1,552	1,601	527	497
Interest on redemption liabilities on ordinary shares *(note 27)*	—	1,317	1,800	591	591
Other finance cost	2,278	—	468	297	—
Total	72,342	154,607	137,844	44,545	42,558

9. DIRECTORS' AND SUPERVISORS' REMUNERATION

The remuneration of each director and supervisor as recorded during the Relevant Periods and the four months ended 30 April 2025, disclosed pursuant to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Listing Rules**"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is set out below:

	Year ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Fees	—	—	105	—	201
Salaries, allowances and benefits in kind	3,960	4,974	4,853	1,681	1,245
Performance related bonuses	913	1,424	1,694	474	407
Pension scheme contributions	566	697	706	251	154
Equity-settled share-based payments	59,461	12,933	11,962	2,797	16,014
Total	64,900	20,028	19,320	5,203	18,021

(a) Independent non-executive directors

Dr. Chu Dazhi, Dr. Gong Xiaofeng and Mr. Chan Kin Ho Philip were appointed as independent non-executive directors of the Company with effect from 30 October 2025.

The fees paid to independent non-executive directors during the Relevant Periods and the four months ended 30 April 2025 were as follows:

	Year ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Dr. Chu Dazhi	—	—	35	—	67
Dr. Gong Xiaofeng	—	—	35	—	67
Mr. Chan Kin Ho Philip	—	—	35	—	67
Total	—	—	105	—	201

(b) Executive directors, director and supervisors

Year ended 31 December 2023	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Share-based payments	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Mr. Wu Yisheng *(note (i))*	951	312	101	55,689	57,053
Ms. Wu Jiamin *(note (ii))*	205	34	49	—	288
Ms. Liang Qiyan *(note (iii))*	633	210	76	1,512	2,431
Mr. Zhang Yun *(note (iv))*	1,288	215	124	1,589	3,216
Non-executive directors					
Mr. Feng Shuixing *(note (v))*	—	—	—	—	—
Mr. Cai Zhenhao *(note (vi))*	—	—	—	—	—
Ms. Hong Ciwan *(note (vii))*	—	—	—	—	—
Supervisors					
Mr. Sun Yu *(note (ix))*	255	40	66	282	643
Mr. Huang Binghui *(note (x))*	328	52	80	276	736
Ms. Su Jiabin *(note (xi))*	—	—	—	—	—
Mr. Su Hang *(note (xii))*	300	50	70	113	533
Total	3,960	913	566	59,461	64,900

Year ended 31 December 2024	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Share-based payments	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Mr. Wu Yisheng *(note (i))*	946	624	103	5,919	7,592
Ms. Wu Jiamin *(note (ii))*	218	34	55	—	307
Ms. Liang Qiyan *(note (iii))*	846	280	103	3,264	4,493
Mr. Zhang Yun *(note (iv))*	1,720	286	167	2,724	4,897
Non-Executive Director					
Mr. Feng Shuixing *(note (v))*	—	—	—	—	—
Supervisors					
Mr. Sun Yu *(note (ix))*	353	56	80	442	931
Mr. Huang Binghui *(note (x))*	401	64	90	454	1,009
Mr. Su Hang *(note (xii))*	490	80	99	130	799
Total	4,974	1,424	697	12,933	20,028

Year ended 31 December 2025	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Share-based payments	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Mr. Wu Yisheng *(note (i))*	943	468	111	2,647	4,169
Ms. Wu Jiamin *(note (ii))*	218	67	59	240	584
Ms. Liang Qiyan *(note (iii))*	847	420	111	4,958	6,336
Mr. Zhang Yun *(note (iv))*	1,720	572	168	2,812	5,272
Non-Executive Directors					
Mr. Feng Shuixing *(note (v))*	—	—	—	—	—
Mr. Cao Bin *(note (viii))*	—	—	—	—	—
Supervisors					
Mr. Sun Yu *(note (ix))*	358	47	83	442	930
Mr. Huang Binghui *(note (x))*	335	53	84	649	1,121
Mr. Su Hang *(note (xii))*	432	67	90	214	803
Total	4,853	1,694	706	11,962	19,215

Four months ended 30 April 2026	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Share-based payments	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Mr. Wu Yisheng *(note (i))*	315	208	38	11,325	11,886
Ms. Wu Jiamin *(note (ii))*	73	11	22	481	587
Ms. Liang Qiyan *(note (iii))*	283	93	38	2,947	3,361
Mr. Zhang Yun *(note (iv))*	574	95	56	1,261	1,986
Non- Executive Director					
Mr. Feng Shuixing *(note (v))*	—	—	—	—	—
Mr. Cao Bin *(note (viii))*	—	—	—	—	—
Total	1,245	407	154	16,014	17,820

Four months ended 30 April 2025	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Share-based payments	Total remuneration
	RMB'000 (Unaudited)	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*	*RMB'000 (Unaudited)*
Executive directors					
Mr. Wu Yisheng *(note (i))*	315	208	37	—	560
Ms. Wu Jiamin *(note (ii))*	73	11	20	—	104
Ms. Liang Qiyan *(note (iii))*	283	93	37	1,535	1,948
Mr. Zhang Yun *(note (iv))*	573	95	56	908	1,632
Non-Executive Director					
Mr. Feng Shuixing *(note (v))*	—	—	—	—	—
Mr. Cao Bin *(note (viii))*	—	—	—	—	—
Supervisors					
Mr. Sun Yu *(note (ix))*	134	19	32	147	332
Mr. Huang Binghui *(note (x))*	135	21	33	164	353
Mr. Su Hang *(note (xii))*	168	27	36	43	274
Total	1,681	474	251	2,797	5,203

Notes:

(i) Mr. Wu Yisheng was appointed as an executive director of the Company with effect from 18 December 2018.

(ii) Ms. Wu Jiamin was appointed as an executive director of the Company with effect from 18 December 2018.

(iii) Ms. Liang Qiyan was appointed as an executive director of the Company with effect from 7 April 2023.

(iv) Mr. Zhang Yun was appointed as an executive director of the Company with effect from 7 April 2023.

(v) Mr. Feng Shuixing was appointed as a non-executive director of the Company with effect from 18 December 2018.

(vi) Mr. Cai Zhenhao was appointed as a non-executive director of the Company with effect from 10 January 2019 and resigned on 7 April 2023.

(vii) Ms. Hong Ciwan was appointed as a non-executive director of the Company with effect from 10 January 2019 and resigned on 7 April 2023.

(viii) Mr. Cao Bin was appointed as a non-executive director of the Company with effect from 20 March 2025.

(ix) Mr. Sun Yu was appointed as a supervisor of the Company with effect from 1 March 2022 to 30 October 2025.

(x) Mr. Huang Binghui was appointed as a supervisor of the Company with effect from 1 March 2022 to 30 October 2025.

(xi) Ms. Su Jiabin was appointed as a supervisor of the Company with effect from 18 December 2018 and resigned on 7 April 2023.

(xii) Mr. Su Hang was appointed as a supervisor of the Company with effect from 7 April 2023 to 30 October 2025.

During the Relevant Periods and the four months ended 30 April 2025, share awards were granted to certain directors, further details of which are included in the disclosures in note 30 to the Historical Financial Information. The fair value of such awarded shares, which has been recognised in profit or loss, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods and the four months ended 30 April 2025 is included in the above directors' remuneration disclosures.

No emoluments were paid by the Company to the directors and supervisors as an inducement to join or upon joining the Company or as compensation for loss of office during the Relevant Periods and the four months ended 30 April 2025.

Save for the disclosed above, there was no arrangement under which a director or a supervisor waived or agreed to waive any remuneration during the Relevant Periods and the four months ended 30 April 2025. On 30 October 2025, the shareholders' meeting of the Group has made a resolution to dissolve the supervisory committee.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the Relevant Periods and the four months ended 30 April 2025 included 2, 3, 3, 3, 2 directors, respectively, details of whose remuneration are set out in note 9 above. Details of the remuneration of the 3, 2, 2, 2, 3 highest paid employees who are neither a director of the Group during the Relevant Periods and the four months ended 30 April 2025 are as follows:

	Year ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Salaries, allowances and benefits in kind	4,637	3,425	3,426	1,508	545
Performance related bonuses	992	570	1,754	251	140
Pension scheme contributions	361	184	195	124	73
Equity-settled share-based payments	4,116	12,500	22,999	2,190	4,755
Total	10,106	16,679	28,374	4,073	5,513

The numbers of non-director highest paid employees whose remuneration fell within the following bands are as follows:

	Year ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
				(Unaudited)	
HK$1,000,001 to HK$2,500,000	—	—	—	3	—
HK$2,500,001 to HK$3,000,000	—	—	—	—	1
HK$3,000,001 to HK$3,500,000	1	—	—	—	—
HK$3,500,001 to HK$4,000,000	2	—	—	—	1
HK$4,500,001 to HK$5,000,000	—	1	—	—	—
HK$6,000,001 to HK$7,000,000	—	—	1	—	—
HK$10,000,001 to HK$10,500,000	—	1	—	—	—
HK$20,000,001 to HK$25,000,000	—	—	1	—	—
Total	3	2	2	3	2

During the Relevant Periods and the four months ended 30 April 2025, share awards were granted to non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 30 to the Historical Financial Information. The fair value of such shares, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods and the four months ended 30 April 2025 is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

11. INCOME TAX

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

(a) Chinese Mainland

The provision for corporate income tax in Chinese Mainland is based on the statutory rate of 25% of the taxable profits determined in accordance with the Corporate Income Tax Law ("**CIT Law**") which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in Chinese Mainland which are granted tax concession and are taxed at preferential tax rates.

According to the Administrative Measures for Determination of High-tech Enterprises, which was promulgated by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation and became effective on January 1, 2016, an enterprise recognised as a High-tech Enterprises may apply for a preferential enterprise income tax rate of 15% pursuant to the relevant requirements of the CIT Law.

The Company was qualified as a High-tech Enterprises to enjoy a preferential income tax rate of 15% from 2023 to 2026.

Hefei Kaimeng Technology Co., Ltd was qualified as a High-tech Enterprises to enjoy a preferential income tax rate of 15% from 2024 to 2026.

(b) Hong Kong

The income tax rate applicable to the Group's subsidiary incorporated in Hong Kong for the income subject to Hong Kong Profits Tax is 16.5%. A two-tiered profits tax rates regime was introduced in 2018 whereby the first HK$2 million in assessable profits earned by a company will be taxed at half of the current tax rate (8.25%) while the remaining profits will continue to be taxed at 16.5%.

(c) Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the temporary mandatory exception to recognise and disclose information about deferred tax assets and liabilities arising from Pillar Two income taxes. From 1 January 2025, the Group is liable to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in Hong Kong. In respect of Chinese Mainland, Pillar Two legislation has not been enacted or substantively enacted in Chinese Mainland, and no specific implementation timetable has been announced.

Based on all the information available at this stage, the Group has assessed its potential exposure in relation to Pillar Two. In the opinion of the directors, Pillar Two income tax exposures are not expected to have a material impact on the financial position and financial performance of the Group during the Relevant Periods. The Group continues to follow Pillar Two legislative developments, to evaluate the potential future impact on its financial statements, as future circumstances may evolve.

The major components of the income tax (credit)/expense for the year/period are as follows:

	Year ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Current tax	13,801	75,199	135,597	25	782,053
Deferred tax *(note 28)*	(27,880)	10,513	75,432	17,497	(94,195)
Tax (credit)/expense for the year/period	(14,079)	85,712	211,029	17,522	687,858

A reconciliation of the tax expense applicable to (loss)/profit before tax at the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax (credit)/expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the preferential tax rates) to the effective tax rates, are as follows:

	Year ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
(Loss)/profit before tax	(131,529)	568,585	1,574,914	140,590	4,528,504
Tax at the applicable tax rate of 15%	(19,729)	85,288	236,237	21,089	679,276
Effect of different tax rates enacted by local authorities	(1,711)	(19,987)	9,271	(992)	24,614
Additional deductible allowance for qualified research and development expenses	(48,927)	(62,421)	(71,533)	(18,970)	(27,162)
Income not subject to tax	(1)	—	—	—	—
Profits and losses attributable to an associate	(1,575)	2,913	(1,869)	894	(1,264)
Expenses not deductible for tax	14,677	21,315	12,828	5,013	8,446
Tax deduction	(2)	(22)	(149)	—	(145)
Tax losses utilised from previous periods	—	(639)	(2,141)	(1,259)	(1,558)
Effect on opening deferred tax of decrease in rates	5,526	2,922	—	—	—
Effect of withholding tax	1,771	1,824	127	84	—
Deductible temporary difference and tax losses not recognised	35,892	54,519	28,258	11,663	5,651
Tax (credit)/charge at the Group's effective rate	(14,079)	85,712	211,029	17,522	687,858

According to the Corporate Income Tax Law, the Company and its subsidiaries are entitled to additional deduction of qualified research and development expenses from the taxable income. The additional deduction percentage was 100% from 1 January 2022 to 31 December 2027.

12. DIVIDENDS

No dividends had been paid or declared by the Company during the Relevant Periods and the four months ended 30 April 2025.

13. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (loss)/earnings per share amounts is based on the (loss)/profit for the year/period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares outstanding during the Relevant Periods and four months ended 30 April 2025.

The calculation of the diluted (loss)/earnings per share amounts is based on the (loss)/profit for the year/period attributable to ordinary equity holders of the parent, adjusted to reflect the outstanding share options contingently issuable. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic (loss)/earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares. The number of the outstanding share options contingently issuable was not included in the diluted earnings per share calculation as the performance contingencies were not met as at 31 December 2025 and 30 April 2026.

The calculations of basic and diluted (loss)/earnings per share are based on:

	Year ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
(Loss)/earnings					
(Loss)/earnings attributable to ordinary equity holders of the parent, used in the basic (loss)/earnings per share calculation	(117,450)	482,873	1,363,885	123,068	3,840,646

	Number of shares				
	Year ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
				(Unaudited)	
Number of shares					
Weighted average number of ordinary shares in issue during the year/period, used in the basic (loss)/earnings per share calculation *('000)*	418,145	443,794	464,448	457,519	467,814

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Machine equipment	Electronic equipment	Furniture and fixtures	Transportation equipment	Leasehold improvement	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023							
At 1 January 2023:							
Cost	3,769	63,700	8,788	859	20,727	78	97,921
Accumulated depreciation	(126)	(29,777)	(5,728)	(374)	(8,206)	—	(44,211)
Net carrying amount	3,643	33,923	3,060	485	12,521	78	53,710
At 1 January 2023, net of accumulated depreciation	3,643	33,923	3,060	485	12,521	78	53,710
Additions	5,801	28,234	109	—	1,260	3,906	39,310
Depreciation provided during the year	(1,390)	(20,819)	(1,664)	(215)	(7,840)	—	(31,928)
Disposals	—	(1,330)	(149)	—	—	—	(1,479)
Transfer	—	45	—	—	3,906	(3,951)	—
Exchange realignment	—	45	6	—	13	—	64
At 31 December 2023, net of accumulated depreciation	8,054	40,098	1,362	270	9,860	33	59,677
At 31 December 2023:							
Cost	9,570	86,339	8,134	859	25,932	33	130,867
Accumulated depreciation	(1,516)	(46,241)	(6,772)	(589)	(16,072)	—	(71,190)
Net carrying amount	8,054	40,098	1,362	270	9,860	33	59,677
31 December 2024							
At 1 January 2024:							
Cost	9,570	86,339	8,134	859	25,932	33	130,867
Accumulated depreciation	(1,516)	(46,241)	(6,772)	(589)	(16,072)	—	(71,190)
Net carrying amount	8,054	40,098	1,362	270	9,860	33	59,677

	Machine equipment	Electronic equipment	Furniture and fixtures	Transportation equipment	Leasehold improvement	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024, net of accumulated depreciation	8,054	40,098	1,362	270	9,860	33	59,677
Additions	22,054	53,718	1,212	—	4,623	1,708	83,315
Depreciation provided during the year	(3,767)	(27,746)	(1,187)	(215)	(7,791)	—	(40,706)
Disposals	—	(1,835)	(53)	—	—	—	(1,888)
Transfer	—	160	—	—	1,548	(1,708)	—
Exchange realignment	—	(36)	(1)	—	4	—	(33)
At 31 December 2024, net of accumulated depreciation	26,341	64,359	1,333	55	8,244	33	100,365
At 31 December 2024:							
Cost	31,625	127,092	7,653	859	32,057	33	199,319
Accumulated depreciation	(5,284)	(62,733)	(6,320)	(804)	(23,813)	—	(98,954)
Net carrying amount	26,341	64,359	1,333	55	8,244	33	100,365
31 December 2025							
At 1 January 2025:							
Cost	31,625	127,092	7,653	859	32,057	33	199,319
Accumulated depreciation	(5,284)	(62,733)	(6,320)	(804)	(23,813)	—	(98,954)
Net carrying amount	26,341	64,359	1,333	55	8,244	33	100,365
At 1 January 2025, net of accumulated depreciation	26,341	64,359	1,333	55	8,244	33	100,365
Additions	8,155	63,910	894	—	1,860	13,328	88,147
Depreciation provided during the year	(6,705)	(40,712)	(754)	(55)	(5,332)	—	(53,558)
Disposals	—	(112)	(11)	—	(24)	—	(147)
Transfer	—	508	—	—	3,479	(3,987)	—
Exchange realignment	—	7	1	—	(4)	—	4
At 31 December 2025, net of accumulated depreciation	27,791	87,960	1,463	—	8,223	9,374	134,811
At 31 December 2025:							
Cost	39,780	191,089	8,532	859	34,134	9,374	283,768
Accumulated depreciation	(11,989)	(103,129)	(7,069)	(859)	(25,911)	—	(148,957)
Net carrying amount	27,791	87,960	1,463	—	8,223	9,374	134,811
30 April 2026							
At 1 January 2026:							
Cost	39,780	191,089	8,532	859	34,134	9,374	283,768
Accumulated depreciation	(11,989)	(103,129)	(7,069)	(859)	(25,911)	—	(148,957)
Net carrying amount	27,791	87,960	1,463	—	8,223	9,374	134,811
At 1 January 2026, net of accumulated depreciation	27,791	87,960	1,463	—	8,223	9,374	134,811
Additions	—	8,587	74	493	186	2,986	12,326
Depreciation provided during the period	(2,652)	(17,212)	(255)	—	(1,901)	—	(22,020)
Disposals	—	(717)	—	—	—	—	(717)
Transfer	—	9,266	—	—	1,097	(10,363)	—
Exchange realignment	—	(153)	5	—	(1)	—	(149)
At 30 April 2026, net of accumulated depreciation	25,139	87,731	1,287	493	7,604	1,997	124,251
At 30 April 2026:							
Cost	39,780	205,276	8,466	1,352	35,402	1,997	292,273
Accumulated depreciation	(14,641)	(117,545)	(7,179)	(859)	(27,798)	—	(168,022)
Net carrying amount	25,139	87,731	1,287	493	7,604	1,997	124,251

The Company

	Machine equipment	Electronic equipment	Furniture and fixtures	Transportation equipment	Leasehold improvement	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023							
At 1 January 2023:							
Cost	3,769	26,118	2,469	460	13,338	78	46,232
Accumulated depreciation	(126)	(6,294)	(1,303)	(191)	(5,460)	—	(13,374)
Net carrying amount	3,643	19,824	1,166	269	7,878	78	32,858
At 1 January 2023, net of accumulated depreciation	3,643	19,824	1,166	269	7,878	78	32,858
Additions	—	14,231	16	—	—	—	14,247
Depreciation provided during the year	(251)	(9,856)	(661)	(115)	(4,395)	—	(15,278)
Disposals	(3,392)	(2,569)	(7)	—	—	—	(5,968)
Transfer	—	45	—	—	—	(45)	—
At 31 December 2023, net of accumulated depreciation	—	21,675	514	154	3,483	33	25,859
At 31 December 2023:							
Cost	—	36,499	2,433	460	13,338	33	52,763
Accumulated depreciation	—	(14,824)	(1,919)	(306)	(9,855)	—	(26,904)
Net carrying amount	—	21,675	514	154	3,483	33	25,859
31 December 2024							
At 1 January 2024:							
Cost	—	36,499	2,433	460	13,338	33	52,763
Accumulated depreciation	—	(14,824)	(1,919)	(306)	(9,855)	—	(26,904)
Net carrying amount	—	21,675	514	154	3,483	33	25,859
At 1 January 2024, net of accumulated depreciation	—	21,675	514	154	3,483	33	25,859
Additions	7,876	34,932	1,103	—	415	1,548	45,874
Depreciation provided during the year	(262)	(10,870)	(661)	(116)	(3,848)	—	(15,757)
Disposals	—	(4,754)	(8)	—	—	—	(4,762)
Transfer	—	—	—	—	1,548	(1,548)	—
At 31 December 2024, net of accumulated depreciation	7,614	40,983	948	38	1,598	33	51,214
At 31 December 2024:							
Cost	7,876	67,237	3,180	460	15,301	33	94,087
Accumulated depreciation	(262)	(26,254)	(2,232)	(422)	(13,703)	—	(42,873)
Net carrying amount	7,614	40,983	948	38	1,598	33	51,214
31 December 2025							
At 1 January 2025							
Cost	7,876	67,237	3,180	460	15,301	33	94,087
Accumulated depreciation	(262)	(26,254)	(2,232)	(422)	(13,703)	—	(42,873)
Net carrying amount	7,614	40,983	948	38	1,598	33	51,214
At 1 January 2025, net of accumulated depreciation	7,614	40,983	948	38	1,598	33	51,214
Additions	1,908	27,808	609	—	59	9,320	39,704
Depreciation provided during the year	(1,757)	(21,884)	(436)	(38)	(822)	—	(24,937)
Transfer	—	49	—	—	3,479	(3,528)	—
At 31 December 2025, net of accumulated depreciation	7,765	46,956	1,121	—	4,314	5,825	65,981

	Machine equipment	Electronic equipment	Furniture and fixtures	Transportation equipment	Leasehold improvement	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2025:							
Cost	9,784	94,956	3,789	460	18,456	5,825	133,270
Accumulated depreciation	(2,019)	(48,000)	(2,668)	(460)	(14,142)	—	(67,289)
Net carrying amount	7,765	46,956	1,121	—	4,314	5,825	65,981
30 April 2026							
At 1 January 2026:							
Cost	9,784	94,956	3,789	460	18,456	5,825	133,270
Accumulated depreciation	(2,019)	(48,000)	(2,668)	(460)	(14,142)	—	(67,289)
Net carrying amount	7,765	46,956	1,121	—	4,314	5,825	65,981
At 1 January 2026, net of accumulated depreciation	7,765	46,956	1,121	—	4,314	5,825	65,981
Additions	—	4,830	61	493	195	1,118	6,697
Depreciation provided during the period	(653)	(8,602)	(195)	—	(762)	—	(10,212)
Disposals	—	(716)	—	—	—	—	(716)
Transfer	—	5,718	—	—	1,097	(6,815)	—
At 30 April 2026, net of accumulated depreciation	7,112	48,186	987	493	4,844	128	61,750
At 30 April 2026:							
Cost	9,784	102,636	3,850	953	19,748	128	137,099
Accumulated depreciation	(2,672)	(54,450)	(2,863)	(460)	(14,904)	—	(75,349)
Net carrying amount	7,112	48,186	987	493	4,844	128	61,750

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of plant and properties. Leases of plant and properties generally have lease terms with from 24 months to 60 months. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

The Group

	Plant and properties
	RMB'000
31 December 2023	
At 1 January 2023:	
Cost	46,577
Accumulated depreciation	(17,594)
Net carrying amount	28,983
At 1 January 2023, net of accumulated depreciation	28,983
Additions	14,263
Depreciation provided during the year	(13,736)
Termination or revision of leases	(2,163)
Exchange realignment	20
At 31 December 2023, net of accumulated depreciation	27,367

	Plant and properties
	RMB'000
At 31 December 2023:	
Cost	51,636
Accumulated depreciation	(24,269)
Net carrying amount	27,367
31 December 2024	
At 1 January 2024:	
Cost	51,636
Accumulated depreciation	(24,269)
Net carrying amount	27,367
At 1 January 2024, net of accumulated depreciation	27,367
Additions	25,259
Depreciation provided during the year	(16,296)
Termination or revision of leases	(252)
Exchange realignment	32
At 31 December 2024, net of accumulated depreciation	36,110
At 31 December 2024:	
Cost	65,264
Accumulated depreciation	(29,154)
Net carrying amount	36,110
31 December 2025	
At 1 January 2025:	
Cost	65,264
Accumulated depreciation	(29,154)
Net carrying amount	36,110
At 1 January 2025, net of accumulated depreciation	36,110
Additions	25,904
Depreciation provided during the year	(17,453)
Termination or revision of leases	(7,537)
Exchange realignment	156
At 31 December 2025, net of accumulated depreciation	37,180
At 31 December 2025:	
Cost	73,805
Accumulated depreciation	(36,625)
Net carrying amount	37,180
30 April 2026	
At 1 January 2026:	
Cost	73,805
Accumulated depreciation	(36,625)
Net carrying amount	37,180

	Plant and properties
	RMB'000
At 1 January 2026, net of accumulated depreciation	37,180
Additions	17,065
Depreciation provided during the period	(5,876)
Termination or revision of leases	(2)
Exchange realignment	(30)
At 30 April 2026, net of accumulated depreciation	48,337
At 30 April 2026:	
Cost	70,461
Accumulated depreciation	(22,124)
Net carrying amount	48,337

The Company

	Plant and properties
	RMB'000
31 December 2023	
At 1 January 2023:	
Cost	20,699
Accumulated depreciation	(7,688)
Net carrying amount	13,011
At 1 January 2023, net of accumulated depreciation	13,011
Additions	533
Depreciation provided during the year	(4,122)
At 31 December 2023, net of accumulated depreciation	9,422
At 31 December 2023:	
Cost	20,410
Accumulated depreciation	(10,988)
Net carrying amount	9,422
31 December 2024	
At 1 January 2024:	
Cost	20,410
Accumulated depreciation	(10,988)
Net carrying amount	9,422
At 1 January 2024, net of accumulated depreciation	9,422
Additions	5,041
Depreciation provided during the year	(4,905)
Termination or revision of leases	(33)
At 31 December 2024, net of accumulated depreciation	9,525
At 31 December 2024:	
Cost	25,388
Accumulated depreciation	(15,863)
Net carrying amount	9,525

	Plant and properties
	RMB'000
31 December 2025	
At 1 January 2025:	
Cost	25,388
Accumulated depreciation	(15,863)
Net carrying amount	9,525
At 1 January 2025, net of accumulated depreciation	9,525
Additions	6,152
Depreciation provided during the year	(6,530)
Termination or revision of leases	(106)
At 31 December 2025, net of accumulated depreciation	9,041
At 31 December 2025:	
Cost	31,434
Accumulated depreciation	(22,393)
Net carrying amount	9,041
30 April 2026	
At 1 January 2026:	
Cost	31,434
Accumulated depreciation	(22,393)
Net carrying amount	9,041
At 1 January 2026, net of accumulated depreciation	9,041
Additions	11,001
Depreciation provided during the period	(2,229)
At 30 April 2026, net of accumulated depreciation	17,813
At 30 April 2026:	
Cost	22,558
Accumulated depreciation	(4,745)
Net carrying amount	17,813

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

The Group

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of year/period	31,293	28,782	38,321	38,073
Additions	14,263	25,259	25,904	17,065
Accretion of interest recognised during the year/period	1,508	1,552	1,601	497
Early termination	(2,317)	(186)	(8,003)	(2)
Payments	(16,010)	(17,129)	(19,819)	(5,245)
Exchange realignment	45	43	69	(55)
At the end of year/period	28,782	38,321	38,073	50,333
Analysed into:				
Current portion	12,797	16,789	14,337	17,417
Non-current portion	15,985	21,532	23,736	32,916

The Company

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of year/period	14,676	10,951	11,040	10,007
Additions	533	5,041	6,152	11,001
Accretion of interest recognised during the year/period	580	476	424	135
Early termination	—	(34)	(106)	—
Payments	(4,838)	(5,394)	(7,503)	(2,450)
At the end of year/period	10,951	11,040	10,007	18,693
Analysed into:				
Current portion	4,607	6,688	4,520	5,566
Non-current portion	6,344	4,352	5,487	13,127

(c) The amounts recognised in profit or loss in relation to leases are as follows:

The Group

	Year ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Depreciation charge of right-of-use assets	13,736	16,296	17,453	5,697	5,876
Interest on lease liabilities	1,508	1,552	1,601	527	497
Expense relating to short-term leases/leases of low-value assets	4,590	3,379	4,286	1,492	460
Losses/(gains) on early termination	(153)	66	80	—	—
Total amount recognised in profit or loss	19,681	21,293	23,420	7,716	6,833

The Company

	Year ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Depreciation charge of right-of-use assets	4,122	4,905	6,530	1,993	2,229
Interest on lease liabilities	580	476	424	143	135
Expense relating to short-term leases/leases of low-value assets	1,414	838	1,383	252	549
Total amount recognised in profit or loss	6,116	6,219	8,337	2,388	2,913

16. GOODWILL

	RMB'000
At 1 January 2023:	
Cost	461,688
Accumulated impairment	(120,213)
Net carrying amount	341,475
Cost at 1 January 2023, net of accumulated impairment	341,475
Impairment during the year	—
At 31 December 2023	341,475
At 31 December 2023:	
Cost	461,688
Accumulated impairment	(120,213)
Net carrying amount	341,475
Cost at 1 January 2024, net of accumulated impairment	341,475
Impairment during the year *(note 7)*	(55,551)
Cost and net carrying amount at 31 December 2024	285,924
At 31 December 2024:	
Cost	461,688
Accumulated impairment	(175,764)
Net carrying amount	285,924
At 31 December 2025:	
Cost	461,688
Accumulated impairment	(175,764)
Net carrying amount	285,924
At 30 April 2026:	
Cost	461,688
Accumulated impairment	(175,764)
Net carrying amount	285,924

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units for impairment testing:

- Anhui Memory Solution cash-generating unit (the "**Anhui Memory Solution CGU**"); and
- Intelligent JBOF cash-generating unit (the "**Intelligent JBOF CGU**").

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

	At 31 December 2023	
	RMB'000	*RMB'000*
	Anhui Memory Solution	**Intelligent JBOF**
Carrying amount of goodwill	406,137	55,551
Accumulated impairment provision recognised	(120,213)	—
Net carrying amount	285,924	55,551

	At 31 December 2024, 2025 and 30 April 2026	
	RMB'000	*RMB'000*
	Anhui Memory Solution	**Intelligent JBOF**
Carrying amount of goodwill	406,137	55,551
Accumulated impairment provision recognised	(120,213)	(55,551)
Net carrying amount	285,924	—

Anhui Memory Solution CGU

The recoverable amount of the Anhui Memory Solution CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by the senior management. Due to the expected decrease in revenue, the recoverable amount of the Anhui Memory Solution CGU was less than the carrying value as at 31 December 2022 and an impairment provision of RMB120,213,000 was recognised in 2022.

As at 31 December 2023, 2024, 2025 and 30 April 2026, the recoverable amount of the Anhui Memory Solution CGU to which goodwill was allocated has exceeded the carrying value by RMB71,720,000, RMB40,719,000, RMB253,570,000 and RMB397,640,000, respectively. Therefore, no additional impairment was recognised during the Relevant Periods. The pre-tax discount rate applied to the cash flow projections, the revenue growth rate, profit margin and the terminal growth rate used to extrapolate the cash flows of the Anhui Memory Solution CGU beyond the five-year period are as follows:

	As at 31 December	As at 31 December	As at 31 December	As at 30 April
	2023	2024	2025	2026
Revenue growth rate	18.8%	11.3%	5.2%	6.7%
Profit margin	12.0%	15.7%	16.1%	24.9%
Pre-tax discount rate	13.8%	14.5%	14.7%	14.9%
Terminal growth rate	0%	0%	0%	0%

The values assigned to the key assumptions on gross profit margin, discount rates and growth rates are consistent with management's past experience and external information sources.

The Group performed the sensitivity analysis based on the assumption that the growth rate, pre-tax discount rate and the income distribution rates have been changed. Had the estimated key assumptions during the forecast period been changed as below, the headroom would have decreased by the following:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue growth rate decreased by 0.5%	25,412	26,484	30,486	41,300
Profit margin decreased by 0.5%	32,535	26,352	28,691	31,276
Pre-tax discount rates increased by 0.2%	16,573	15,066	18,261	22,599

Decreases in the revenue growth rate or profit margin as follows (with other assumptions remaining unchanged) would result in the Anhui Memory Solution CGU's recoverable amount equal to its carrying amount as at 31 December 2023 and 2024:

	As at 31 December 2023	As at 31 December 2024
	Increase/(decrease)	*Increase/(decrease)*
Revenue growth rate	(6.9%)	(5.3%)
Profit margin	(3.3%)	(1.9%)

In the opinion of the directors, no reasonably possible change in any of the key assumptions on which the recoverable amount is based would cause the cash-generating unit's carrying amount to exceed its recoverable amount as at 31 December 2025 and 30 April 2026.

Intelligent JBOF CGU

The recoverable amount of the Intelligent JBOF CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by the senior management.

As at 31 December 2023, the recoverable amount of the Intelligent JBOF CGU to which goodwill was allocated has exceeded the carrying value by RMB30,884,000. As at 31 December 2024, due to the decrease in revenue and the changes in business plan, the recoverable amount of the Intelligent JBOF CGU to which goodwill was allocated was less than the carrying value and an impairment provision of RMB55,551,000 was recognised in 2024.

The pre-tax discount rate applied to the cash flow projections, the revenue growth rate, profit margin and the terminal growth rate used to extrapolate the cash flows of the Intelligent JBOF CGU beyond the five-year period are as follows:

	As at 31 December 2023	As at 31 December 2024
Revenue growth rate	16.7%	33.0%
Profit margin	42.9%	32.1%
Pre-tax discount rate	14.5%	14.5%
Terminal growth rate	0%	0%

The values assigned to the key assumptions on gross profit margin, discount rates and growth rates are consistent with management's past experience and external information sources.

Decreases in the revenue growth rate or profit margin as follows (with other assumptions remaining unchanged) would result in Intelligent JBOF CGU's recoverable amount equal to its carrying amount:

	As at 31 December 2023
	Increase/(decrease)
Revenue growth rate	(12.6%)
Profit margin	(5.6%)

In the opinion of the directors, except for the above, any reasonably possible change in the other key assumptions on which the recoverable amount is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount as at 31 December 2023.

17. OTHER INTANGIBLE ASSETS

The Group

	Software	Patents	IP licenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023				
At 1 January 2023:				
Cost	15,261	604,939	21,689	641,889
Accumulated amortisation	(10,179)	(124,116)	(8,937)	(143,232)
Net carrying amount	5,082	480,823	12,752	498,657
Cost at 1 January 2023, net of accumulated amortisation	5,082	480,823	12,752	498,657
Additions	3,631	—	39,805	43,436
Amortisation provided during the year	(2,634)	(59,577)	(17,681)	(79,892)
Exchange realignment	4	—	—	4
At 31 December 2023	6,083	421,246	34,876	462,205
At 31 December 2023:				
Cost	18,907	604,939	61,495	685,341
Accumulated amortisation	(12,824)	(183,693)	(26,619)	(223,136)
Net carrying amount	6,083	421,246	34,876	462,205
31 December 2024				
At 1 January 2024:				
Cost	18,907	604,939	61,495	685,341
Accumulated amortisation	(12,824)	(183,693)	(26,619)	(223,136)
Net carrying amount	6,083	421,246	34,876	462,205
Cost at 1 January 2024, net of accumulated amortisation	6,083	421,246	34,876	462,205
Additions	22,331	—	33,770	56,101
Amortisation provided during the year	(5,727)	(59,577)	(39,605)	(104,909)
Impairment during the year *(note 7)*	—	(40,883)	—	(40,883)
Exchange realignment	(2)	—	—	(2)
At 31 December 2024	22,685	320,786	29,041	372,512

	Software	Patents	IP licenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2024:				
Cost	41,207	604,939	94,468	740,614
Accumulated amortisation	(18,522)	(284,153)	(65,427)	(368,102)
Net carrying amount	22,685	320,786	29,041	372,512
31 December 2025				
At 1 January 2025:				
Cost	41,207	604,939	94,468	740,614
Accumulated amortisation	(18,522)	(284,153)	(65,427)	(368,102)
Net carrying amount	22,685	320,786	29,041	372,512
Cost at 1 January 2025, net of accumulated amortisation	22,685	320,786	29,041	372,512
Additions	6,530	—	20,869	27,399
Amortisation provided during the year	(10,386)	(54,992)	(32,859)	(98,237)
Disposals	(13)	—	—	(13)
Exchange realignment	(13)	—	—	(13)
At 31 December 2025	18,803	265,794	17,051	301,648
At 31 December 2025:				
Cost	45,702	604,939	91,493	742,134
Accumulated amortisation	(26,899)	(339,145)	(74,442)	(440,486)
Net carrying amount	18,803	265,794	17,051	301,648
30 April 2026				
At 1 January 2026:				
Cost	45,702	604,939	91,493	742,134
Accumulated amortisation	(26,899)	(339,145)	(74,442)	(440,486)
Net carrying amount	18,803	265,794	17,051	301,648
Cost at 1 January 2026, net of accumulated amortisation	18,803	265,794	17,051	301,648
Additions	1,370	—	19,648	21,018
Amortisation provided during the period	(3,078)	(18,331)	(10,436)	(31,845)
Exchange realignment	(7)	—	—	(7)
At 30 April 2026	17,088	247,463	26,263	290,814
At 30 April 2026:				
Cost	47,055	604,939	111,141	763,135
Accumulated amortisation	(29,967)	(357,476)	(84,878)	(472,321)
Net carrying amount	17,088	247,463	26,263	290,814

Patents of the Group were mainly acquired in business combinations and initially recognised at the fair value at the date of acquisition. Due to the decrease in revenue and the operating losses incurred, the Group assessed there were indicators of impairment for patents during the Relevant Periods. The Group performed impairment test on individual asset basis. The recoverable amount has been determined based on the fair value less costs of disposal ("**FVLCD**"). The fair values were determined based on income approach. Based on the impairment assessment, the Group recognised impairment provision balance of RMB40,883,000, RMB40,883,000 and RMB40,883,000 for patents, as at 31 December 2024 and 2025 and as at 30 April 2026, respectively.

The Company

	Software	IP licenses	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2023			
At 1 January 2023:			
Cost	10,552	8,153	18,705
Accumulated amortisation	(6,960)	(4,173)	(11,133)
Net carrying amount	3,592	3,980	7,572
Cost at 1 January 2023, net of accumulated amortisation	3,592	3,980	7,572
Additions	3,050	17,595	20,645
Amortisation provided during the year	(1,867)	(5,157)	(7,024)
At 31 December 2023	4,775	16,418	21,193
At 31 December 2023:			
Cost	13,602	25,748	39,350
Accumulated amortisation	(8,827)	(9,330)	(18,157)
Net carrying amount	4,775	16,418	21,193

	Software	IP licenses	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2024			
At 1 January 2024:			
Cost	13,602	25,748	39,350
Accumulated amortisation	(8,827)	(9,330)	(18,157)
Net carrying amount	4,775	16,418	21,193
Cost at 1 January 2024, net of accumulated amortisation	4,775	16,418	21,193
Additions	19,681	34,527	54,208
Amortisation provided during the year	(4,544)	(22,762)	(27,306)
At 31 December 2024	19,912	28,183	48,095
At 31 December 2024:			
Cost	33,283	60,275	93,558
Accumulated amortisation	(13,371)	(32,092)	(45,463)
Net carrying amount	19,912	28,183	48,095

The Company

	Software	IP licenses	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2025			
At 1 January 2025:			
Cost	33,283	60,275	93,558
Accumulated amortisation	(13,371)	(32,092)	(45,463)
Net carrying amount	19,912	28,183	48,095
Cost at 1 January 2025, net of accumulated amortisation	19,912	28,183	48,095
Additions	6,120	20,869	26,989
Amortisation provided during the year	(9,179)	(32,062)	(41,241)
At 31 December 2025	16,853	16,990	33,843
At 31 December 2025:			
Cost	38,250	79,669	117,919
Accumulated amortisation	(21,397)	(62,679)	(84,076)
Net carrying amount	16,853	16,990	33,843

	Software	IP licenses	Total
	RMB'000	*RMB'000*	*RMB'000*
30 April 2026			
At 1 January 2026:			
Cost	38,250	79,669	117,919
Accumulated amortisation	(21,397)	(62,679)	(84,076)
Net carrying amount	16,853	16,990	33,843
Cost at 1 January 2026, net of accumulated amortisation	16,853	16,990	33,843
Additions	1,347	19,648	20,995
Amortisation provided during the period	(2,691)	(10,414)	(13,105)
At 30 April 2026	15,509	26,224	41,733
At 30 April 2026:			
Cost	39,597	99,317	138,914
Accumulated amortisation	(24,088)	(73,093)	(97,181)
Net carrying amount	15,509	26,224	41,733

18. INVESTMENTS IN AN ASSOCIATE

The Group

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of net assets	27,141	18,959	19,019	25,019

Particulars of the material associate are as follows:

Name	Particulars of issued shares held	Date and place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Hefei Tang Storage Technology Co., Ltd. (合肥大唐存儲科技有限公司)	Ordinary shares	7 June 2018, PRC	2023: 14.75% 2024: 14.75% 2025: 13.08% 2026: 13.08%	Manufacture of Industrial products

The Company has significant influence over Hefei Tang Storage Technology Co., Ltd. ("**Tang Storage**") as it has the power to participate in the financial and operating policy decisions of the entity by appointing a director in the board.

Based on the recent capital injection transaction of the associate, the market price of the equity value has exceeded the carrying amount of the investment in the associate and the Group considers no impairment was required as at the end of the Relevant Periods.

19. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost	1,640,738	1,759,277	1,843,943	1,857,448
Accumulated impairment	—	—	—	—
Net carrying amount	1,640,738	1,759,277	1,843,943	1,857,448

20. INVENTORIES

The Group

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	1,415,250	2,429,753	4,830,806	6,751,863
Finished goods	760,818	1,014,567	1,721,322	3,039,161
Goods in transit	2,915	23,077	—	—
Contract fulfilment cost	6,929	32,081	1,231	763
Materials consigned for processing	362,259	450,298	618,969	1,095,113
Total	2,548,171	3,949,776	7,172,328	10,886,900

The inventories are net of a write-down of approximately RMB94,106,000, RMB503,556,000, RMB58,217,000 and RMB73,637,000 as at 31 December 2023, 2024, 2025 and 30 April 2026, respectively.

The Company

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	386,060	436,851	1,401,042	2,267,686
Finished goods	170,941	189,562	805,774	1,572,231
Materials consigned for processing	189,104	286,567	254,246	616,002
Goods in transit	956	20,691	—	—
Total	747,061	933,671	2,461,062	4,455,919

The inventories are net of a write-down of approximately RMB42,786,000, RMB98,391,000, RMB60,849,000 and RMB35,374,000 as at 31 December 2023, 2024, 2025 and 30 April 2026, respectively.

21. TRADE RECEIVABLES

The Group

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	1,728,972	2,055,171	996,438	2,275,660
Allowance for expected credit losses	(24,066)	(38,067)	(13,806)	(23,118)
Net carrying amount	1,704,906	2,017,104	982,632	2,252,542

The Company

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts due from third parties	920,401	896,918	397,131	625,264
Amounts due from subsidiaries	909,270	1,577,005	1,231,858	1,679,896
Allowance for expected credit losses	(13,359)	(18,420)	(6,904)	(6,264)
Net carrying amount	1,816,312	2,455,503	1,622,085	2,298,896

The Group's trading terms with its customers are mainly on credit. For large and medium-sized customers with large scale and good reputation, the Group generally gives a credit period of 30 to 120 days.

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Long ageing balances are reviewed regularly by senior management. The Group has certain concentration of credit risk as 80.73%, 76.29%, 66.38% and 85.06% of trade receivables were due from the top five customers as at 31 December 2023, 2024, 2025 and 30 April 2026, respectively. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

The balances of trade receivables are non-interest-bearing.

Included in the Group's trade receivables are amounts due from a related party of the Group of RMB23,215,000, RMB5,142,000, RMB213,000 and nil as at 31 December 2023, 2024, 2025 and 30 April 2026, respectively, which are repayable on credit terms similar to those offered to the major customers of the Group (note 35).

As at 31 December 2023 and 2024, certain of the Group's trade receivables with a net carrying amount of approximately RMB832,533,000 and RMB535,510,000 were pledged to secure general credit facilities granted to the Group (note 24).

An aging analysis of the trade receivables as at the end of each of the Relevant Periods, based on the billing date and net of allowance for expected credit losses, is as follows:

The Group

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 3 months	1,546,684	1,607,378	905,434	2,251,958
3 months to 6 months	155,076	392,036	66,103	28
Over 6 months	3,146	17,690	11,095	556
Total	1,704,906	2,017,104	982,632	2,252,542

The Company

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 3 months	1,433,964	1,315,342	1,030,363	1,843,042
3 months to 6 months	382,318	990,374	540,580	455,832
Over 6 months	30	149,787	51,142	22
Total	1,816,312	2,455,503	1,622,085	2,298,896

As at 31 December 2023, 2024, 2025 and 30 April 2026, the trade receivables are either not yet past due or within 1 year past due.

The movements in the allowance for expected credit losses of trade receivables are as follows:

The Group

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of year/period	4,071	24,066	38,067	13,806
Impairment/(reversal of impairment) losses, net *(note 7)*	19,938	13,868	(23,693)	9,484
Exchange realignment	57	133	(568)	(172)
At the end of year/period	24,066	38,067	13,806	23,118

The Company

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of year/period	1,376	13,359	18,420	6,904
Impairment/(reversal of impairment) losses, net	11,983	5,061	(11,516)	(640)
At the end of year/period	13,359	18,420	6,904	6,264

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables.

An impairment analysis is performed at the end of each of the Relevant Periods using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each of the Relevant Periods about past events, current conditions and forecasts of future economic conditions. The Company estimated that the expected loss rate for its trade receivables due from subsidiaries is minimal.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

The Group

	As at 31 December			As at 30 April
	2023	2024	2025	2026
Expected credit loss rate	1.39%	1.85%	1.39%	1.02%
Gross carrying amount *(RMB'000)*	1,728,972	2,055,171	996,438	2,275,660
Expected credit losses *(RMB'000)*	24,066	38,067	13,806	23,118

The Company

	As at 31 December			As at 30 April
	2023	2024	2025	2026
Expected credit loss rate	1.45%	2.05%	1.74%	1.00%
Gross carrying amount *(RMB'000)*	920,401	896,918	397,131	625,264
Expected credit losses *(RMB'000)*	13,359	18,420	6,904	6,264

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets				
Prepayments	180,969	77,589	621,526	3,681,819
Deposits and other receivables*	1,465	2,177	1,206	2,983
VAT recoverable	77,636	317,362	196,843	263,565
Deferred listing expenses	—	—	3,852	4,291
	260,070	397,128	823,427	3,952,658
Less: Impairment of other receivables**	—	—	—	—
	260,070	397,128	823,427	3,952,658
Non-current assets				
Deposits and other receivables*	2,752	2,493	3,414	5,012
Prepayment for long-term assets	896	4,249	11,201	3,536
Others	244	329	252	218
	3,892	7,071	14,867	8,766
Less: Impairment of other receivables**	—	—	—	—
	3,892	7,071	14,867	8,766

As at 30 April 2026, the Group made a prepayment of RMB3,489,085,000 to a supplier for the purchase of raw materials.

* Deposits and other receivables are unsecured, non-interest-bearing and repayable on demand.

** As at 31 December 2023, 2024 and 2025 and as at 30 April 2026 the impairment of the financial assets included in prepayments, other receivables and other assets were measured based on 12-month expected credit loss if they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on lifetime expected credit loss. The Group estimated that the expected loss rate for its other receivables is minimal.

The Company

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets				
Prepayments	67,627	11,870	25,336	29,452
Deposits and other receivables	363	97	878	2,117
Amounts due from subsidiaries	28,283	1,491,524	2,256,107	5,378,358
VAT recoverable	19,772	158,155	163,947	241,549
Deferred listing expenses	—	—	3,852	4,291
	116,045	1,661,646	2,450,120	5,655,767
Less: Impairment of other receivables	—	—	—	—
	116,045	1,661,646	2,450,120	5,655,767
Non-current assets				
Deposits and other receivables	790	1,172	1,025	1,771
Prepayment for long-term assets	10	2,333	10,364	1,785
Others	—	205	170	151
	800	3,710	11,559	3,707
Less: Impairment of other receivables	—	—	—	—
	800	3,710	11,559	3,707

23. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

The Group

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	254,714	290,790	562,663	624,593
Less:				
Restricted bank deposits*	—	(15,000)	(49)	—
Cash and cash equivalents	254,714	275,790	562,614	624,593

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances Denominated in				
— RMB	150,490	266,622	488,896	175,817
— USD	103,332	23,338	73,370	448,583
— Others	892	830	397	193
Total	254,714	290,790	562,663	624,593

The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

* As at 31 December 2024, the restricted bank deposits amounted to RMB 15,000,000, were secured for certain letters of credit.

The Company

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	108,915	206,796	397,394	96,712
Less:				
Restricted bank deposits	—	(15,000)	(35)	—
Cash and cash equivalents	108,915	191,796	397,359	96,712

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances Denominated in				
— RMB	105,280	202,279	376,354	90,260
— USD	3,635	4,517	21,040	6,452
Total	108,915	206,796	397,394	96,712

24. INTEREST-BEARING BANK AND OTHER BORROWINGS

The Group

	As at 31 December 2023			As at 31 December 2024			As at 31 December 2025			As at 30 April 2026		
	Effective Interest rate (%)	*Maturity*	*RMB'000*	*Effective Interest rate (%)*	*Maturity*	*RMB'000*	*Effective Interest rate (%)*	*Maturity*	*RMB'000*	*Effective Interest rate (%)*	*Maturity*	*RMB'000*
Current												
Bank loans — secured (a) & (b)	3.40–4.80	2024	1,248,811	2.08–4.93	2025	2,512,413	2.50–3.30	2026	1,997,846	2.25–3.20	2026–2027	2,347,806
Bank loans — unsecured (e)	—	—	—	3.65	2025	42,554	3.10	2026	92,594	2.20–2.90	2026–2027	1,664,252
Other loans — secured (c)	7.88–7.92	2024	765,012	6.83–7.58	2025	660,256	—	—	—	2.30	2026	190,486
Current portion of long-term bank loans — secured (a) & (b)	4.00–4.70	2024	206,024	2.90–4.40	2025	113,677	2.60–3.55	2026	309,728	2.40–2.80	2026–2027	496,347
Current portion of long-term bank loans — unsecured (e)	3.60	2024	1,960	3.25	2025	40	3.25	2026	40	2.65–3.55	2026–2027	128,564
Related party loans (d)	4.00	2024	3,005	3.10–3.45	2025	275,590	—	—	—	—	—	—
Total — current			2,224,812			3,604,530			2,400,208			4,827,455
Non-current												
Bank loans — secured (a)	4.00–4.70	2025	50,000	2.90–4.40	2026	58,000	2.60–3.55	2027	809,400	2.40–2.80	2027–2028	813,280
Bank loans — unsecured (e)	—	—	—	3.25	2026–2027	7,140	3.25	2027	7,100	2.65–3.55	2027–2029	473,090
Total — non-current			50,000			65,140			816,500			1,286,370
Total			2,274,812			3,669,670			3,216,708			6,113,825

	31 December 2023	31 December 2024	31 December 2025	30 April 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analysed into:				
Bank loans and other loans repayable:				
Within one year or on demand	1,456,795	2,668,684	2,400,208	4,636,969
In the second year	50,000	58,040	816,500	1,126,370
In the third to fifth years, inclusive	—	7,100	—	160,000
Subtotal	1,506,795	2,733,824	3,216,708	5,923,339
Other borrowings and related party repayable:				
Within one year or on demand	768,017	935,846	—	190,486
Subtotal	768,017	935,846	—	190,486
Total	2,274,812	3,669,670	3,216,708	6,113,825

The Company

	As at 31 December 2023			As at 31 December 2024			As at 31 December 2025			As at 30 April 2026		
	Effective Interest rate (%)	*Maturity*	*RMB'000*	*Effective Interest rate (%)*	*Maturity*	*RMB'000*	*Effective Interest rate (%)*	*Maturity*	*RMB'000*	*Effective Interest rate (%)*	*Maturity*	*RMB'000*
Current												
Bank loans — secured	3.40–4.80	2024	1,170,535	2.70–4.93	2025	2,416,299	2.50–3.30	2026	1,990,256	2.25–3.20	2026–2027	2,340,215
Bank loans unsecured	—	—	—	—	—	—	—	—	—	2.20–2.85	2026–2027	1,471,410
Other loans secured	—	—	—	—	—	—	—	—	—	2.30	2026	190,486
Current portion of long-term bank loans — secured	4.00–4.70	2024	206,024	2.90–4.40	2025	113,677	2.60–3.55	2026	309,728	2.40–2.80	2026–2027	493,245
Current portion of long-term bank loans — unsecured	—	—	—	—	—	—	—	—	—	2.65–3.55	2026–2027	128,499
Related party loans	—	—	—	3.10–3.45	2025	275,590	—	—	—	—	—	—
Total — current			1,376,559			2,805,566			2,299,984			4,623,855
Non-current												
Bank loans — secured	4.00–4.70	2025	50,000	2.90–4.40	2026	58,000	2.60–3.55	2027	809,400	2.40–2.80	2027–2028	666,280
Bank loans — unsecured	—	—	—	—	—	—	—	—	—	2.65–3.55	2028–2029	466,000
Total — non-current			50,000			58,000			809,400			1,132,280
Total			1,426,559			2,863,566			3,109,384			5,756,135

	31 December 2023	31 December 2024	31 December 2025	30 April 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analysed into:				
Bank loans repayable:				
Within one year or on demand	1,376,559	2,529,976	2,299,984	4,433,369
In the second year	50,000	58,000	809,400	972,280
In the third to fifth years, inclusive	—	—	—	160,000
Subtotal	1,426,559	2,587,976	3,109,384	5,565,649
Other borrowings and related party repayable:				
Within one year or on demand	—	275,590	—	190,486
Subtotal	—	275,590	—	190,486
Total	1,426,559	2,863,566	3,109,384	5,756,135

Notes:

(a) The Company's controlling shareholder has guaranteed for the Group's bank loans as at 31 December 2023, 2024, 2025 and 30 April 2026 (note 35).

(b) Except for a 2.08% secured bank loan amounting to RMB1,115,000 was denominated in TWD as at 31 December 2024, a 4.02% secured bank loan amounting to RMB154,114,000, a 4.93% secured loan amounting to RMB145,500,000 were denominated in USD as at 31 December 2023 and 2024, respectively, all other bank loans were denominated in RMB.

(c) The other loans as at 31 December 2023 and 2024 were dominated in USD and represented the borrowings from a financial institution of Xiaomi Finance H.K. Limited. The other loans as at 30 April 2026 were dominated in RMB and borrowed from a trust company in Chinese Mainland.

The other loans, amounting to RMB765,012,000 and RMB660,256,000, as at 31 December 2023 and 2024 respectively, were secured by the pledge of certain of the Group's trade receivables (note 21).

(d) The related party loans were dominated in RMB and represented the borrowings from related parties named Wang Wenhua, a director of a subsidiary, and Wu Yisheng, the controlling shareholder, which were fully settled in 2024 and 2025 respectively (note 35).

(e) The bank loans guaranteed by the Company and/or certain subsidiaries of the Group amounted to nil, RMB42,554,000, RMB92,588,000 and RMB2,258,750,000 as at 31 December 2023, 2024, 2025 and 30 April 2026, respectively.

25. TRADE PAYABLES

The Group

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	1,342,195	1,062,787	2,330,866	2,860,851

The Company

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables due to third parties	168,807	353,295	484,244	543,818
Trade payables due to subsidiaries	69,994	14,696	1,052	4,611
	238,801	367,991	485,296	548,429

The trade payables are non-interest-bearing and are normally settled on 30-90 days terms.

Included in the Group's trade payables are amounts due to a related party of the Group of RMB220,066,000, RMB100,479,000, RMB276,260,000 and RMB356,273,000 as at 31 December 2023, 2024, 2025 and 30 April 2026, respectively, which are settled on payment terms similar to those offered by the major suppliers of the Group (note 35).

An aging analysis of the trade payables as at the end of each of the Relevant Periods, based on the date of goods received from the suppliers, is as follows:

The Group

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	1,340,939	1,060,228	2,326,655	2,855,018
Over one year	1,256	2,559	4,211	5,833
Total	1,342,195	1,062,787	2,330,866	2,860,851

The Company

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	238,791	367,943	484,342	546,918
Over one year	10	48	954	1,511
Total	238,801	367,991	485,296	548,429

26. CONTRACT LIABILITIES

The Group

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Short-term advances received from customers				
Sale of products	45,075	17,531	85,584	653,606

The Company

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Short-term advances received from customers				
Sale of products	2,478	1,373	10,241	432,846

Contract liabilities include payments from the customers based on sales order in advance of delivery of products under the contracts.

27. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payables for long-term assets purchase	17,325	30,116	22,424	18,130
Payroll payables	56,798	81,222	98,389	56,256
Other payables and accruals *(note a)*	9,417	29,526	23,353	15,129
Investment received in advance *(note b)*	9,200	—	—	—
Advance payment from a customer *(note c)*	31,160	34,712	31,150	4,621
Redemption liabilities on ordinary shares *(note d)*	—	31,317	33,117	33,708
Listing expenses payables	—	—	8,716	2,017
Other tax payables	7,125	7,168	9,720	61,674
Total	131,025	214,061	226,869	191,535

The Company

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payments for long-term assets purchase	7,947	23,100	17,802	15,407
Payroll payables	16,592	33,326	48,835	26,891
Other payables due to subsidiaries	125,872	164,769	573,603	668,301
Other payables and accruals	4,002	4,866	17,744	8,287
Investment received in advance *(note b)*	9,200	—	—	—
Redemption liabilities on ordinary shares *(note d)*	—	31,317	33,117	33,708
Listing expenses payables	—	—	8,716	2,017
Other tax payables	1,418	1,098	2,414	57,098
Total	165,031	258,476	702,231	811,709

(a) As at 31 December 2024, other payables and accruals included amount of RMB14,814,000 payable to a third party, which bears interests at 5.38% per annum and repaid in full in 2025. The interests charged on the other payables for the years ended 31 December 2024 and 2025 were RMB315,000 and RMB150,000, respectively (note 8).

(b) The Group received the prepayment of capital contribution from one potential investor, in the amount of RMB 9,200,000. The binding agreements have not been finalised and the amounts were recognised as other payables as at 31 December 2023. The capital contribution was completed in April 2024.

(c) It represented advance payments received from a customer, which will be refunded on proportional basis when the goods are delivered to the customer. In November 2025, it has been agreed that the advance payments will be used to settle the consideration receivables from the customers for the sales of goods. During the year ended 31 December 2025 and the four months ended 30 April 2026, the amount of RMB14,972,000 and RMB26,529,000 of advance payments were offset with the trade receivables from the customer, respectively.

(d) Pursuant to the share subscription agreement dated March 20, 2024 (the "**Agreement**"), the Company issued 1,304,348 ordinary shares to Fengzhang Qingyu, one of the Series D Investors (a Pre-IPO investor), for a total cash proceed of RMB30,000,000. Pursuant to the Agreement, Fengzhang Qingyu was granted by the Company with redemption rights to request the Company to repurchase part or all of the equity held by Fengzhang Qingyu at a price equal to the sum of the invested principal and accrued returns calculated at a 6% annualized return, when the corresponding redemption event is triggered (the "**Redemption Right**").

In December 2025, the Company and the Pre-IPO Investor subsequently entered into a supplemental agreement to the Agreement (the "**Supplemental Agreement**"). It was agreed that the Redemption Right shall be irrevocably terminated as of the day preceding the date of lodging the application under the Hong Kong Public Offering (the "**Application**"). If the

Company fails to obtain approval for the listing from any competent authority, withdraws the Application, or fails to fulfil the conditions for the listing within the time specified in the Agreement, all terminated special rights (including the Redemption Right) shall be automatically and retroactively reinstated from the date when such an event is triggered.

As the Agreements give rise to redemption obligation of the Company, upon the issuance of shares, the Company classifies the ordinary shares as financial liabilities measured at amortised cost using the effective interest rate method and debited to other reserve in equity. The redemption liabilities on ordinary shares were presented as current liabilities as not all triggering events were within the control of the Company.

The movements of financial liabilities on ordinary shares are set out as follows:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at 1 January	—	—	31,317	33,117
Recognition of redemption liabilities	—	30,000	—	—
Accretion of interest recognised during the year/period	—	1,317	1,800	591
Carrying amount at 31 December/30 April	—	31,317	33,117	33,708
Analysed into:				
Current portion	—	31,317	33,117	33,708

Except for the other payables mentioned above, other payables are non-interest-bearing and have no fixed terms of settlement.

28. DEFERRED TAX

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

The Group

Deferred tax assets

	Impairment of trade receivables	Write-down of inventories to net realisable value	Lease liabilities	Deferred income	Tax losses	Temporary difference on unrealised profit from internal transactions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	710	65,567	5,931	457	145,296	668	218,629
Deferred tax credited/(charged) to profit or loss during the year	3,347	(48,784)	(489)	(219)	48,275	10,642	12,772
Exchange Realignment	—	—	—	—	1,508	—	1,508
At 31 December 2023 and 1 January 2024	4,057	16,783	5,442	238	195,079	11,310	232,909
Deferred tax credited/(charged) to profit or loss during the year	1,710	66,135	1,813	(160)	(107,145)	8,227	(29,420)
Exchange Realignment	—	—	—	—	1,458	—	1,458
At 31 December 2024 and 1 January 2025	5,767	82,918	7,255	78	89,392	19,537	204,947
Deferred tax (charged)/credited to profit or loss during the year	(3,668)	(73,721)	(296)	(78)	(39,924)	28,420	(89,267)
Exchange Realignment	—	—	—	—	(1,192)	—	(1,192)
At 31 December 2025 and 1 January 2026	2,099	9,197	6,959	—	48,276	47,957	114,488
Deferred tax credited/(charged) to profit or loss during the period	1,547	2,949	1,715	—	(17,879)	102,946	91,278
Exchange Realignment	—	—	—	—	(264)	—	(264)
At 30 April 2026	3,646	12,146	8,674	—	30,133	150,903	205,502

Deferred tax liabilities

	Right-of-use assets	Fair value adjustment from business combination	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	5,626	115,636	121,262
Deferred tax credited to profit or loss during the year	(280)	(14,828)	(15,108)
At 31 December 2023 and 1 January 2024	5,346	100,808	106,154
Deferred tax charged/(credited) to profit or loss during the year	1,665	(20,572)	(18,907)
At 31 December 2024 and 1 January 2025	7,011	80,236	87,247
Deferred tax credited to profit or loss during the year	(87)	(13,748)	(13,835)
At 31 December 2025 and 1 January 2026	6,924	66,488	73,412
Deferred tax charged/(credited) to profit or loss during the period	1,666	(4,583)	(2,917)
At 30 April 2026	8,590	61,905	70,495

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	179,216	154,431	69,143	166,752
Net deferred tax liabilities recognised in the consolidated statement of financial position	52,461	36,731	28,067	31,745

Deferred tax assets have not been recognised in respect of the following items:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deductible temporary differences	—	1,261	499	576
Tax losses	247,057	488,749	611,942	633,342

The Group has accumulated tax losses in Chinese Mainland of RMB187,955,000, RMB419,533,000, RMB550,099,000 and RMB571,106,000 in aggregate as at 31 December 2023, 2024, 2025 and 30 April 2026, respectively, which available to offset against future taxable profits of the companies in which the losses were incurred within the next one to ten years.

The Group also has accumulated tax losses in Taiwan of RMB59,102,000, RMB69,216,000, RMB61,843,000 and RMB62,236,000 in aggregate as at 31 December 2023, 2024, 2025 and 30 April 2026, respectively, that can be carried forward indefinitely to offset against future taxable profits of the companies in which losses were incurred.

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits in foreseeable future will be available against which the tax losses can be utilised.

The Company

Deferred tax assets

	Impairment of trade receivables	Write-down of inventories to net realisable value	Lease liabilities	Tax losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	206	16,940	2,201	38,729	58,076
Deferred tax credited/(charged) to profit or loss during the year	1,798	(10,522)	(558)	20,155	10,873
At 31 December 2023 and 1 January 2024	2,004	6,418	1,643	58,884	68,949
Deferred tax credited/(charged) to profit or loss during the year	759	8,341	13	(58,884)	(49,771)
At 31 December 2024 and 1 January 2025	2,763	14,759	1,656	—	19,178
Deferred tax charged to profit or loss during the year	(1,727)	(5,632)	(155)	—	(7,514)
At 31 December 2025 and 1 January 2026	1,036	9,127	1,501	—	11,664
Deferred tax (charged)/ credited to profit or loss during the period	(97)	(3,821)	1,274	—	(2,644)
At 30 April 2026	939	5,306	2,775	—	9,020

Deferred tax liabilities

	Right-of-use assets
	RMB'000
At 1 January 2023	1,952
Deferred tax credited to profit or loss during the year	(537)
At 31 December 2023 and 1 January 2024	1,415
Deferred tax charged to profit or loss during the year	14
At 31 December 2024 and 1 January 2025	1,429
Deferred tax credited to profit or loss during the year	(73)
At 31 December 2025 and 1 January 2026	1,356
Deferred tax charged to profit or loss during the period	1,316
At 30 April 2026	2,672

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Company for financial reporting purposes:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the statement of financial position . . .	67,534	17,749	10,308	6,348

29. SHARE CAPITAL

The Group and the Company

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Registered, issued and fully paid:				
Ordinary shares	442,650	449,354	467,814	467,814

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital
		RMB'000
At 1 January 2023	406,233,275	406,233
Capital contribution by shareholders*	36,416,848	36,417
At 31 December 2023 and 1 January 2024	442,650,123	442,650
Capital contribution by shareholders**	6,704,348	6,704
At 31 December 2024 and 1 January 2025	449,354,471	449,354
Capital contribution by shareholders***	18,459,613	18,460
At 31 December 2025 and 1 January 2026	467,814,084	467,814
Capital contribution by shareholders	—	—
At 30 April 2026	467,814,084	467,814

* During the year ended 31 December 2023, the Company received capital contributions of RMB476,683,000 from 10 investors. The capital contributions increased the share capital and capital reserve by RMB36,417,000 and RMB440,266,000, respectively.

** During the year ended 31 December 2024, the Company received capital contributions of RMB54,200,000 from 3 investors, of which, RMB9,200,000 was received in advance in 2023. The capital contributions increased the share capital and capital reserve by RMB6,704,000 and RMB47,496,000, respectively.

*** During the year ended 31 December 2025, the Company received capital contributions of RMB338,512,000 from 6 investors. The capital contributions increased the share capital and capital reserve by RMB18,460,000 and RMB320,052,000, respectively.

30. SHARE BASED PAYMENTS

Share incentive scheme

The Group approved and adopted the share incentive schemes in order to recognise the past contributions of the eligible participants and incentivise them to further promote the development of the Group.

In order to implement the share incentive schemes, Hosintai Enterprise Management Partnership (L.P.) ("**Hosintai**"), Ningbo Meishan Bonded Port Area Zhaohan Investment Limited Partnership (Limited Partnership) ("**Ningbo Zhaohan**"), Ningbo Meishan Bonded Port Area Zhaoxin Investment Limited Partnership (Limited Partnership) ("**Ningbo Zhaoxin**") and Shenzhen Hongxintai No.2 Enterprise Management Partnership (Limited Partnership) ("**Hongxintai No.2**") were designated as share incentive platforms to hold the shares specially awarded to the eligible participants as the ultimate beneficial owners. The Group has no control over the share incentive platforms.

On 10 October 2019, the Group granted 4,000,000 restricted share units ("**RSUs**") of the Company to 27 eligible employees at a subscribed price of RMB2.20 per share through Hosintai Except for the 1,810,000 RSUs granted to the controlling shareholder which were vested immediately, the vesting of the other RSUs granted is subject to the service condition and the IPO Condition. On 10 March 2021, the Group granted 5,315,500 RSUs of the Company to 125 eligible employees at a subscribed price of RMB2.60 per share, of which, 1,668,000 RSUs, 2,180,000 RSUs and 1,467,500 RSUs were granted through Hosintai, Ningbo Zhaohan and Ningbo Zhaoxin, respectively. Except for the 2,858,000 RSUs granted to the controlling shareholder which were vested immediately, the vesting of the other RSUs granted is subject to the service condition and the IPO Condition. The IPO Condition would be satisfied when the ordinary shares of the Company are successfully listed on a recognised stock exchange.

On 4 November 2021, the Group granted 3,203,500 share options of the Company to 158 eligible employees with the exercise price of RMB3.00 per share. The share options were granted through Hongxintai No.2 and the options granted were exercised in March 2023 for 2,881,500 RSUs of the Company. Except for the 500,000 RSUs granted to the controlling shareholder which were vested immediately, the vesting of the other RSUs granted is subject to the service condition and the IPO Condition.

On 10 May 2023, the Group granted 14,971,000 RSUs of the Company to 304 eligible employees at a subscribed price of RMB3.00 per share through Hongxintai No.2. Except for the 2,671,000 RSUs granted to the controlling shareholder which were vested immediately, the vesting of the other RSUs granted is subject to the service condition and the IPO Condition.

On 9 August 2024, the Group granted 9,303,000 RSUs of the Company to 180 eligible employees at a subscribed price of RMB3.00 per share through Hosintai. The vesting of the RSUs granted is subject to the service condition and the IPO Condition.

Share option scheme

On 18 December 2025, the share option scheme was approved and adopted by the written resolutions of all the shareholders of the Company.

On 18 December 2025, the Company granted 6,100,000 share options of the Company to 46 eligible employees with the exercise price of RMB3.00 per share, pursuant to the share option scheme.

The share options are subject to a vesting in tranches from the grant date over a service period, on condition that employees remain in service and meet certain performance requirements. The vesting of share options is also subject to the IPO Condition.

The fair value of the RSUs granted were estimated as at the grant date by reference to recent transaction prices.

The fair values of the share option granted were estimated as at the grant date by using a binomial model. The following table lists the key inputs to the fair value model used:

	4 November 2021	18 December 2025
Expected volatility (%)	60.00	62.71–67.86
Risk-free interest rate (%)	2.27	1.38–1.45
Expected life of options (year)	1.08	1.5–3.5
Weighted average share price	14.00	23.00

The following table summarises the activities under the Company's share incentive schemes and share option scheme during the Relevant Periods:

	Number of Share options	Number of RSUs
At 1 January 2023	3,023,500	4,562,000
Granted during the year	—	15,375,000
Exercised during the year	(2,881,500)	2,881,500
Vested during the year	—	(3,441,000)
Forfeited during the year	(142,000)	(404,000)
At 31 December 2023 and 1 January 2024	—	18,973,500
Granted during the year	—	10,504,000
Vested during the year	—	(122,000)
Forfeited during the year	—	(1,201,000)
At 31 December 2024 and 1 January 2025	—	28,154,500
Granted during the year	6,100,000	2,490,500
Vested during the year	—	(12,000)
Forfeited during the year	—	(2,490,500)
At 31 December 2025 and 1 January 2026	6,100,000	28,142,500
Granted during the period	—	60,900
Vested during the period	—	(60,900)
Forfeited during the period	(5,000)	(95,900)
At 30 April 2026	6,095,000	28,046,600

During the years ended 31 December 2023, 2024, 2025 and the four months ended 30 April 2025 and 2026, the Group recorded share-based payment expenses of RMB85,765,000, RMB67,742,000, RMB81,584,000, RMB28,541,000 and RMB55,030,000, respectively.

31. RESERVES

The Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of changes in equity of the Historical Financial Information.

Capital reserve

The capital reserve represents the difference between the par value of the shares issued and the consideration received, the reserves arising from the transactions with the non-controlling shareholders, and the deemed capital contribution from shareholders.

Other reserve

The other reserve represents the debt amount of the financial liabilities on ordinary shares upon initial recognition and the reserves arising from equity accounting of investment in an associate.

Share based payment reserve

Share based payment reserve represents the share-based compensation reserve due to equity-settled share award, details of which were set out in note 30 to the Historical Financial Information.

Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations with functional currency other than RMB.

Statutory surplus reserve

In accordance with the Company Law of the PRC, companies registered in the PRC are required to allocate 10% of the statutory after-tax profits to the statutory surplus reserve until the cumulative total of the reserve reaches 50% of its registered capital. The statutory surplus reserve may be used to offset accumulated losses or be converted to increase the registered capital of such companies subject to approval from the relevant PRC authorities. The statutory surplus reserve is not available for dividend distribution to shareholders of such companies.

The Company

The amounts of the Company's reserves and the movements therein for the Relevant Periods and the four months ended 30 April 2025 are presented as follows:

	Capital reserve	Share based payment reserve	Other reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	2,048,936	44,208	—	(294,661)	1,798,483
Loss for the year	—	—	—	(57,105)	(57,105)
Total comprehensive loss for the year	—	—	—	(57,105)	(57,105)
Equity-settled share-based payments	—	85,765	—	—	85,765
Issue of shares	440,266	—	—	—	440,266
At 31 December 2023	2,489,202	129,973	—	(351,766)	2,267,409

	Capital reserve	Share based payment reserve	Other reserve	Statutory surplus reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	2,489,202	129,973	—	—	(351,766)	2,267,409
Profit for the year	—	—	—	—	842,739	842,739
Total comprehensive income for the year	—	—	—	—	842,739	842,739
Equity-settled share-based payments	—	67,742	—	—	—	67,742
Issue of shares	47,496	—	—	—	—	47,496
Recognition of redemption liabilities on ordinary shares	—	—	(30,000)	—	—	(30,000)
Transferred from retained profits	—	—	—	49,097	(49,097)	—
At 31 December 2024	2,536,698	197,715	(30,000)	49,097	441,876	3,195,386

	Capital reserve	Share based payment reserve	Other reserve	Statutory surplus reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	2,536,698	197,715	(30,000)	49,097	441,876	3,195,386
Profit for the year	—	—	—	—	488,344	488,344
Total comprehensive income for the year	—	—	—	—	488,344	488,344
Equity-settled share-based payments	—	81,584	—	—	—	81,584
Issue of shares	320,052	—	—	—	—	320,052
Transferred from retained profits	—	—	—	48,834	(48,834)	—
At 31 December 2025	2,856,750	279,299	(30,000)	97,931	881,386	4,085,366

	Capital reserve	Share based payment reserve	Other reserve	Statutory surplus reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	2,856,750	279,299	(30,000)	97,931	881,386	4,085,366
Profit for the period	—	—	—	—	2,210,371	2,210,371
Total comprehensive income for the period	—	—	—	—	2,210,371	2,210,371
Equity-settled share-based payments	—	55,030	—	—	—	55,030
At 30 April 2026	2,856,750	334,329	(30,000)	97,931	3,091,757	6,350,767

	Capital reserve	Share based payment reserve	Other reserve	Statutory surplus reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	2,536,698	197,715	(30,000)	49,097	441,876	3,195,386
Loss for the period	—	—	—	—	(56,208)	(56,208)
Total comprehensive loss for the period	—	—	—	—	(56,208)	(56,208)
Equity-settled share-based payments	—	28,541	—	—	—	28,541
Issue of shares	320,052	—	—	—	—	320,052
At 30 April 2025(unaudited)	2,856,750	226,256	(30,000)	49,097	385,668	3,487,771

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods and the four months ended 30 April 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB14,263,000, RMB25,259,000, RMB25,904,000, RMB17,065,000 and RMB3,912,000, respectively, in respect of lease arrangements for office premises.

(b) Changes in liabilities arising from financing activities

	Lease liabilities	Other payable	Interest-bearing bank and other borrowings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	31,293	—	1,456,784	1,488,077
Additions	14,263	—	—	14,263
Changes from financing cash flows	(16,010)	—	750,815	734,805
Accretion of interest	1,508	—	70,834	72,342
Early termination of lease liabilities	(2,317)	—	—	(2,317)
Foreign exchange movement	45	—	(3,621)	(3,576)
At 31 December 2023	28,782	—	2,274,812	2,303,594
At 1 January 2024	28,782	—	2,274,812	2,303,594
Additions	25,259	—	—	25,259
Changes from financing cash flows	(17,129)	14,492	1,232,748	1,230,111
Accretion of interest	1,552	315	151,423	153,290
Early termination of lease liabilities	(186)	—	—	(186)
Foreign exchange movement	43	—	10,687	10,730
At 31 December 2024	38,321	14,807	3,669,670	3,722,798
At 1 January 2025	38,321	14,807	3,669,670	3,722,798
Additions	25,904	3,852	—	29,756
Changes from financing cash flows	(19,819)	(16,619)	(579,394)	(615,832)
Accretion of interest	1,601	150	134,293	136,044
Early termination of lease liabilities	(8,003)	—	—	(8,003)
Foreign exchange movement	69	(148)	(7,861)	(7,940)
At 31 December 2025	38,073	2,042	3,216,708	3,256,823
At 1 January 2026	38,073	2,042	3,216,708	3,256,823
Additions	17,065	439	—	17,504
Changes from financing cash flows	(5,245)	(2,043)	2,855,647	2,848,359
Accretion of interest	497	—	41,470	41,967
Early termination of lease liabilities	(2)	—	—	(2)
Foreign exchange movement	(55)	—	—	(55)
At 30 April 2026	50,333	438	6,113,825	6,164,596
At 1 January 2025	38,321	14,807	3,669,670	3,722,798
Additions	3,912	—	—	3,912
Changes from financing cash flows	(5,481)	(14,809)	82,833	62,543
Accretion of interest	527	150	43,277	43,954
Foreign exchange movement	74	(148)	891	817
At 30 April 2025 (unaudited)	37,353	—	3,796,671	3,834,024

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows are as follows:

	Year ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Within operating activities	4,590	3,379	4,286	1,492	460
Within financing activities	16,010	17,129	19,819	5,481	5,245
Total	20,600	20,508	24,105	6,973	5,705

33. COMMITMENTS

The Group had the following capital commitments at the end of each reporting period:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contracted, but not provided for:				
Purchases of property, plant and equipment	4,723	9,430	5,034	24,143
Additions of intangible assets	5,004	3,450	9,648	5,236
Total	9,727	12,880	14,682	29,379

34. RELATED PARTY TRANSACTIONS

The Directors are of the view that the following companies are related parties that have material transactions or balances with the Group during the Relevant Periods and the four months ended 30 April 2025.

(a) Name and relationships of the related parties

Name	Relationship
Phison Electronics and its subsidiaries ("**Phison Electronics**")	Phison Electronics is one of the substantial Shareholders.
Mr. Wu Yisheng	Controlling shareholder
Ms. Liang Qiyan	Director
Mr. Wang Wenhua	Director of a subsidiary

(b) The Group had the following transactions with related parties during the Relevant Periods and the four months ended 30 April 2025:

	Year ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Purchases of products or services from:					
Phison Electronics	576,670	999,716	1,276,915	342,979	547,936
Sales of products or services to:					
Phison Electronics	76,183	19,298	1,321	601	—
Loans borrowed from:					
Mr. Wu Yisheng*	28,500	360,000	—	—	—
Repayment of loans to:					
Mr. Wu Yisheng*	29,187	92,035	277,222	277,222	—
Mr. Wang Wenhua**	—	3,046	—	—	—
Total	29,187	95,081	277,222	277,222	—
Deemed capital contributions from a shareholder:					
Phison Electronics***	7,000	9,000	14,720	—	—

The above purchase and sales of products or services were made according to the published prices and terms agreed between the parties.

* The loans from Mr. Wu Yisheng, were unsecured and non-trade in nature with an interest rate of 3.10%–3.45% p.a. and were repaid in 2025. The repayment of loans included principal and interest.

** The loans from Mr. Wang Wenhua were unsecured and non-trade in nature with an interest rate of 4.00% p.a. and were repaid in 2024. The repayment of loans included principal and interest.

*** The deemed capital contribution represented the compensation received pursuant to an arrangement with Phison Electronics, which was accounted for as equity transactions during the Relevant Periods.

(c) Guarantees provided by related parties:

As at 31 December 2023:

Guarantees provided by:	Amount	Duration
	RMB'000	
Mr. Wu Yisheng	1,454,835	2022–2025
Mr. Wu Yisheng	50,000	2023–2025

As at 31 December 2024:

Guarantees provided by:	Amount	Duration
	RMB'000	
Mr. Wu Yisheng	2,626,090	2023–2026
Mr. Wu Yisheng	58,000	2024–2026

As at 31 December 2025:

Guarantees provided by:	Amount	Duration
	RMB'000	
Mr. Wu Yisheng	2,307,575	2024–2027
Mr. Wu Yisheng	809,400	2025–2027

As at 30 April 2026:

Guarantees provided by:	Amount	Duration
	RMB'000	
Mr. Wu Yisheng	3,034,639	2025–2028
Mr. Wu Yisheng	813,280	2025–2028

The above guarantees by related parties are expected to be released before listing.

(d) Outstanding balances with related parties:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables:				
Phison Electronics	23,215	5,142	213	—
Trade payables:				
Phison Electronics	220,066	100,479	276,260	356,273
Other payables and accruals:				
Phison Electronics	3,520	228	3,958	—
Interest-bearing bank and other borrowings:				
Mr. Wu Yisheng	—	275,590	—	—
Mr. Wang Wenhua	3,005	—	—	—
Total	3,005	275,590	—	—

Except for the borrowings from related parties which were non-trade and fully settled in 2025, all other balances with related parties are trade in nature.

(e) Compensation of key management personnel of the Group

	Year ended 31 December			Four months ended 30 April	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	3,077	3,730	4,796	1,352	1,876
Performance related bonuses	771	1,224	1,791	436	524
Pension scheme contributions	350	428	613	168	229
Share-based payments	58,790	11,907	13,851	3,228	19,620
Total	62,988	17,289	21,051	5,184	22,249

Further details of directors' and the chief executive's remuneration are included in note 9 to the Historical Financial Information.

(f) Redemption rights granted by controlling shareholders

Mr. Wu, one of the controlling shareholders, has granted redemption rights to certain pre-IPO investors of the Group. These redemption rights were terminated prior to the first submission of the listing application and will be restored if the listing does not take place, including but not limited to the withdrawal, rejection or return of the listing application.

The Company has not provided any form of guarantee in connection with any potential failure of Mr. Wu to fulfil his obligations relating to the redemption rights granted by him. Accordingly, no financial liability regarding redemption rights granted by Mr. Wu was recorded by the Company during Relevant Periods.

35. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

Financial assets

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at amortised cost:				
Cash and cash equivalents	254,714	275,790	562,614	624,593
Restricted bank deposits	—	15,000	49	—
Trade receivables	1,704,906	2,017,104	982,632	2,252,542
Financial assets included in prepayments, other receivables and other assets	4,217	4,670	4,620	7,995
Total	1,963,837	2,312,564	1,549,915	2,885,130

Financial liabilities

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities at amortised cost:				
Trade payables	1,342,195	1,062,787	2,330,866	2,860,851
Financial liabilities included in other payables and accruals	67,102	125,671	118,760	73,605
Interest-bearing bank and other borrowings	2,274,812	3,669,670	3,216,708	6,113,825
Lease liabilities	28,782	38,321	38,073	50,333
Total	3,712,891	4,896,449	5,704,407	9,098,614

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

As at 31 December 2023, 2024, 2025 and 30 April 2026, the fair values of the Group's financial assets or liabilities approximated to their respective carrying amounts.

Management has assessed that the fair values of cash and cash equivalents, restricted bank deposits, financial assets included in prepayments, deposits and other receivables, trade receivables, trade payables, interest-bearing bank and other borrowings, redemption liabilities on ordinary shares, financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each Relevant Periods, the finance department analysed the movements in the values of financial instruments and determined the major inputs applied in the valuation. The valuation is reviewed and approved by the finance manager. The valuation process and results are discussed with the directors of the Company once a year for annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, interest-bearing bank and other borrowings, and redemption liabilities on ordinary shares. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, other receivables and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank and other borrowings.

The following table demonstrates a sensitivity analysis of interest rate risk, reflecting the impact on profit before tax (through the impact on floating rate borrowings) of a reasonable and probable change in interest rates, assuming other variables are constant.

	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax
		HK$'000
Year ended 31 December 2023		
RMB	50.00	(343)
RMB	(50.00)	343
Year ended 31 December 2024		
RMB	50.00	(757)
RMB	(50.00)	757
Year ended 31 December 2025		
RMB	50.00	(669)
RMB	(50.00)	669
Four months ended 30 April 2026		
RMB	50.00	(207)
RMB	(50.00)	207

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations.

The following table demonstrates the sensitivity at the end of each Relevant Periods to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's profit before tax.

	Increase/(decrease) in foreign exchange rate	Increase/(decrease) in profit before tax
	%	*RMB'000*
Year ended 31 December 2023		
If RMB weakens against the USD	5	(20,171)
If RMB strengthens against the USD	(5)	20,171
Year ended 31 December 2024		
If RMB weakens against the USD	5	390
If RMB strengthens against the USD	(5)	(390)
Year ended 31 December 2025		
If RMB weakens against the USD	5	(13,048)
If RMB strengthens against the USD	(5)	13,048
Four months ended 30 April 2026		
If RMB weakens against the USD	5	4,508
If RMB strengthens against the USD	(5)	(4,508)

Credit risk

The Group trades only with recognised and creditworthy parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, financial assets included in prepayments, other receivables and other assets, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

For financial assets included in prepayments, other receivables and other assets, management makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The directors believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each Relevant Periods.

The amounts presented are gross carrying amounts for financial assets.

At 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	1,728,972	1,728,972
Financial assets included in prepayments, other receivables and other assets					
— Normal**	4,217	—	—	—	4,217
Cash and cash equivalents					
— Not yet past due	254,714	—	—	—	254,714
Total	258,931	—	—	1,728,972	1,987,903

At 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	2,055,171	2,055,171
Financial assets included in prepayments, other receivables and other assets					
— Normal**	4,670	—	—	—	4,670
Cash and cash equivalents	275,790	—	—	—	275,790
Restricted bank deposits	15,000	—	—	—	15,000
Total	295,460	—	—	2,055,171	2,350,631

At 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	996,438	996,438
Financial assets included in prepayments, other receivables and other assets					
— Normal**	4,620	—	—	—	4,620
Cash and cash equivalents	562,614	—	—	—	562,614
Restricted bank deposits	49	—	—	—	49
Total	567,283	—	—	996,438	1,563,721

At 30 April 2026

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	2,275,660	2,275,660
Financial assets included in prepayments, other receivables and other assets					
— Normal**	7,995	—	—	—	7,995
Cash and cash equivalents	624,593	—	—	—	624,593
Total	632,588	—	—	2,275,660	2,908,248

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 21 to the Historical Financial Information. At the end of each of the Relevant Periods, the Group had certain concentrations of credit risk.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings and lease liabilities.

The maturity profile of the Group's financial liabilities as at the end of each Relevant Periods, based on the contractual undiscounted payments, is as follows:

At 31 December 2023

	Less than 12 months or on demand	Over 1 year	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	1,342,195	—	1,342,195
Financial liabilities included in other payables and accruals	67,102	—	67,102
Interest-bearing bank and other borrowings	2,281,106	52,188	2,333,294
Lease liabilities	13,784	16,738	30,522
Total	3,704,187	68,926	3,773,113

At 31 December 2024

	Less than 12 months or on demand	Over 1 year	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	1,062,787	—	1,062,787
Financial liabilities included in other payables and accruals	125,671	—	125,671
Interest-bearing bank and other borrowings	3,652,221	65,693	3,717,914
Lease liabilities	18,092	22,344	40,436
Total	4,858,771	88,037	4,946,808

At 31 December 2025

	Less than 12 months or on demand	Over 1 year	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	2,330,866	—	2,330,866
Financial liabilities included in other payables and accruals	118,760	—	118,760
Interest-bearing bank and other borrowings	2,454,129	825,560	3,279,689
Lease liabilities	15,472	24,793	40,265
Total	4,919,227	850,353	5,769,580

At 30 April 2026

	Less than 12 months or on demand	Over 1 year	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	2,860,851	—	2,860,851
Financial liabilities included in other payables and accruals	73,605	—	73,605
Interest-bearing bank and other borrowings	4,951,125	1,314,320	6,265,445
Lease liabilities	18,677	34,418	53,095
Total	7,904,258	1,348,738	9,252,996

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors capital using a gearing ratio, which is total liabilities divided by total assets. The Group's policy is to maintain the gearing ratio at a reasonable level.

The gearing ratio as at the end of each of the Relevant Periods are as follows:

	As at 31 December			As at 30 April
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total liabilities	3,875,300	5,039,511	6,057,475	10,484,573
Total assets	5,868,834	7,630,170	10,403,642	18,666,556
Gearing ratio	66.03%	66.05%	58.22%	56.17%

38. EVENTS AFTER THE RELEVANT PERIODS

In August 2026, the Company entered into a strategic cooperation arrangement with a third party regarding a licensing portfolio of patents. In the opinion of the directors, the payment under this arrangement is not expected to have a material adverse impact on cash balance.

39. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of its subsidiaries in respect of any period subsequent to 30 April 2026.

The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this prospectus, and is included herein for information purposes only. The unaudited pro forma financial information should be read in conjunction with the "Financial Information" section in this prospectus and the Accountants' Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group prepared in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants is to illustrate the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to owners of the Company as at 30 April 2026 as if the Global Offering had taken place on that date.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only and because of its hypothetical nature, it may not provide a true picture of the consolidated net tangible assets of the Group had the Global Offering been completed as at 30 April 2026 or at any future date.

	Consolidated net tangible assets attributable to owners of the Company as at 30 April 2026	Estimated net proceeds from the Global Offering	Estimated impact to the consolidated net tangible assets upon the derecognition of redemption liabilities on ordinary shares upon Listing	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company as at 30 April 2026	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to owners of the Company as at 30 April 2026	
	RMB'000 (note 1)	*RMB'000 (note 2)*	*RMB'000 (note 3)*	*RMB'000*	*RMB (note 4)*	*HKD (note 5)*
Based on an Offer Price of HK$72.29 per Share	7,605,245	853,391	33,708	8,492,344	17.60	20.55
Based on an Offer Price of HK$77.60 per Share	7,605,245	917,832	33,708	8,556,785	17.73	20.71
Based on an Offer Price of HK$82.90 per Share	7,605,245	982,152	33,708	8,621,105	17.87	20.87

Notes:

(1) The consolidated net tangible assets of the Group attributable to owners of the Company as at 30 April 2026 were equal to the audited net assets attributable to owners of the Company as at 30 April 2026 of approximately RMB8,181,983,000 less intangible assets and goodwill of approximately RMB576,738,000 as at 30 April 2026 set out in Accounts' Report in Appendix I in this prospectus.

(2) The estimated net proceeds from the Global Offering are based on the Offer Price of HK$72.29, HK$77.60 or HK$82.90 per Share, after the deduction of the underwriting fees and other related expenses payable by the Group (excluding the listing expenses that have been charged to profit or loss during the Track Record Period) and do not take into account of any Shares which may be issued upon the exercise of the Offer Size Adjustment Option and the Over-allotment Option.

(3) Upon the Listing and the completion of the Global Offering, all redemption liabilities on ordinary shares will be derecognized and the redemption liabilities on ordinary shares will then be transferred from liabilities to equity. Accordingly, for the purpose of the unaudited pro forma financial information, the unaudited pro forma adjusted net tangible assets attributable to owners of the Company will be increased by RMB33,708,000, being the carrying amounts of the redemption liabilities on ordinary shares as at 30 April 2026.

(4) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share is calculated based on 482,531,284 Shares are in issue assuming the Global Offering have been completed on 30 April 2026 but takes no account of any shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option or any Shares which may be issued or repurchased by the Company.

(5) For the purpose of this unaudited pro forma adjusted consolidated net tangible assets, the estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi ("**RMB**") at an exchange rate of HK$1.00 to RMB0.8563 and the unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share is converted from RMB into Hong Kong dollars at the same exchange rate. .No representation is made that RMB amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

(6) No adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to 30 April 2026.

The following is the text of a report, prepared for the purpose of incorporation in this prospectus, received from the reporting accountants, Ernst & Young, Certified Public Accountants. Hong Kong, in respect of the unaudited pro forma financial information.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION



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To the Directors of HOSIN Electronics Co., LTD.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of HOSIN Electronics Co., LTD. (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets as at 30 April 2026, and related notes as set out on page II-1 and page II-2 of the prospectus dated 30 October 2026 issued by the Company (the "**Unaudited Pro Forma Financial Information**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II to the prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Global Offering of shares of the Company on the Group's financial position as at 30 April 2026 as if the transaction had taken place at 30 April 2026. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for 30 April 2026, on which an accountants' report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the 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 have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the 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 the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the 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 transaction, and to obtain sufficient appropriate evidence about whether:

- the related 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 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 purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Ernst & Young
Certified Public Accountants
Hong Kong
30 October 2026

TAXATION OF SECURITY HOLDERS

Income tax and capital gains tax of holders of the H shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of the H shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, and has not taken into account the expected change or amendment to the relevant laws or policies and does not constitute any opinion or advice. The discussion does not deal with all possible tax consequences relating to an investment in the H shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulation. Accordingly, you should consult your own tax adviser regarding the tax consequences of an investment in the H shares. The discussion is based upon laws and relevant interpretations in effect as of the Latest Practicable Date, all of which are subject to change or adjustment.

The discussion does not address any aspects of PRC taxation other than income tax, capital gains tax and profits tax, sales tax, value-added tax, stamp duty and estate duty. Prospective investors are urged to consult their financial advisers regarding the tax consequences in the PRC and other jurisdictions of owning and disposing of the H shares.

TAXATION IN THE CHINESE MAINLAND

Tax on Dividends

Individual Investors

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》) (the "**IIT Law**"), which was latest amended by the SCNPC on August 31, 2018 and came into effective on January 1, 2019, and the Implementation Regulations 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》), which was amended by the State Council on December 18, 2018 and effective on January 1, 2019, dividends paid by the PRC companies to individual investors are ordinarily subject to a withholding income tax levied at a flat rate of 20%. Meanwhile, according to the Notice on Issues Relating to Differentiated Individual Income Tax Policies for Dividends and Bonuses of Listed Companies (《關於上市公司股息紅利差別化個人所得税政策有關問題的通知》) issued by the MOF, the STA and the CSRC on September 7, 2015 and effective on September 8, 2015, for shares of listed companies obtained by individuals via public offerings and market transfer and held for more than one year, the income from dividends and bonuses thereof shall temporarily be exempt from individual income tax. For shares of listed companies obtained by individuals via public offerings and market transfer and held for less than one month (including one month), the income from dividends and bonuses thereof shall be fully included in the individual's taxable income amount; where the shares are held for a period from one month up to one year (including one year), 50% of the income from dividends and bonuses therefrom shall temporally be included in the individual's taxable income amount; the aforesaid income shall be subject to individual income tax based on 20% tax rate on a unified basis.

Pursuant 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 (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》) (the "**Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income**"), signed by the Chinese Mainland and the Hong Kong Special Administrative Region on August 21, 2006, 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 amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests 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 amount of dividends payable by the PRC company. The Announcement of the STA on the Implementation of the Protocol V 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 (《國家税務總局關於<內地和香港特別行政區關於對所得避免雙重徵税和

防止偷漏税的安排>第五議定書》) (the "**Protocol V**") issued by the STA and effective 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.

Enterprise Investors

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) (the "**EIT Law**") promulgated by the SCNPC, latest amended and effective on December 29, 2018, and the Implementation Regulations for the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》) promulgated by the State Council, latest amended on December 6, 2024 and effective on January 20, 2025, a non-resident enterprise is subject to a 10% enterprise income tax on PRC-sourced income, including dividends paid by a PRC resident enterprise that issues and lists shares in Hong Kong, if such non-resident enterprise does not have an establishment or place of business in the PRC or has an establishment or place of business but the PRC-sourced income is not actually connected with such establishment or place of business in the PRC. The aforesaid income tax payable by non-resident enterprises shall be withheld at source, and the payer shall be the withholding agent, and the tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

According to the Notice from the State Administration of Taxation on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese 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》), which was issued and came into effect on November 6, 2008, a PRC resident enterprise is required to withhold enterprise income tax at a rate of 10% on dividends paid to non-PRC resident enterprise holders of H shares which are derived out of profit generated since 2008.

According to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《對所得避免雙重徵税和防止偷漏税的安排》), 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 Protocol V provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese corporate income tax imposed on the dividends received from PRC companies. Non-resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the corporate income tax in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

Tax on Gains from Share Transfer

Individual Investors

According to the IIT Law and its implementation rules, individuals are subject to individual income tax at the rate of 20% on gains realized on the sale of equity interests in PRC resident enterprises. According to the Notice of the MOF and the STA on the Continued Provisional Exemption of Individual Income Tax on Income from the Transfer of Stocks by Individuals (《財政部、國家税務總局關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) issued and implemented by the MOF and the STA on March 30, 1998, from January 1, 1997, gains of individuals from the transfer of shares of listed companies continue to be exempted from individual income tax. According to the Notice on

Issues Relating to Levying of Individual Income Tax on Income Derived by Individuals from Transfer of Moratorium Shares of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) jointly issued by the MOF, the STA and the CSRC on December 31, 2009 and effective on January 1, 2010, income derived by individuals from the transfer of shares of listed companies acquired through public offerings and transfers on the public market on the Shanghai Stock Exchange and Shenzhen Stock Exchange shall continue to be exempt from individual income tax, except for the relevant shares which are subject to sales restriction as defined in the Supplementary Notice on Issues Relating to Levying of Individual Income Tax on Income from Transfer of Moratorium Shares of Listed Companies by Individuals (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) jointly issued and implemented by the above three departments on November 10, 2010. As of the Latest Practicable Date, the aforesaid regulations have not expressly specified whether individual income tax would be levied on the transfer of shares of PRC resident enterprises listed on overseas stock exchanges by non-PRC resident individuals.

Enterprise Investors

In accordance with the EIT Law and its implementation rules, a non-resident enterprise is generally subject to corporate income tax at the rate of a 10% on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. Such income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Taxation Policy of Shanghai-Hong Kong Stock Connect

According to the Notice of the MOF, the STA and the China Securities Regulatory Commission on the Tax Collection Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《財政部、國家稅務總局、中國證券監督管理委員會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) implemented on November 17, 2014, for dividends and bonus obtained by the Chinese Mainland individual investors investing in H shares listed on the Hong Kong Stock Exchange (the "**HKSE**") through Shanghai-Hong Kong Stock Connect, the H-share companies shall apply to the CSDC for provision by CSDC to the H-share companies register of individual investors in the Chinese Mainland, and the H-share companies shall withhold individual income tax at the rate of 20%.

Income from share dividend derived by the Chinese Mainland corporate investors from investment in shares listed on the HKSE through the Shanghai-Hong Kong Stock Connect shall be included in their total income and be subject to enterprise income tax in accordance with the law. Income from share dividend derived by a Chinese Mainland resident enterprise for holding H shares over 12 consecutive months shall be exempted from enterprise income tax in accordance with the law. The H shares company is not required to withhold income tax on share dividend for its Chinese Mainland corporate investors, and the corporate investors shall make declaration and payment for the tax payable amount voluntarily.

According to the Announcement on Continuing the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mutual Recognition of Funds between the Chinese Mainland and Hong Kong (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) promulgated on August 21, 2023 and implemented on the same date, the transfer spread income derived by the Chinese Mainland individual investors from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall continue to be exempted from individual income tax until December 31, 2027.

Taxation Policy of Shenzhen-Hong Kong Stock Connect

According to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No.127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), which came into effect on December 5, 2016, for dividends and bonus income obtained by the Chinese Mainland individual investors investing in H shares listed on the HKSE through Shenzhen-Hong Kong Stock Connect, the H-share companies shall apply to CSDC for provision by CSDC to the H-share companies register of individual investors in the Chinese Mainland, and individual income tax shall be withheld by H-share companies at the tax rate of 20%.

Income from dividends and bonuses derived by a corporate investor in the Chinese Mainland from investment in shares listed on the HKSE through Shenzhen-Hong Kong Stock Connect shall be included in the total income amount, and subject to enterprise income tax in accordance with the law. Income from dividends and bonuses derived by a Chinese Mainland resident enterprise for H shares held for 12 months consecutively shall be exempted from enterprise income tax in accordance with the law. The H shares company shall not withhold income tax on dividends and bonuses for corporate investors in the Chinese Mainland, and the tax payable amount shall be declared and paid by the corporate investor.

According to the Announcement on Continuing the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mutual Recognition of Funds between the Chinese Mainland and Hong Kong (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) promulgated on August 21, 2023 and implemented on the same date, the transfer spread income derived by the Chinese Mainland individual investors from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect shall continue to be exempted from individual income tax until December 31, 2027.

Stamp Duty

According to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》) promulgated by the SCNPC on June 10, 2021 and effective on July 1, 2022, stamp duty in the PRC only applies to specific taxable document executed or received within the PRC, having legally binding force in the PRC and protected under the PRC laws, thus the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the owning and disposal of H Shares by non-PRC investors outside of the PRC.

Estate Duty

As of the Latest Practicable Date, no estate duty has been levied in the PRC under the PRC laws.

MAJOR TAXATION OF THE COMPANY IN THE PRC

Enterprise Income Tax

According to the EIT Law and its implementation rules, all the domestic enterprises in China (including foreign-invested enterprises) shall be subject to enterprise income tax at the uniform tax rate of 25%.

According to the Administrative Measures on Accreditation of High-tech Enterprises (《高新技術企業認定管理辦法》) promulgated by the MOST, the MOF and the STA on April 14, 2008, amended on January 29, 2016 and effective on January 1, 2016, an enterprise recognized as a high and new technology enterprise may apply for a preferential enterprise income tax rate of 15% pursuant to the relevant requirements of the EIT Law.

Enterprises are classified as resident enterprises and non-resident enterprises. A non-resident enterprise is subject to the enterprise income tax on PRC-sourced income, if such non-resident enterprise does not have an establishment or place of business in the PRC or has an establishment or place of business but the PRC-sourced income is not actually connected with such establishment or place of business. With respect to the income tax payable by a non-resident enterprise on the income

derived from the aforementioned sources, withholding at source shall be applied, the payer shall be the withholding agent, and the tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Concurrently, any income derived by the relevant investors from the transfer of shares is subject to the enterprise income tax, provided that such income is deemed to be income generated from the transfer of property within China, in which case withholding at source shall also be applied.

According to the Announcement on Further Implementation of Income Tax Incentives for Small Enterprises with Meager Profits (《關於進一步實施小微企業所得税優惠政策的公告》) promulgated by the MOF and the STA on March 14, 2022, the annual taxable income of a small low-profit enterprise that is not less than RMB1 million and not more than RMB3 million shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%. According to the Announcement on Preferential Income Tax Policies for Small Enterprises with Meager Profit and Individually-owned Businesses (《關於小微企業和個體工商戶所得税優惠政策的公告》) promulgated by the MOF and the STA on March 26, 2023, the annual taxable income of a small low-profit enterprise that is not more than RMB1 million shall be included in its taxable income at the reduced rate of 25%, with the applicable enterprise income tax rate of 20%. According to the Announcement on Relevant Tax Policies for Further Supporting the Development of Micro and Small-sized Enterprises and Individually Owned Businesses (《關於進一步支持小微企業和個體工商戶發展有關税費政策的公告》) promulgated by the MOF and the STA on August 2, 2023, the taxable income of a small low-profit enterprise shall be calculated at the reduced rate of 25%, and the policy of payment of enterprise income tax at the rate of 20% shall continue to be implemented until December 31, 2027.

Value-added Tax

According to the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值税暫行條例》) promulgated by the State Council, latest amended and effective on November 19, 2017 and the Implementation Rules for the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值税暫行條例實施細則》) promulgated by the MOF on December 25, 1993, latest amended on October 28, 2011 and effective on November 1, 2011, all entities and individuals in the PRC engaging in the sale of goods or processing, repair and assembly services, sale of services, intangible assets, immovables and importation of goods in the PRC shall be taxpayers of Value-added Tax (the "**VAT**") and shall pay the VAT. The rate of the VAT for sale of goods is 17% unless otherwise specified, and the rate of the VAT for sale of transportation is 11%.

According to the Notice of the MOF and the STA on the Adjustment to Value-added Tax Rates (《財政部、國家税務總局關於調整增值税税率的通知》) which came into effective on May 1, 2018, the deduction rates of 17% or 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% or 10%.

According to the Announcement on Policies for Deepening the Value-added Tax Reform (《關於深化增值税改革有關政策的公告》), which was promulgated by the MOF and the STA and the General Administration of Customs on March 20, 2019 and came into effect on April 1, 2019, for general VAT payers' sales activities or imports that are subject to VAT at an existing applicable rate of 16% or 10%, the applicable VAT rate is adjusted to 13% or 9% respectively.

According to the Announcement on the Weighted VAT Deduction Policy for Advanced Manufacturing Enterprises (《關於先進製造業企業增值税加計抵減政策的公告》), which was promulgated by the MOF and the STA on September 3, 2023 and came into effect on January 1, 2023, advanced manufacturing enterprises are allowed to deduct weighted 5% of the current deductible input tax amount from the VAT payable from January 1, 2023 to December 31, 2027.

On December 25, 2024, the SCNPC promulgated the Value-added Tax Law of the PRC (《中華人民共和國增值税法》), which came into effective on January 1, 2026, and replaces the Provisional Regulations on Value-added Tax of the PRC.

Preferential Tax Policy for the Integrated Circuit Industry

As listed in the Guidance of Preferential Tax Policy for Software Enterprises and Integrated Circuit Enterprises (《軟件企業和集成電路企業税費優惠政策指引》) issued by the STA on May 21, 2022, the integrated circuit industry enjoys a variety of tax preferences. Enterprises for integrated circuit design, equipment, materials, packaging and testing encouraged by the State, for example, can enjoy regular exemption or reduction of the enterprise income tax; key integrated circuit design enterprises encouraged by the State can enjoy the regular exemption or reduction of enterprise income tax; staff training expenses of integrated circuit design enterprises can be deducted before tax according to the actual amount incurred.

According to the Notice of the State Council on Promulgation of Several Policies for Promoting the High-quality Development of the 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)) (the "**No. 8 Notice**") promulgated by the State Council, and the Announcement on the 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税政策的公告》) jointly promulgated by the MOF, the STA, the NDRC and the MIIT, enterprises of integrated circuit design, equipment, materials, packaging and testing and software enterprises encouraged by the State are exempted from enterprise income tax during the first year and the second year from the profit-making year. During the third year to the fifth year, the enterprise income tax shall be levied at half of the statutory tax rate of 25%. Key integrated circuit design enterprises and software enterprises encouraged by the State shall be exempted from enterprise income tax during the first year to the fifth year since the profit-making year, and the enterprise income tax shall be levied at a reduced tax rate of 10% in successive years. The Notice of the NDRC and Other Departments on the List of Integrated Circuit Enterprises or Projects and Software Enterprises Entitled to Preferential Tax Policies for 2025 (《國家發展改革委等部門關於做好2025年享受税收優惠政策的集成電路企業或項目、軟件企業清單制定工作的通知》) makes detailed description of the conditions and project standards for enterprises that enjoy preferential tax policy on the basis of the No. 8 Notice.

According to the Announcement on Increasing the Proportion of Weighted Deduction of R&D Expenses of Enterprises for Integrated Circuit and Industrial Master Machine (《關於提高集成電路和工業母機企業研發費用加計扣除比例的公告》) jointly promulgated by the MOF, the STA, the NDRC and the MIIT on September 12, 2023, for R&D expenses actually incurred by enterprises for integrated circuit and industrial master machine in their R&D activities, an extra 120% of the amount actually incurred during the period from January 1, 2023 to December 31, 2027 is deductible before tax payment, in addition to the deduction of actual expenses as prescribed, provided that the said expenses are not recognised as intangible asset and included in the current profits and losses; if the said expenses have been recognised as an intangible asset, such expenses may be amortised at the rate of 220% of the costs of the intangible assets before tax payment in the above period.

FOREIGN EXCHANGE ADMINISTRATION IN THE PRC

The lawful currency of the PRC is the Renminbi. The SAFE authorized by the People's Bank of China, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange regulations.

According to the Foreign Exchange Control Regulations of the PRC (《中華人民共和國外匯管理條例》) amended by the State Council and effective on August 5, 2008, all international payments and transfers are classified into current account items and capital account items. Laws and regulations do not impose restrictions on international payments and transfers under current account items. Foreign exchange income from the current account of PRC enterprises may be retained or sold to financial institutions engaged in the settlement and sale of foreign exchange in accordance with relevant laws and regulations. The retention or sale of foreign exchange receipts under capital accounts to financial institutions engaging in settlement and sale of foreign exchange shall be subject to the approval of foreign exchange administrative authorities, unless otherwise stipulated by laws and regulations.

According to the Administrative Regulations on Settlements, Sales and Payments in Foreign Exchange (《結匯、售匯及付匯管理規定》) promulgated by the People's Bank of China on June 20, 1996 and effective on July 1, 1996, the remaining restrictions on convertibility of foreign exchange in respect of current account items are abolished while the existing restrictions on foreign exchange transactions in respect of capital account items are retained.

According to relevant laws and regulations of the PRC, PRC enterprises (including foreign-invested enterprises) which require foreign exchange for transactions relating to current account items, may, without the approval of the SAFE, effect payment from their foreign exchange accounts at the designated foreign exchange banks, on the strength of valid receipts and proof of transactions. Foreign-invested enterprises that need to distribute profits to their shareholders in foreign exchange and Chinese enterprises that need to pay fixed dividends in foreign exchange in accordance with the requirements shall pay from its foreign exchange account or pay at the designated foreign exchange bank by a resolution of the board of directors on the distribution of profits.

Pursuant to the Decision of the State Council on Matters Concerning Cancellation and Adjustment to a Batch of Items subject to Administrative Approval (《國務院關於取消和調整一批行政審批項目等事項的決定》) promulgated by the State Council and effective on October 23, 2014, the administrative approval of the SAFE and its branches on matters concerning the repatriation and settlement of foreign exchange of overseas-raised funds through overseas listing has been canceled.

According to the Notice of the People's Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Capital Management for Overseas Listings of Domestic Enterprises (《中國人民銀行國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》) (Yin Fa [2025] No. 252), promulgated on December 26, 2025 and effective from April 1, 2026, the foreign exchange administration of overseas-listed domestic companies is governed as follows: (i) the PBOC, the SAFE and their branches supervise, regulate and inspect domestic companies in respect of business registration, account opening and use, cross-border receipts and payments and exchange of funds relating to an overseas listing; (ii) a domestic company shall, within 30 working days of its first trading day overseas (or completion of the over-allotment option, as applicable), apply through its principal bank for overseas listing registration; (iii) funds raised through an overseas listing, and proceeds from any reduction or transfer of shares by onshore shareholders, shall in principle be repatriated to China in a timely manner, save that companies meeting prescribed conditions may retain such funds overseas for use; and (iv) dividends payable by an H-share company that participates in full circulation to its onshore shareholders shall be distributed onshore in Renminbi.

According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Administration Management Policies for Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) issued by the SAFE on February 13, 2015 and effective on June 1, 2015, the SAFE abolished the verification and approval of the foreign exchange registration of domestic and overseas direct investments. The banks shall directly examine and handle the foreign exchange registration of domestic and overseas direct investments. The SAFE and its branches shall conduct indirect regulation of foreign exchange registration of direct investments via banks.

According to the Notice of the State Administration of Foreign Exchange on Policies for Reforming and Regulating the Control over Foreign Exchange Settlement under the Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) promulgated by the SAFE on June 9, 2016, domestic institutions may settle their foreign exchange receipts under the capital account (including repatriated funds raised through overseas listing) entitled to discretionary settlement according to relevant policies with banks as actually needed for business operation. Domestic institutions may, at their discretion, settle up to 100% of their foreign exchange receipts under the capital account for the time being. The SAFE may adjust the aforesaid proportion in due time in light of the international receipts and expenditure situations.

According to the SAFE Notice on Promulgation of the Guidelines on Foreign Exchange Businesses under Capital Accounts (2024 Edition) (《國家外匯管理局關於印發資本項目外匯業務指引(2024年版)的通知》) issued by the SAFE on April 3, 2024, in principle, the funds raised by overseas listings of domestic companies should be repatriated to China in a timely manner, and can be repatriated in RMB or foreign currency. The use of funds shall be consistent with the relevant contents listed in the prospectus or corporate bond offering documents, shareholder circulars, resolutions of the board of directors or shareholders' meeting and other publicly disclosed documents. Domestic companies using the funds raised from overseas listings to carry out overseas direct investment, overseas securities investment, overseas lending and other businesses shall comply with the relevant foreign exchange management regulations.

HONG KONG TAXATION

Tax on Dividends

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by us.

Capital Gains and Profit Tax

No tax is imposed in Hong Kong in respect of capital gains from the sale of H Shares. However, trading gains from the sale of H Shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are derived from or arise in Hong Kong from such trade, profession or business will be subject to Hong Kong profits tax, which is currently imposed at the maximum rate of 16.5% on corporations and at the maximum rate of 15% on unincorporated businesses. Certain categories of taxpayers (for example, financial institutions, insurance companies and securities dealers) are likely to be regarded as deriving trading gains rather than capital gains unless these taxpayers can prove that the investment securities are held for long-term investment purposes.

Trading gains from sales of H Shares effected on the Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of H Shares effected on the Stock Exchange realized by persons carrying on a business of trading or dealing in securities in Hong Kong.

Taxes for Securities Holders

The income tax and the capital gains tax for holders of H Shares shall be subject to the laws and practices of PRC and the jurisdictions in which the holders of H Shares are residents or subject to taxes for other reasons. The following summary of relevant tax provisions is based on current laws and practices, and does not take into account anticipated changes in or amendments to the relevant laws and policies or constitute any opinions or suggestions. The discussion does not address all of the possible tax consequences associated with H-Shares, nor does it take into account the particular circumstances of any individual investor, some of which may be subject to special rules. Accordingly, you should consult your own tax adviser as to the tax implications of the H Shares. The discussion is based on the laws and the relevant interpretations in force as of the Latest Practicable Date. All the laws and relevant interpretations are subject to changes and may have retrospective effect.

This Appendix summarizes certain aspects of the laws and regulations of the PRC which are relevant to the Company's operations and business. Laws and regulations relating to taxation in the PRC are discussed separately in "Appendix III — Taxation and Foreign Exchange" in this document. The principal objective of this summary is to provide potential investors with an overview of the principal laws and regulatory provisions in China applicable to the Company. This summary is not intended to include all the information which may be important to the potential investors. For more discussions on the laws and regulations which are relevant to our business, see the section headed "Regulatory Overview" in this document.

PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the People's Republic of China (《中華人民共和國憲法》) amended and came into effect on March 11, 2018 (the "**Constitution**") and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of State Council departments, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC government is the signatory and other regulatory documents. Court judgments do not constitute legally binding precedents, although they are used for the purposes of judicial reference and guidance.

According to the Constitution and the Legislation Law of the People's Republic of China (《中華人民共和國立法法》) which was last amended on March 13, 2023 and came into effect on March 15, 2023 (the "**Legislation Law**"), the NPC and SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing State organs, civil, criminal and other matters. The SCNPC formulates and amends the laws other than those required to be enacted by the NPC and supplements and amends parts of the laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The people's congresses of the provinces, autonomous regions and municipalities and their standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people's congresses of cities divided into districts and their respective standing committees may formulate local regulations on aspects such as urban and rural construction and management, ecological civilization development, historical and cultural protection, and grassroots governance based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. If the law provides otherwise on the formulation of local regulations by cities divided into districts, those provisions shall prevail. Such local regulations of cities divided into districts will become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions.

The standing committees of the people's congresses of the provinces or autonomous regions shall examine the legality of local regulations submitted for approval, and such approval shall be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of the relevant provinces or autonomous regions. Where, during the examination for approval of local regulations of cities divided into districts by the standing committees of the people's congresses of the provinces or autonomous regions, conflicts are identified with the rules and regulations of the people's governments of the provinces or autonomous regions, a decision should be made to resolve the issue. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the ethnic groups in the areas concerned.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations or rules may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of the rules enacted by the people's governments of the provinces and autonomous regions is greater than that of the rules enacted by the people's governments of the cities divided into districts within their respective administrative regions.

The ministries and commissions of the State Council, PBOC, the National Audit Office, the subordinate institutions with administrative functions directly under the State Council, and the organizations prescribed by laws may formulate rules and regulations within the permissions of their respective departments based on the laws as well as the administrative regulations, decisions and orders of the State Council. Provisions of departmental rules should be the matters related to the enforcement of the laws or the administrative regulations, decisions and orders of the State Council. The people's governments of the provinces, autonomous regions, municipalities and cities or autonomous prefectures divided into districts may formulate rules and regulations based on the laws, administrative regulations and local regulations of such provinces, autonomous regions and municipalities.

The NPC has the power to amend or repeal any inappropriate laws enacted by the SCNPC, and to repeal any autonomous regulations and separate regulations approved by the SCNPC that are in conflict with the Constitution or the Legislation Law. The SCNPC has the power to repeal any administrative regulations that are in conflict with the Constitution and the laws, and to repeal any local regulations that are in conflict with the Constitution, the laws, and the administrative regulations, and to repeal autonomous regulations and separate regulations approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the Central Government as being in conflict with the Constitution and the Legislation Law. The State Council has the right to amend or repeal any inappropriate departmental and local government regulations. The people's congresses of the provinces, autonomous regions and municipalities directly under the Central Government have the right to amend or repeal any inappropriate local laws or regulations enacted or approved by their respective standing committees. The standing committees of local people's congresses have the right to repeal any inappropriate rules promulgated by the people's governments at the same level, and the people's governments of provinces and autonomous regions have the right to amend or repeal any inappropriate rules promulgated by the people's governments at lower levels.

Pursuant to the Resolution of the Standing Committee of the National People's Congress Providing an Improved Interpretation of the Law (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, in cases where the scope of provisions of laws or decrees needs to be further defined or additional stipulations need to be made, the SCNPC shall provide interpretations or make stipulations by means of decrees. Issues related to the specific application of laws in a court trial should be interpreted by the Supreme People's Court, issues related to the specific application of laws in a prosecution process of the procuratorate should be interpreted by the Supreme People's Procuratorate, and issues related to the specific application of laws other than in a court trial or in a prosecution process should be interpreted by the State Council and the competent authorities. At the regional level, the power to interpret regional regulations is vested in the regional legislative and administrative authorities which promulgate such regulations.

PRC JUDICIAL SYSTEM

According to the Constitution and the Organic Law of the People's Courts of the People's Republic of China (《中華人民共和國人民法院組織法》) amended by the SCNPC on October 26, 2018 and becoming effective on January 1, 2019, the people's courts of the PRC are divided into the Supreme People's Court, the local people's courts at all levels and special people's courts. The local people's courts at all levels are divided into three levels, namely, the basic people's courts, the intermediate people's courts and the higher people's courts. The basic people's courts may set up special people's courts based on the status of the region, population and cases. The Supreme People's

Court shall be the highest judicial organ of the PRC. The Supreme People's Court shall supervise the administration of justice by the local people's courts at all levels and by the special people's courts. The people's courts at a higher level shall supervise the judicial work of the people's courts at lower levels.

The people's courts employ a two-tier appellate system, i.e., judgments or rulings of the second instance at the people's courts are final. A party may appeal against the judgment or ruling of the first instance of local people's courts. The people's procuratorates may present a protest to the people's courts at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people's procuratorate within the stipulated period, the judgments or rulings of the people's courts are final. Judgments or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court and those of the first instance of the Supreme People's Court are final. However, if the Supreme People's Court finds any definite errors in a legally effective judgment or ruling of a people's court at any level, if the people's courts at the next higher level find any definite errors in a legally effective judgment or ruling of the people's court at a lower level, or if the President of a people's court at any level finds any definite errors in a legally effective judgment or ruling of such court, the case can be retried according to judicial supervision procedures.

The Civil Procedure Law of the People's Republic of China (《中華人民共和國民事訴訟法》) (the "**Civil Procedure Law**") latest amended on September 1, 2023 and took effect on January 1, 2024, prescribes the conditions for instituting a civil action, the jurisdiction of the people's court, the procedures for conducting a civil action, and the procedures for enforcement of a civil judgment or ruling. All parties to a civil action conducted within the PRC must abide by the Civil Procedure Law. A civil case is generally under the jurisdiction of the court located in the defendant's place of domicile. The litigants of a contract dispute or other property rights dispute may agree in writing on selection of the people's court at the location of the defendant's domicile, place of performance of contract, place of signing of contract, location of the plaintiff's domicile, location of the subject matter, etc. or a venue which has actual connection with the dispute to be the People's Court which has jurisdiction, but shall not violate the provisions of the Civil Procedure Law on grade jurisdiction and exclusive jurisdiction.

A foreign individual, a person without nationality, a foreign enterprise or organization is given the same litigation rights and obligations as a citizen, a legal person or other organizations of the PRC when initiating actions or defending against litigations at a people's court. Where a foreign court imposes restrictions on the litigation rights of Chinese citizens, legal persons and other organizations, the people's courts of the PRC shall apply the principle of reciprocity to the civil litigation rights of citizens, enterprises and organizations of that country. A foreign individual, a person without nationality, a foreign enterprise or organization must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at a people's court of the PRC. In accordance with the international treaties to which the PRC is a signatory or participant or according to the principle of reciprocity, a people's court and a foreign court may request each other to serve documents, conduct investigation and collect evidence and conduct other actions on its behalf. A people's court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or public interests of the PRC.

All parties to a civil action shall perform the legally effective judgments and rulings. If any party to a civil action refuses to abide by a judgment or ruling made by a people's court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people's court for the enforcement of the same within two years subject to application for postponed enforcement or revocation. If a party fails to satisfy within the stipulated period a judgment for which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgment against such party.

Where a party requests for enforcement of a judgment or ruling made by a people's court against another party, but the opposite party or his property is not within the territory of the PRC, the requesting party may apply to the foreign court with jurisdiction over the case for recognition and enforcement of the judgment or ruling, or the people's court may, in accordance with the provisions of

international treaties to which the PRC is a signatory or in which the PRC is a participant or according to the principle of reciprocity, request for recognition and enforcement by the foreign court. Similarly, for an effective judgment or ruling made by a foreign court that requires recognition and enforcement by a people's court of the PRC, a party may apply to an intermediate people's court of the PRC with jurisdiction for recognition and enforcement of the judgment or ruling, or the foreign court may, in accordance with the provisions of international treaties to which its country and the PRC are signatories or in which both are participants or according to the principle of reciprocity, request for recognition and enforcement by the people's court, unless the people's court considers that the recognition or enforcement of such judgment or ruling would violate the basic legal principles of the PRC, or prejudice its sovereignty or national security or social and public interest.

COMPANY LAW, TRIAL MEASURES AND GUIDELINES FOR ARTICLES OF ASSOCIATION

A joint stock limited company incorporated in the PRC seeking a listing on the Hong Kong Stock Exchange is mainly subject to the following laws and regulations of the PRC: the Company Law of the People's Republic of China (the "**Company Law**"), issued by the SCNPC on December 29, 1993, most recently amended on December 29, 2023 and implemented on July 1, 2024; the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (the "**Trial Measures**"), issued by the CSRC on February 17, 2023 and implemented on March 31, 2023, along with its related guidelines, which apply to domestic enterprises in the PRC that directly or indirectly issue securities overseas or list their securities for trading overseas; and the Guidelines for Articles of Association of Listed Companies (the "**Guidelines for Articles of Association**"), issued and implemented by the CSRC on March 28, 2025. According to the Trial Measures and its related guidelines, domestic enterprises in the PRC that directly issue securities and list overseas shall comply with the relevant provisions of the Trial Measures and formulate their articles of association by referencing the Guidelines for Articles of Association and other relevant provisions of the CSRC on corporate governance, so as to standardize corporate governance. The main provisions of the Company Law, the Trial Measures and the Guidelines for Articles of Association applicable to the Company are summarized as follows.

General Provisions

"A joint stock limited company" means a corporate legal person incorporated in China under the Company Law, whose registered capital is divided into shares of equal par value. The liability of its shareholders is limited to the extent of the shares they have subscribed for and the company shall be liable for its debts to the extent of all its property.

A company must conduct its business in accordance with laws and regulations as well as public and commercial ethics. A company may invest in other limited liability companies. The liabilities of the company to such invested companies are limited to the amount of its investment. Unless otherwise provided by the law, a company shall not become the capital contributor that bears joint and several liability for the debts of an invested enterprise.

Incorporation

A joint stock limited company may be established by means of promotion or stock floatation. To establish a joint stock limited company, there shall be not less than 1 but not more than 200 promoters, at least half of whom shall have their domiciles within the territory of the PRC.

Where a joint stock limited company is to be established by means of promotion, promoters shall fully subscribe for the shares that shall be issued at the time of the establishment of the company as provided for in the articles of association. If a joint stock limited company is to be established by means of stock floatation, the promoters shall subscribe for not less than 35% of the total shares issued at the time of the establishment of the company as provided for in the articles of association; however, where laws and administrative regulations provide otherwise, such provisions shall prevail.

Promoters of a joint stock limited company established by means of stock floatation shall, within 30 days after full payment has been made for the shares to be issued at the time of establishment, hold an establishment meeting of the company. The promoters shall notify each subscriber of the date of the meeting or make a public announcement 15 days before the meeting is held. The establishment meeting may not be held unless the subscribers who hold more than half of the voting rights attend the meeting. Where a joint stock limited company is established by means of promotion, the convening and voting procedures for the establishment meeting shall be prescribed by the articles of association of the company or the agreement of the promoters.

The establishment meeting of a company shall exercise the following functions and powers:

(i) deliberating on the report on the preparations for establishment of the company by promoters;

(ii) adopting the articles of association;

(iii) electing directors and supervisors;

(iv) auditing the expenses for the establishment of the company;

(v) auditing the valuations of the non-monetary property contributed by the promoters; and

(vi) where any force majeure or any major change of conditions of operation directly affects the establishment of the company, the resolution of not establishing the company may be made. The resolutions made at the establishment meeting about the matters as mentioned in the preceding provision shall be adopted by the subscribers present at the meeting who represent more than half of the voting rights.

Within 30 days after the conclusion of the establishment meeting, the board of directors shall apply to the registration authority for registration of the incorporation of the joint stock limited company. A company is formally established and has the status of a legal person after the business license has been issued by the relevant registration authority.

Registered Shares and Issue of Shares

Under the Company Law, a shareholder may make capital contributions in currency, or in kind, intellectual property, land use right, stock rights, creditor's rights or other non-monetary property that may be assessed in currency and transferred according to law, except the property that may not be used as capital contributions according to any law or administrative regulation.

The capital of a joint stock limited company shall be divided into shares. All the shares of the company shall alternatively be shares with or without par value in accordance with the articles of association. Where par value shares are adopted, all the shares shall be of equal value. The company may, according to the articles of association, convert all the issued par value shares into no par value shares, or vice versa. Where no par value shares are adopted, not less than half of the proceeds from the issuance of the shares shall be included in the registered capital.

A joint stock limited company shall make a register of shareholders and keep it in the company. The register of shareholders shall contain the following items:

(i) name and domicile of each shareholder;

(ii) class and number of shares subscribed for by each shareholder;

(iii) serial number of shares if the shares are issued in paper form; and

(iv) date on which each shareholder acquired the shares.

Shares of a joint stock limited company shall be issued under the principle of fairness and impartiality. The shares of the same class shall rank pari passu. Shares of the same class in the same issue shall be issued at the same price and on the same conditions per share. The same price shall be paid for each share subscribed for by a subscriber. The issue price of par value stock may be equal to the face value or exceed the face value but shall not be lower than the face value.

The Trial Measures provide that a company that offers and lists securities on overseas markets may raise funds and pay dividends in a foreign currency or Renminbi. Under certain circumstances, such as equity incentives and the acquisition of assets through the issuance of securities, a domestic enterprise is allowed to issue securities to specific domestic targets when it directly issues and lists overseas.

Under the Trial Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorize the domestic company to file with the CSRC on their behalf. The term "domestic unlisted shares" in the preceding provision refers to shares offered by a domestic company but not listed or quoted for trading on domestic trading venues. Domestic unlisted shares shall be centrally registered and deposited at a domestic securities depository and settlement agency. The registration and settlement arrangement of overseas listed shares is subject to applicable regulations in overseas markets.

Domestic enterprises offered and listed overseas shall file with the CSRC in accordance with the provisions of the Trial Measures, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholder information and other information. Where a domestic enterprise directly offers and is listed overseas, the issuer shall file with the CSRC. If a domestic enterprise indirectly offers and is listed overseas, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC.

Increase in Share Capital

Pursuant to the relevant provisions of the Company Law, where a joint stock limited company intends to issue new stocks, its shareholders' general meeting shall make a resolution about the following matters:

(i) the class and amount of the new stocks;

(ii) the issuing price of the new stocks;

(iii) the beginning and ending dates for the issuance of the new stocks;

(iv) the class and amount of the new stocks to be issued to the original shareholders; and

(v) if any no par value stock is issued, the amount of the proceeds from the issuance of the new stocks which shall be included into the registered capital.

Where a company intends to make public offering of shares, it shall go through the registration with the securities regulatory authority of the State Council and announce the prospectus.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

(i) the company shall prepare a balance sheet and an inventory of property;

(ii) the reduction of registered capital must be approved by shareholders at the shareholders' general meeting;

(iii) the company shall notify its creditors within ten days from the date of the resolution of the shareholders' general meeting to reduce the registered capital and make an announcement in the newspaper or the National Enterprise Credit Information Publicity System within thirty days;

(iv) the creditors have the right to demand the company to settle the debts, or provide corresponding guarantees within thirty days from the date of receipt of the notice, or within forty-five days from the date of the announcement if the notice has not been received; and

(v) the company shall apply to the company registration authority for change in registration.

Where a company reduces its registered capital, it shall reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless it is otherwise prescribed by laws, or is otherwise agreed upon by all the shareholders of a limited liability company or is otherwise prescribed by the articles of association of a joint stock limited company.

Share Buy-Back

Under the Company Law, no company may purchase its own shares except under any of the following circumstances:

(i) where the company's registered capital is reduced;

(ii) where it merges with another company holding its shares;

(iii) where its shares are used for employee stock ownership plan or equity incentives;

(iv) where shareholders, who raise objections to the resolution made by the shareholders' general meeting on the merger or split-up of the company, request the company to purchase their shares;

(v) where its shares are used for conversion of corporate bonds issued by the company that are convertible into shares; or

(vi) when it is necessary for a listed company to maintain its company value and its shareholders' equity.

Where a company purchases its own shares under the circumstance as prescribed in item (i) or (ii) of the preceding paragraph, a resolution of the shareholders' general meeting shall be adopted. Where a company purchases its own shares under the circumstance as prescribed in item (iii), (v) or (vi) of the preceding paragraph, a resolution shall be adopted at the meeting of the board of directors with the attendance of at least two thirds of the directors, according to the articles of association or as authorized by the shareholders' general meeting.

After the company purchases its own shares as prescribed in the first paragraph of this Article, the shares purchased shall be canceled within ten days from the purchase date under the circumstance as mentioned in item (i); the shares shall be transferred or canceled within six months under the circumstance as mentioned in item (ii) or (iv); and the shares held accumulatively by the company shall not exceed 10% of its total shares issued, and be transferred or canceled within three years under any of the circumstances as mentioned in item (iii), (v) or (vi).

Transfer of Shares

Shares held by a shareholder may be transferred according to laws. Under the Company Law, the share transfer by a shareholder shall be conducted on a lawfully established stock exchange or by other means as prescribed by the State Council. The stocks shall be transferred by a shareholder in the form of endorsement or by other means prescribed by laws or administrative regulations. After the transfer, the company shall record the name and domicile of the transferee in the register of shareholders. The register of shareholders shall not be modified within twenty days before a shareholders' general meeting is held, or within five days prior to the benchmark date decided by the company for the distribution of

dividends. Where it is otherwise provided for by laws, administrative regulations or by the securities regulatory authority of the State Council for the modification of the register of shareholders of a listed company, such provisions shall prevail.

Under the Company Law, the shares issued before a company makes a public offering of shares shall not be transferred within one year from the day when the stocks of the company are listed and traded on the stock exchange. Where it is otherwise provided for in laws, administrative regulations or by the securities regulatory authority of the State Council for the transfer of shares held by the shareholders or actual controllers of a listed company, such provisions shall prevail.

The directors, supervisors and senior management member of the company shall declare to the company their shareholdings in the company and the changes thereof. During the term of office as determined when they assume the posts, the number of shares transferred by them each year shall not exceed 25% of the total shares they hold in the company. The shares held in the company shall not be transferred within one year from the day when the stocks of the company are listed and traded. The aforesaid persons shall not transfer the shares they hold in the company within six months after he/she leaves office. Other restrictions on the transfer of shares held in the company by directors, supervisors or senior management member of the company may be specified in the articles of association.

Where the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee may not exercise the pledge right within such restricted period.

Shareholders

Under the Company Law and the Guidelines for Articles of Association, the rights of a shareholder include:

(i) to receive dividends and other forms of benefit distributions in proportion to their shareholdings;

(ii) to attend or appoint a proxy to attend shareholders' general meetings and to exercise voting rights in accordance with laws;

(iii) to supervise a company's business operations, and to present proposals or to raise inquiries;

(iv) to transfer their shares in accordance with the provisions of laws, administrative regulations and the articles of association;

(v) to inspect the company's articles of association, share register, counterfoil of company debentures, minutes of shareholders' general meetings, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors, and financial and accounting reports;

(vi) in the event of the dissolution or liquidation of a company, to participate in the distribution of remaining property of a company in proportion to their respective shareholdings;

(vii) to request the company to acquire their shares, where shareholders vote against the resolution on the merger or split-up of the company proposed at a shareholders' general meeting;

(viii) other rights as prescribed by laws, administrative regulations, department rules or the articles of association.

The obligations of a shareholder include:

(i) to comply with laws, administrative regulations and the articles of association;

(ii) to pay subscription money according to the number of shares subscribed and the method of subscription;

(iii) not to withdraw share capital except in circumstances stipulated by laws and regulations;

(iv) not to abuse their shareholders' rights to damage the interests of a company or other shareholders; not to abuse the independent legal person status of a company and the limited liability of shareholders to damage the interests of the creditors of a company;

(v) other obligations required to be assumed as prescribed by laws, administrative regulations and the articles of association.

Shareholders' General Meetings

Under the Company Law, the shareholders' general meeting of a joint stock limited company is made up of all shareholders. The shareholders' general meeting is the organ of authority of a company, which shall exercise the following functions and powers:

(i) electing and replacing directors and supervisors and deciding on their remunerations;

(ii) deliberating on and approving the reports of the board of directors;

(iii) deliberating on and approving the reports of the board of supervisors;

(iv) deliberating on and approving the plans for profit distribution and making up for losses of the company;

(v) making resolutions on the increase or decrease of the registered capital of the company;

(vi) making resolutions on the issuance of corporate bonds;

(vii) making resolutions on the merger, split-up, dissolution, liquidation or change of corporate form of the company;

(viii) amending the articles of association;

(ix) other functions and powers as prescribed in the articles of association.

Under the Company Law, an annual shareholders' general meeting shall be held every year. If any of the following circumstances occurs, an interim shareholders' general meeting shall be held within two months:

(i) where the number of directors is less than two thirds of the number as provided for by the Company Law or the articles of association;

(ii) where the unrecovered losses of the company reach one third of the total capital stock;

(iii) where the shareholders who separately or aggregately hold 10% or more of the company's shares so request;

(iv) where the board of directors deems it necessary;

(v) where the board of supervisors so proposes;

(vi) other circumstances as provided for in the articles of association.

The shareholders' general meeting shall be convened by the board of directors and presided over by the chairman of the board of directors. If the chairman is unable or fails to perform his/her duties, the meeting shall be presided over by the deputy chairman. If the deputy chairman is unable or fails to perform his/her duties, the meeting shall be presided over by a director jointly elected by more than half of the directors.

If the board of directors is unable or fails to perform the duties of convening the shareholders' general meeting, the board of supervisors shall timely convene and preside over the meeting. If the board of supervisors fails to convene and preside over the meeting, shareholders who separately or

aggregately hold 10% or more of the shares of the company for at least ninety consecutive days may convene and preside over the meeting by themselves. If the shareholders who separately or aggregately hold 10% or more of the shares of the company request to convene an interim shareholders' general meeting, the board of directors and the board of supervisors shall, within ten days from the date of the receipt of such request, decide whether to hold an interim shareholders' general meeting and reply to the shareholders in writing.

The time and place of the meeting and the matters to be deliberated shall be notified to each shareholder twenty days before a shareholders' general meeting is held. For an interim shareholders' general meeting, a notice shall be served on each shareholder fifteen days before the meeting is held.

The shareholders who separately or aggregately hold 1% or more of the shares of the company may, ten days before a shareholders' general meeting is held, submit an interim proposal in writing to the board of directors. The interim proposal shall contain clear topics for discussion and specific matters for resolution. The board of directors shall, within two days after it receives such a proposal, notify other shareholders and submit the interim proposal to the shareholders' general meeting for deliberation, unless the interim proposal is in violation of the provisions of laws, administrative regulations or the articles of association or fails to fall into the scope of functions and powers of the shareholders' general meeting. The company shall not raise the shareholding proportion of the shareholder who brings forward an interim proposal.

Under the Company Law, a shareholder may entrust a proxy to attend a shareholders' general meeting, and it should clarify the matters, power and time limit of the proxy. The proxy shall present a written power of attorney issued by the shareholder to a company and shall exercise his/her voting rights within the scope of authorization. There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a shareholders' general meeting.

Under the Company Law, shareholder who attends the shareholders' general meeting has one vote for each share held by it, except the shareholders of classified shares. The company may not have a voting right for the shares it holds.

Under the Company Law and the Guidelines for Articles of Association, a resolution made at the shareholders' general meeting shall be adopted by more than half of the voting rights held by the shareholders who attend the meeting. A resolution made at the shareholders' general meeting on modifying the articles of association, increasing or reducing the registered capital as well as made by the company on merger, split-up, dissolution or change of the corporate form shall be adopted by at least two thirds of the voting rights held by the shareholders who attend the meeting.

The shareholders' general meeting may, in electing the directors or supervisors, adopt a cumulative voting system according to the provisions of the articles of association or the resolutions of the shareholders' general meeting. The cumulative voting system means each share, when the shareholders' general meeting elects the directors or supervisors, carries the number of voting rights equivalent to the number of directors or supervisors to be elected, and the voting rights owned by shareholders may be used collectively.

Board of Directors

Under the Company Law, a joint stock limited company shall have a board of directors, which consists of three or more members. The term of office of directors shall be prescribed in the articles of association, but each term shall not exceed three years. After the term of office of a director expires, he/she may be reelected to serve another term.

The board of directors shall have one chairman and may have deputy chairmen. The methods for selecting the chairman and deputy chairmen shall be prescribed in the articles of association. The chairman and deputy chairmen shall be elected by more than half of all the directors of the board of directors. The deputy chairman of the company shall assist the chairman in work. If the chairman is

unable or fails to perform his/her duties, the deputy chairman shall perform such duties. If the deputy chairman is unable or fails to perform his/her duties, a director jointly elected by more than half of the directors shall perform such duties.

Under any of the following circumstances, anyone may not act as a director of a company:

(i) having no capacity for civil conduct or having limited capacity for civil conduct;

(ii) having been sentenced to any criminal penalty due to an offence of corruption, bribery, encroachment of property, misappropriation of property or disrupting the order of the socialist market economy, or having been deprived of political rights due to a crime, where a five-year period has not elapsed since the expiration of execution period; if he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the date of the expiration of the suspension of sentence;

(iii) serving as a director, factory director or manager of a company or enterprise which has been bankrupt and liquidated and being personally liable for the bankruptcy of such company or enterprise, where a three-year period has not elapsed since the date of the completion of the bankruptcy and liquidation of such company or enterprise;

(iv) acting as the legal representative of a company or enterprise whose business license has been revoked or which has been ordered to close down due to any violation of laws and being personally liable, where a three-year period has not elapsed since the date of revocation of business license or the order for closure of such company or enterprise;

(v) being listed as a dishonest person subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of due debts.

The board of directors shall convene at least two meetings every year. Each meeting shall be notified to all directors and supervisors ten days before it is held. The board of directors shall exercise the following functions and powers:

(i) convening the shareholders' general meeting and reporting its work to the shareholders' general meeting;

(ii) executing the resolutions of the shareholders' general meeting;

(iii) deciding the business plans and investment scheme of the company;

(iv) formulating the plans for profit distribution and making up for losses of the company;

(v) formulating the plan for increasing or decreasing the registered capital of the company, as well as the plan for issuance of corporate bonds;

(vi) formulating the plan for merger, division, dissolution, or change of corporate form of the company;

(vii) deciding the establishment of the internal management body of the company;

(viii) deciding the appointment or dismissal of the manager of the company and the remuneration thereof, and, according to the nomination of the manager, deciding on appointing or dismissing deputy managers and financial director of the company as well as their remuneration;

(ix) formulating the basic management rules of the company;

(x) other functions and powers specified in the articles of association or granted by the shareholders' general meeting.

No meeting of the board of directors may be held unless more than half of the directors are present. A resolution made by the board of directors shall be adopted by more than half of all the directors. For voting on a resolution of the board of directors, each director shall have one vote. The board of directors shall prepare minutes regarding the decisions on the matters discussed, which shall be signed by the directors present at the meetings.

The directors shall attend the meeting of the board of directors in person. Where any director is unable to attend the meeting for any reason, he/she may, by issuing a written power of attorney, entrust another director to attend the meeting on his/her behalf. The power of attorney shall indicate the scope of authorization. The directors shall be responsible for the resolutions made by the board of directors. Where a resolution of the board of directors is in violation of laws, administrative regulations, articles of association or resolutions of the shareholders' general meeting and causes serious loss to the company, the directors who participate in adopting such resolution shall be liable for compensation to the company. If a director is proved to have expressed his/her objection to the voting on such resolution and such objection has been recorded in the minutes, he/she may be exempted from liability.

Audit Committee

Under the Company Law, a joint stock limited company may, in accordance with the provisions of the articles of association, establish an audit committee within the board of directors composed of directors to exercise the functions and powers prescribed for the board of supervisors by the Company Law, without establishing a board of supervisor or supervisor.

The audit committee shall consist of three or more members, a majority of whom shall not hold other positions in the company other than that of directors, and shall not have any relationship with the company that may affect their independent and objective judgement. Employee representatives among the members of the board of directors of a company may become members of the audit committee.

Resolutions made by the audit committee shall be passed by more than half of the members of the audit committee. Each member shall have one vote for the resolution to be approved by the audit committee. Unless otherwise provided in the Company Law, the method of discussion and voting procedure of the audit committee shall be prescribed by the articles of association.

A company may, in accordance with the provisions of the articles of association, set up other committees in the board of directors.

Managers and Senior Management Member

Under the Company Law, a joint stock limited company may have a manager, who shall be appointed or removed as decided by the board of directors. The manager shall be responsible to the board of directors and exercise his/her functions and powers according to the provisions of the articles of association or the authorization of the board of directors. The manager shall attend the meetings of the board of directors.

According to the Company Law, senior management member refers to the manager, deputy manager and financial director of the company, the secretary to the board of directors of a listed company, and other persons as specified in the articles of association.

Duties of Directors and Senior Management Member

Directors and senior management member of the company are required under the Company Law to comply with the relevant laws, regulations and the articles of association, and have the duties of loyalty and diligence to the company. Directors and senior management member shall assume the duty of loyalty to the company and take measures to avoid the conflict between their own interests and those of the company, and may not seek improper interests by taking advantage of their functions and powers.

The director and senior management member shall assume the duty of diligence to the company. When performing their duties, they shall, for the best interests of the company, exercise the reasonable care that shall be generally possessed by a manager.

Directors and senior management member are prohibited from:

(i) embezzling the property or misappropriating the funds of the company;

(ii) depositing the funds of the company into an account opened in their own name or in the name of other individuals;

(iii) giving bribes or accepting other illegal proceeds by taking advantage of their functions and powers;

(iv) taking commissions from the transactions between the company and other persons into their own pocket;

(v) disclosing the company's secrets without authorization; or

(vi) other acts in violation of the duty of loyalty to the company.

Where any director or senior management member directly or indirectly concludes a contract or conducts a transaction with the Company, he/she shall report the matters relating to the conclusion of the contract or transaction to the board of directors or shareholders' general meeting, which shall be subject to the resolution of the board of directors or shareholders' general meeting according to the Articles of Association.

Where any of the near relatives of the directors or senior management members, or any of the enterprises directly or indirectly controlled by the directors or senior management members or their near relatives, or the related parties who has any other related-party relationship with the directors or senior management members, concludes a contract or conducts a transaction with the company, the provisions of the preceding paragraph shall apply.

No director or senior management member may take advantage of his/her position to seek any business opportunity that belongs to the company for himself/herself or any other person except under any of the following circumstances:

(i) where he/she has reported to the board of directors or the shareholders' general meeting and has obtained an approval by a resolution of the board of directors or the shareholders' general meeting according to the Articles of Association; or

(ii) where the company cannot make use of the business opportunity as stipulated by laws, administrative regulations or the Articles of Association.

Where any director or senior management member fails to report to the board of directors or the shareholders' general meeting and obtain an approval by resolution of the board of directors or the shareholders' general meeting according to the Articles of Association, he/she may not engage in any business that is similar to that of the company where he/she holds office for himself/herself or for any other person.

Where any director or senior management member violates any law, administrative regulation or the Articles of Association during the performance of duties and causes any loss to the company, he/she shall be liable for compensation.

Finance and Accounting

Under the Company Law, a company shall establish its financial and accounting systems according to laws, administrative regulations and the regulations of the finance department of the State Council. At the end of each fiscal year, the company shall prepare a financial accounting report which shall be audited by an accounting firm in accordance with the law. The financial accounting report shall be prepared in accordance with the laws, administrative regulations and the regulations of the finance department of the State Council.

The financial accounting report of a joint stock limited company shall be made available for inspection by the shareholders at the Company not later than twenty days before the annual meeting of shareholders. A joint stock limited company that has publicly issued shares shall publish its financial accounting report.

A joint stock limited company may distribute profits in proportion to the number of shares held by its shareholders, except for profit distributions that are not in proportion to the number of shares held in accordance with the provisions of the Articles of Association of the joint stock limited company.

The premiums received by a joint stock limited company from the issuance of shares at an issue price in excess of the par value of the shares, the amount of share proceeds from the issuance of no-par shares that have not been credited to the registered capital, and other income required by the finance department of the State Council to be included in the capital reserve shall be classified as the capital reserve of the company.

The reserve of a company shall be used for making up losses, expanding the production and business scale or converting to increase the capital of the company. Where the reserve 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. Where the statutory reserve is converted to increase registered capital, the amount of such reserve retained shall not be less than 25% of the registered capital of the company prior to the conversion.

No company may keep any accounting books other than the statutory accounting books.

Appointment and Dismissal of Accounting Firms

Pursuant to the Company Law, the employment or dismissal of an accounting firm undertaking a company's auditing business shall be decided by the shareholders' general meeting or the board of directors in accordance with the provisions of the Articles of Association. When a company's shareholders' general meeting or board of directors votes on the dismissal of an accounting firm, the accounting firm shall be allowed to state its own opinions. A company shall provide true and complete accounting documents, accounting books, financial accounting reports and other accounting information to the accounting firm engaged by it, and shall not refuse, conceal or misrepresent them.

The Guidelines for Articles of Association provide that the company's engagement of an accounting firm shall be decided by the shareholders' general meeting. The board of directors shall not engage any accounting firm before the decision is made by the shareholders' general meeting. The audit fee to the accounting firm shall be decided by the shareholders' general meeting.

Profit Distribution

When a company distributes its after-tax profit for the current year, 10% of the profit shall be accrued and included in the company's statutory reserve. Such accrual is no longer required when the accumulated amount of the company's statutory reserve is 50% or more of the company's registered capital. Where the accumulative amount of the company's statutory reserve is not enough to make up for the losses of the previous year, the current year's profits shall first be used to make up for the losses before the statutory reserve is accrued according to the provisions of the preceding provision. After having accrued statutory reserves from the after-tax profits, a company can also set aside discretionary reserve from the after-tax profits upon a resolution made by the shareholders' general meeting. The residual after-tax profits after a company has made up its losses and accrued reserve shall be distributed by the company (in the case of a limited liability company) in proportion to the capital contribution paid up by its shareholders, except where all the shareholders have agreed not to distribute the profits in accordance with the proportion of the capital contribution; or such profits shall be distributed by the company (in the case of a joint stock limited company) in proportion to the shares held by its shareholders, except as otherwise provided for in the Articles of Association.

Where a company distributes profits to shareholders in violation of the provisions of the Company Law, the shareholders shall return the profits distributed in contravention of the provisions to the company, and the shareholders and the liable directors and senior management members shall be held liable for compensation if any loss is caused to the company.

If the shareholders' general meeting resolves to distribute profits, the board of directors shall make such distribution within six months from the date on which the resolution of the shareholders' general meeting is adopted.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved for the following reasons:

(i) the expiration of the business period stipulated in the company's Articles of Association or the occurrence of other causes of dissolution stipulated in the company's Articles of Association;

(ii) dissolution by a resolution of the shareholders' general meeting;

(iii) dissolution due to merger or demerger of the company;

(iv) suspension of the business license, being ordered to close down or being revoked in accordance with the law; or

(v) being dissolved by the People's Court in accordance with the provisions of Article 231 of the Company Law.

If any of the situations as mentioned in the preceding paragraph arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

Where the company is dissolved in accordance with sub-paragraphs (i) and (ii) above and has not yet distributed its assets to the shareholders, it may carry on its existence by amending its Articles of Association or upon a resolution of the shareholders' general meeting. To amend the Articles of Association or pass a resolution of the shareholders' general meeting in accordance with the preceding provision, for a limited liability company, it shall be approved by shareholders holding at least two-thirds of the voting rights, and for a joint stock limited company, it shall be approved by at least two-thirds of the voting rights held by the shareholders present at the shareholders' general meeting. Where the company is dissolved pursuant to sub-paragraphs (i), (ii), (iv) or (v) above, it shall be liquidated. The directors, who are the liquidation obligors of the company, shall form a liquidation group to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution. The liquidation group shall be composed of the directors, unless it is otherwise provided for in the company's Articles of Association or it is otherwise elected by the shareholders' general meeting. The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the company or the creditors.

The liquidation group fails to be formed within the time limit or fails to carry out the liquidation after its formation, any interested party may request the People's Court to designate relevant persons to form a liquidation group. The People's Court shall accept such requests and organize a liquidation group to carry out the liquidation in a timely manner.

The liquidation group may exercise the following functions during the period of liquidation:

(i) liquidating the property of the company, preparing a balance sheet and an inventory of property, respectively;

(ii) notifying the creditors by sending notices or making public announcements;

(iii) handling and liquidating the unfinished business of the company;

(iv) paying off the taxes overdue and the taxes incurred in the process of liquidation;

(v) liquidation of claims and debts;

(vi) distributing the remaining property after all the debts of the company are paid off;

(vii) representing the company in civil litigation activities.

The liquidation group shall notify the company's creditors within ten days from the date of its formation and shall make a public announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their proofs of claim with the liquidation group within 30 days from the date of receipt of the notice or within 45 days from the date of the issuance of the public announcement in the case of failing to receive such notice. When filing a proof of claim, the creditor shall describe the relevant matters of claim and provide the relevant evidentiary materials. The liquidation group shall register the proof of claim. During the period for filing proofs of claims, the liquidation group shall not pay off for any of the creditors.

The liquidation group shall, after liquidating the property of the company and preparing a balance sheet and an inventory of property, make a plan of liquidation and report the same to the shareholders' general meeting or the People's Court for confirmation.

After paying off the liquidation expenses, wages of employees, social insurance premiums and statutory compensations, the outstanding taxes and the debts of the company with the property of the company, the remaining assets may, in the case of a limited liability company, be distributed in proportion to capital contributions of its shareholders, and in the case of a joint stock limited company, distributed in proportion to the shares held by its shareholders.

During the period of liquidation, the company survives, but shall not carry out any business operation unrelated to the liquidation. The property of the company shall not be distributed to the shareholders until it has been liquidated in accordance with the preceding paragraph.

Where the liquidation group finds that the property of the company is not sufficient for paying off the debts after liquidating the property of the company and preparing a balance sheet and an inventory of property, it shall file an application to a People's Court for bankruptcy liquidation. After the People's Court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the People's Court.

The members of the liquidation group performing their duties of liquidation are obliged to loyalty and diligence. Any member of the liquidation group who neglects to fulfill his/her liquidation duties, thus causing any loss to the company shall be liable for compensation, and any member of the liquidation group who cause any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

Upon completion of the liquidation of the company, the liquidation group shall produce a liquidation report, report the same to the shareholders' general meeting or the People's Court for confirmation, and submit the same to the company registration authority to apply for deregistration of the company.

Where, after three years since the business license of a company is revoked, or the company is ordered to close down or is revoked, the company fails to apply for its deregistration with the company registration authority, the said authority may announce the company's deregistration through the National Enterprise Credit Information Publicity System for a period of no less than 60 days. If there is no objection after the announcement period expires, the company registration authority may deregister the company.

Overseas Listing

According to the Trial Measures, initial public offerings or listings in overseas markets shall be filed with the CSRC within 3 working days after the relevant application is submitted overseas. Subsequent securities offerings of an issuer in the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within 3 working days after the offering is completed.

Subsequent securities offerings and listings of an issuer in other overseas markets than where it has offered and listed shall be filed pursuant to provisions in the first sentence of this paragraph. Moreover, if the filing materials are complete and meet the requirements, the CSRC shall complete the filing within 20 working days from the date of receiving the filing materials, and publicize the filing information through the website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall inform the issuer of the materials to be supplemented within 5 working days after receiving the filing materials. The issuer shall supplement the materials within 30 working days.

Loss of Share Certificates

A shareholder may, in accordance with the public notice procedures set out in the PRC Civil Procedure Law, apply to a People's Court if his share certificate(s) in registered form is either stolen, lost or destroyed, for a declaration that such certificate(s) will no longer be valid. After the People's Court declared that such certificate(s) will no longer be valid, the shareholder may apply to the company for the issue of a replacement certificate(s).

Suspension and Termination of Listing

The Company Law has deleted provisions governing suspension and termination of listing. The Securities Law of the People's Republic of China (《中華人民共和國證券法》), which was latest amended by the SCNPC on December 28, 2019 and came into effect on March 1, 2020, has also deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

According to the Trial Measures, upon the occurrence of voluntary or mandatory delisting after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report thereof to CSRC within 3 working days after the occurrence and public disclosure of the event.

SECURITIES LAW AND REGULATIONS

In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by Chinese companies in the Chinese Mainland or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking research and analysis. On March 29, 1998, the State Council consolidated the above two departments and reformed the CSRC.

The Provisional Regulations for the Administration of Issuing and Trading of Shares (《股票發行與交易管理暫行條例》) promulgated by the State Council and effective on April 22, 1993 provide the application and approval procedures for the public issue of shares, trading of shares, takeover of listed companies, the deposit, settlement and transfer of listed shares, the disclosure of information by listed companies, investigation and penalties, and arbitration of disputes.

The Securities Law of the People's Republic of China (《中華人民共和國證券法》) (the "**Securities Law**"), which was latest amended by the SCNPC on December 28, 2019 and came into effect on March 1, 2020, provides a series of provisions regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities in the PRC, and comprehensively regulates activities in the PRC securities market. The Securities Law provides that a domestic enterprise must comply with the relevant provisions of the State Council in issuing securities directly or indirectly outside the PRC or listing and trading its securities outside the PRC. Currently, the issue and trading of foreign issued shares are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

Pursuant to the Arbitration Law of the People's Republic of China (《中華人民共和國仲裁法》) (the "**Arbitration Law**"), which was promulgated by the SCNPC on August 31, 1994 and became effective on September 1, 1995, and comprehensively revised by the SCNPC on September 12, 2025 (effective March 1, 2026), the Arbitration Law applies to a broadened scope of foreign-related disputes (including foreign-related economic, trade, transport and maritime disputes, among others) where all parties have entered into a written arbitration agreement referring the matter to an arbitration institution constituted under the Arbitration Law.

Under the Arbitration Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the People's Court for enforcement according to the PRC Civil Procedure Law. A People's Court may refuse to enforce an arbitral award if there is any procedural irregularity (including irregularity in the composition of the arbitration institution or the making of an award on matters beyond the scope of the arbitration agreement or matters beyond the jurisdiction of the arbitration institution). Where a party applies for enforcement of an arbitral award made in the PRC pursuant to the law which has come into legal effect, and the person subject to enforcement or its properties are not located in the PRC, the party may apply to a foreign court with jurisdiction over the case for recognition and enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the People's Court in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC.

According to the Arrangements of the Supreme People's Court on the Reciprocal Enforcement of Arbitration Awards by the Chinese Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》) promulgated by the Supreme People's Court on January 24, 2000 and effective on February 1, 2000, and the Supplementary Arrangement of the Supreme People's Court on Reciprocal Enforcement of Arbitration Awards by the the Chinese Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) promulgated by the Supreme People's Court on November 26, 2020 and effective on November 27, 2020, awards made by arbitral authorities in Chinese mainland can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in Chinese mainland.

JUDICIAL JUDGMENT AND ITS ENFORCEMENT

Under the Supreme People's Court's Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Chinese Mainland and Hong Kong Special Administrative Region (《最高人民法院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》) promulgated by the Supreme People's Court on January 25, 2024, and effective on January 29, 2024, the judgments that can be reciprocally recognized and enforced between the two places are limited to judgments rendered by the courts of the Chinese Mainland and of the Hong Kong Special Administrative Region on or after January 29, 2024, except for the judgments in civil and commercial matters that are not applicable under Article 3 of this arrangement. Judgments subject to reciprocal recognition and enforcement include both monetary and non-monetary judgments. Upon the effectiveness of this arrangement, the Supreme People's Court's Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Chinese Mainland and Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) promulgated by the Supreme People's Court on July 3, 2008 and effective on August 1, 2008, was repealed.

On January 25, 2024, the Supreme People's Court issued the Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Chinese Mainland and 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》), effective on January 29, 2024, seeking to establish a clearer and more explicit mechanism for the recognition and enforcement of a broader range of civil and commercial judgments between Hong Kong and the Chinese Mainland.

This Appendix mainly provides investors with an overview of the Articles of Association. As the following information is in summary form, it does not contain all the information that may be important to investors.

SHARES AND REGISTERED CAPITAL

Shares of the Company shall take the form of registered share certificates.

The Company shall issue shares in an open, equitable and fair manner, and each of the shares in the same class shall carry the same rights.

Shares of the same class and the same issuance shall be issued on the same conditions and at the same price; and every share subscribed by subscriber(s) in the same issue shall have the same price.

All shares issued by the Company shall be denominated in RMB.

INCREASE, REDUCTION, REPURCHASE AND TRANSFER OF SHARES

Increase and Reduction of Shares

In light of the Company's operational and developmental needs, the Company may increase its capital in accordance with the requirements of laws, regulations and the securities regulatory rules of the place where the shares of the Company are listed, by any of the following methods:

(I) issuance of shares to unspecified parties;

(II) issuance of shares to specific parties;

(III) distribute bonus shares to existing shareholders;

(IV) convert reserve fund into additional share capital;

(V) any other means as permitted by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the CSRC.

The Company may reduce its registered capital. If the Company reduces its registered capital, such reduction shall be made in accordance with the procedures set out in the Company Law, Listing Rules as well as other relevant regulations and the Articles of Association.

Repurchase of Shares

The Company shall not repurchase its own shares. However, exceptions are made in any of the following cases:

(I) to reduce the registered capital of the Company;

(II) to merge with other companies that hold shares in the Company;

(III) to use the shares for employees' stock ownership plans or as share incentives;

(IV) to acquire the shares of shareholders (upon their request) who vote against any resolution adopted at any shareholders' meetings on the merger or division of the Company;

(V) to use the shares to satisfy the conversion of those corporate bonds convertible into shares issued by the Company;

(VI) to safeguard corporate value and shareholders' equity as the Company deems necessary;

(VII) any other circumstances as permitted by the laws, administrative regulations and the listing rules of the stock exchange where the shares of the Company are listed.

The Company may repurchase its own shares through public centralized trading, or through other means recognized by the laws, administrative regulations, the securities regulatory authorities of the place and the stock exchange where the shares of the Company are listed, and shall comply with the provisions under applicable laws and regulations, as well as securities regulatory rules of the place where the shares of the Company are listed. Where the purchases of the Company's shares under any of the circumstances specified in items (III), (V) and (VI) in the first paragraph of the Company, centralized trading shall be adopted publicly.

Where the Company purchases its own shares under any of the circumstances as mentioned in items (I) or (II) of the first paragraph, a resolution of the shareholders' meeting shall be adopted. Where the Company purchases its own shares under any of the circumstances as mentioned in items (III), (V) or (VI) of the first paragraph, a resolution shall be adopted at the meeting of the Board with the attendance of not less than two thirds of the Directors, provided that it complies with the securities regulatory rules of the place where the shares of the Company are listed. After the share repurchase, the Company shall adhere to the information disclosure obligations as stipulated in the Securities Law and the securities regulatory rules of the place where the shares of the Company are listed.

After the Company purchases its own shares according to the first paragraph, the shares purchased shall be cancelled within ten days as of the purchase date under the circumstance as mentioned in item (I); the shares shall be transferred or cancelled within six months under the circumstance as mentioned in item (II) or (IV); and the shares held accumulatively by the Company shall not exceed 10% of the total issued shares of the Company and be transferred or cancelled within three years under any of the circumstances as mentioned in item (III), (V) or (VI).

If it is otherwise provided in relevant laws, administrative regulations, departmental rules, other regulatory documents and relevant requirements of the securities regulatory authorities at the place where the shares of the Company are listed regarding the relevant events in respect of repurchase of the shares above, such provisions shall prevail.

Transfer of Shares

Unless otherwise provided in the laws, administrative regulations and listing rules of the place where the shares of the Company are listed, the shares of the Company may be transferred according to law without any lien.

The Company shall not accept its own shares as the subject of pledge.

Shares of the Company held by promoters shall not be transferred within 1 year from the date of establishment of the Company. Shares issued by the Company prior to the public offering shall not be transferred within 1 year from the date on which the shares of the Company are listed and traded on the stock exchange concerned.

The Directors and senior management of the Company shall declare to the Company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year shall not exceed 25% of the total shares of the same class they hold of the Company. The shares of the Company held by them shall not be transferred within 1 year as of the day when the stocks of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them for the period of six months after they leave the Company.

Where the listing rules of the stock exchange where the shares of the Company are listed have otherwise provided for the restrictions on the transfer of the Company's H shares, such provisions shall prevail.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Shareholders

The Company shall establish a register of shareholders based on the Company Law and the certificates provided by the securities registration and clearing institution at the place where the shares of the Company are listed. The register of shareholders shall be sufficient evidence proving the shareholders' holding of the Company's shares. The original register of holders of H Shares listed in Hong Kong shall be maintained in Hong Kong and available for inspection by shareholders, whilst the Company may close the register of members in accordance with the provisions of applicable laws and regulations and the securities regulatory rules of the place where the shares of the Company are listed. Shareholders shall enjoy rights and assume obligations according to the class of shares held by them. Shareholders who hold existing shares of the same class shall enjoy equal rights and assume equal obligations.

Shareholders of the Company shall enjoy the following rights:

(I) the right to receive dividends and other distributions in proportion to the number of shares held;

(II) the right to request, convene, preside, attend or appoint proxies to attend shareholders' meetings and speak at the shareholders' meeting, and to exercise the corresponding voting rights (except in cases where the shareholder is required to abstain from voting on individual matters in accordance with the securities regulatory rules of the place where the shares of the Company are listed) according to the laws;

(III) the right to supervise, present proposals or raise enquiries in respect of the Company's operations;

(IV) the right to transfer, give as a gift or pledge the shares it holds in accordance with laws, administrative regulations and the Articles of Association;

(V) the right to inspect and copy the Articles of Association, register of shareholders (including the register of holders of H Shares), minutes of the shareholders' meetings, resolutions of the Board and the financial accounting reports. Eligible shareholders may inspect the Company's accounting books and vouchers;

(VI) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company in proportion to the shares held;

(VII) with respect to shareholders who voted against any resolution adopted at the shareholders' meeting on the merger or demerger of the Company, the right to demand the Company to repurchase the shares held by them;

(VIII) other rights stipulated in the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

When a shareholder requests to inspect or duplicate the relevant material, he/she shall comply with the provisions of the Company Law and other laws and regulations as well as the securities regulatory rules of the place where the shares of the Company are listed, and shall furnish with the Company written documents evidencing the class and quantity of shares he/she holds in the Company, and the Company shall comply with such shareholders' request upon verification of his/her shareholder capacity.

A resolution of the shareholders' meeting or the Board meetings may be declared void by the people's court upon application from shareholders if the content contravenes the laws or administrative regulations. If the procedures for the shareholders' meeting and the Board meetings or the method of voting at such meetings violate the laws, administrative regulations or the Articles of Association, or

the content of any resolution violates the Articles of Association, the shareholders may, within 60 days from the date on which such a resolution is approved, submit a petition to a people's court to revoke the same. However, it does not apply if such procedures for shareholders' meeting and the Board meetings or the method of voting at such meetings have only minor flaws that have no substantial impact on the resolution.

Where the Board, shareholders or other related parties have disputes regarding the validity of the resolutions of the shareholders' meeting, they shall promptly file a lawsuit to a people's court. Before the people's court renders a judgment or ruling like setting aside the resolution, the related parties shall execute the resolutions of the shareholders' meeting. The Company, Directors and senior management personnel shall perform their duties in good faith, and ensure the normal operation of the Company. A resolution of the shareholders' meeting or of the Board shall be deemed invalid under any of the following circumstances:

(I) the resolution was made without convening a shareholders' meeting or a Board meeting;

(II) the shareholders' meeting or Board meeting did not vote on the resolution matters;

(III) the number of attendees or the voting rights held did not meet the requirements stipulated by the Company Law or the Articles of Association;

(IV) the number of voters or votes in favor of the resolution matters did not meet the requirements stipulated by the Company Law or the Articles of Association.

In the event that violation of laws, administrative regulations or the Articles of Association by a Director other than members of the Audit Committee or a senior management in performing his/her duties results in losses to the Company, the shareholders that solely or collectively hold not less than 1% shares of the Company for a continuous period of not less than 180 days shall have the right to make a written request to the Audit Committee to institute a legal action in a people's court. In the event of violation of laws, administrative regulations or the provisions of the Articles of Association by the Audit Committee in performing its duties, resulting in losses to the Company, the aforesaid shareholders shall have the right to make a written request to the Board to institute a legal action in a people's court. Upon receipt of the written request by the shareholders as stipulated in the preceding paragraph, in case the Audit Committee or the Board refuses to institute a legal action or fails to institute a legal action within 30 days from receipt of such request, or under urgent circumstances the Audit Committee or the Board fails to file a litigation immediately, causing irreparable damages to the Company, the aforementioned shareholders shall have the right to institute a legal action with a people's court directly in their own name for protecting the Company's interests.

In the event that any other person infringes upon the legitimate rights and interests of the Company and causes losses thereto, the shareholders mentioned in the first paragraph may initiate legal proceedings in the people's court according to the provisions of the preceding two paragraphs.

In the event that violation of laws, administrative regulations or the provisions of the Articles of Association by the Directors, supervisors or senior management personnel of a wholly-owned subsidiary of the Company in performing his/her duties results in losses to the Company, or if any person infringes the lawful rights and interests of a wholly-owned subsidiary of the Company and thus causes losses, shareholders individually or collectively holding not less than 1% of the shares of the Company for not less than 180 consecutive days may, in accordance with the provisions of the preceding three paragraphs of Article 189 of the Company Law, request in writing, that the Board of Supervisors or the Board of the wholly-owned subsidiary to initiate legal proceedings in the people's court, or initiate legal proceedings in the people's court directly in their own names. If the wholly-owned subsidiaries of the Company have the Audit Committee instead of the Board of Supervisors or supervisors, the first and second paragraphs of this Article shall apply.

In the event that the violation of laws, administrative regulations or the provisions of the Articles of Association by a Director or senior management personnel, causes damage to the shareholders' interests, the shareholders may institute a legal action with a people's court.

Holders of ordinary shares of the Company shall have the following obligations:

(I) to comply with law, administrative regulations and this Articles of Association;

(II) to pay for the shares based on the shares subscribed and the method of subscription;

(III) not to withdraw share capital unless in the circumstances stipulated by laws and regulations;

(IV) not to abuse shareholder's right to harm the interests of the Company or other shareholders; not to abuse the Company's position as an independent legal person and shareholder's limited liability protection to harm the interests of the creditors of the Company;

(V) to fulfill other obligations stipulated by the laws, administrative regulations and the Articles of Association.

If any shareholder of the Company abuses his/her shareholder's right, thereby causing any loss to the Company or other shareholders, the said shareholder shall be liable for compensation according to law. If any shareholder of the Company abuses the Company's position as an independent legal person or shareholder's limited liability protection for the purpose of evading repayment of debts, thereby seriously damaging the interests of the creditors of the Company, the said shareholder shall bear joint liabilities for the Company's debts.

Controlling Shareholders and De Facto Controllers

The Controlling shareholders and de facto controller of the Company shall exercise their rights and perform their obligations in accordance with laws, administrative regulations, the rules of the securities regulatory authorities and the stock exchange at the place where the shares of the Company are listed, and shall safeguard the interests of the Company.

The controlling shareholder and the de facto controller of the Company shall comply with the following provisions:

(I) exercise shareholders' rights lawfully, and not to abuse control or exploit affiliated relationships to the detriment of the lawful rights and interests of the Company or other shareholders;

(II) strictly honor all public statements and commitments made, and not to unilaterally alter or waive them;

(III) strictly fulfil information disclosure obligations in accordance with the relevant provisions, actively and proactively cooperate with the Company in carrying out information disclosure, and promptly inform the Company of any material events that have occurred or are intended to occur;

(IV) not to occupy the Company's funds in any manner;

(V) not to force, instruct, or require the Company or related personnel to provide guarantees in violation of laws or regulations;

(VI) not to seek benefits by using undisclosed material information of the Company, not to disclose any undisclosed material information relating to the Company in any manner, and not to engage in illegal and unlawful activities such as insider trading, short-swing trading, or market manipulation;

(VII) not to harm the lawful rights and interests of the Company and other shareholders through any means, including but not limited to unfair connected transactions, profit distributions, asset restructuring, or external investments;

(VIII) ensure the integrity of the Company's assets, as well as the independence of its personnel, finances, organizational structure, and business operations, and not to affect the independence of the Company in any manner;

(IX) comply with the provisions under laws, administrative regulations, the rules of the securities regulatory authorities and the stock exchange at the place where the shares of the Company are listed, and other provisions in the Articles of Association.

Where the controlling shareholders or de facto controller of the Company do not serve as Directors but actually manage the affairs of the Company, the provisions of the Articles of Association regarding the fiduciary duties and due diligence obligations of Directors shall apply.

If a controlling shareholder or de facto controller of the Company instructs a Director or senior management personnel to engage in activities that prejudice the interests of the Company or its shareholders, they shall bear joint and several liability with such Director or senior management personnel.

Where the Controlling shareholder and de facto controller of the Company pledge the Company's shares they hold or actually control, they shall maintain the stability of the Company's control rights and its production and business operations.

Where the controlling shareholders or de facto controllers transfer the shares of the Company they hold, they shall comply with the restrictions on share transfers stipulated under laws, administrative regulations, departmental rules, normative documents, and the rules of the securities regulatory authorities and the stock exchange at the place where the shares of the Company are listed, as well as any commitments they have made regarding limitations on the transfer of shares.

General Provisions for Shareholders' Meetings

The shareholders' meeting shall be the body of power of the Company, which exercises the following functions and powers according to law:

(I) to elect and replace Directors who are not employee representatives and make decisions on matters in relation to the salary of the relevant Directors;

(II) to consider and approve reports of the Board;

(III) to consider and approve the Company's profit distribution policy, profit distribution plan and loss recovery plan;

(IV) to resolve on increase or decrease of the registered capital of the Company;

(V) to resolve on issuance of bonds of the Company;

(VI) to resolve on the merger, division, dissolution, liquidation or changes of the corporate form of the Company;

(VII) to amend the Articles of Association;

(VIII) to resolve on the appointment or dismissal of the accounting firms engaged in the audit work of the Company and its compensation;

(IX) to consider and approve the guarantees specified in Article 39 of the Articles of Association;

(X) to consider all transactions where the Company's percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules relating to percentage ratios are not less than 25% (including one-off transactions and a series of transactions which require combined percentage ratio calculation) and related transactions where the percentage ratios are not less than 5% (including one-off transactions and a series of transactions which require combined percentage ratio calculation);

(XI) to consider the purchase or sale in any one year of material assets valued in excess of 30% of the Company's total assets as audited in the latest period;

(XII) to consider and approve changes in the use of funds raised;

(XIII) to consider equity incentive plans and employees' stock ownership plans;

(XIV) to consider other matters as required by the laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the shares of the Company are listed or the Articles of Association, which shall be decided by the shareholders' meeting.

The above-mentioned functions and powers of the shareholders' meeting shall not be exercised by the Board or other bodies and individuals on its behalf by way of delegation. Except for the above matters, the shareholders' meeting may authorize or delegate the Board and/or persons authorized by the Board to carry out the matters it authorizes or delegates, subject to the mandatory provisions of laws and regulations and the relevant laws and regulations and regulatory rules of the place where the Company's shares are listed.

The following external guarantee of the Company shall be submitted to the shareholders' meeting for deliberation and approval:

(I) the single guarantee for an amount more than 10% of the Company's net assets audited in the latest period;

(II) any guarantee to be provided after the total amount of external guarantees provided by the Company and its controlling subsidiaries has exceeded 50% of the Company's net assets as audited in the latest period;

(III) any guarantee to be provided for a party whose ratio of liabilities to assets exceeds 70%;

(IV) any guarantee exceeding 30% of the Company's latest audited total assets in accordance with the principle of cumulative calculation of the guarantee amount for 12 consecutive months;

(V) the Company's total external guarantees in 12 consecutive months exceed 30% of the Company's latest audited total assets;

(VI) any guarantee to be provided to shareholders, actual controllers and their connected persons; and

(VII) other external guarantees that shall be considered and approved by the shareholders' meeting in accordance with laws, regulatory documents or the listing rules of the place where the Company's shares are listed.

The Company may be waived for the requirements of paragraphs (I) to (III) of the first paragraph if the Company's interests will not be jeopardized by providing guarantees for its wholly-owned subsidiaries or by providing guarantees for its controlling subsidiaries and the remaining shareholders of the controlling subsidiaries provide guarantees in the same proportion according to the equity interests they are entitled to.

A guarantee matter mentioned in item (V) of the first paragraph, which is considered by the shareholders' meeting, shall be passed by at least two-thirds of the voting rights held by the shareholders present at the meeting.

When the shareholders' meeting deliberates on guarantee proposals provided for shareholders, de facto controllers, and their connected persons, such shareholders or shareholders under the control of the de facto controller shall not participate in the vote on that item, and the vote must be passed by more than half of the voting rights held by other shareholders attending the shareholders' meeting.

Where the Company provides a guarantee for its controlling shareholders, actual controllers and their connected persons, the controlling shareholders, actual controllers and their connected persons shall provide counter guarantees.

The shareholders' meetings are divided into annual shareholders' meetings and interim shareholders' meetings. The annual shareholders' meetings shall be called once a year, within six months following the end of the previous fiscal year.

An interim shareholders' meeting shall be called, within two months from the date of the occurrence of any of the following circumstances:

(I) the number of Directors is less than the number specified in the Company Law or two-thirds of the number as required by the Articles of Association;

(II) when the unrecovered losses of the Company have reached one third of the Company's total amount of paid-up share capital;

(III) a request made by a shareholder individually or shareholders jointly holding 10% or more of the Company's shares;

(IV) the Board considers it necessary;

(V) the Audit Committee proposes that such a meeting shall be held;

(VI) other circumstances required by the laws, administrative regulations, departmental rules, listing rules of the stock exchange where the Company's shares are listed or the Articles of Association.

Convening of the Shareholders' Meeting

The Board shall convene shareholders' meeting within the time limit as required. With the approval of a majority of all the independent non-executive directors, the independent non-executive directors shall be entitled to propose to the Board to convene an interim shareholders' meeting. The proposal by independent non-executive directors for convening an interim shareholders' meeting, the Board shall provide written feedback on whether to agree or not to convene an interim shareholders' meeting within 10 days after receiving the proposal in accordance with laws, administrative regulations and the Articles of Association. If the Board agrees to hold an interim shareholders' meeting, it shall issue a notice of convening the shareholders' meeting within 5 days after the resolution of the Board is made. If the Board does not agree to convene an interim shareholders' meeting, it shall issue an announcement on explaining reasons thereof.

When the Audit Committee proposes to convene an interim shareholders' meeting, it shall submit the proposal to the Board in writing. The Board shall, in accordance with laws, administrative regulations and the Articles of Association, provide written feedback indicating its agreement or disagreement within 10 days of receiving the proposal. If the Board agrees to convene the interim shareholders' meeting, it shall issue a notice of the shareholders' meeting within 5 days after the Board resolution is made. Any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee. If the Board disagrees with convening the interim shareholders' meeting, or fails to provide feedback within 10 days of receiving the proposal, the Board shall be deemed as unable or unwilling to fulfill its duty to convene the shareholders' meeting. In such case, the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or collectively hold 10% or more of the Company's shares have the right to request the Board to convene an interim shareholders' meeting, and such request shall be made in writing to the Board. The Board shall, in accordance with the laws, administrative regulations and the provisions of the Articles of Association, provide written feedback on whether it agrees or disagrees with the convening of an interim shareholders' meeting within 10 days after receipt of the request. Where the Board agrees to convene an interim shareholders' meeting, it shall give notice of the convening of the shareholders' meeting within 5 days of the Board's resolution, and shall obtain the consent of the relevant shareholders to any changes to the original request in the notice. If the Board does not agree to convene an interim shareholders' meeting or fails to provide feedback within 10 days after receipt of the request, shareholders holding individually or in aggregate 10% or more of the Company's shares shall have the right to propose in writing to the Audit Committee that an interim shareholders' meeting be convened. Where the Audit Committee agrees to convene an interim shareholders' meeting, it shall issue a notice of the convening of the shareholders' meeting within 5 days of receipt of the request, and any changes to the original request as set out in the notice shall be

subject to the consent of the relevant shareholders. If the Audit Committee fails to give notice of a shareholders' meeting within the prescribed period, it shall be deemed that the Audit Committee does not convene and preside over the shareholders' meeting, and that shareholders who individually or collectively hold 10% or more. of the Company's shares for a period of at least 90 consecutive days may convene and preside over the meeting on their own.

If the Audit Committee or the shareholders convene the shareholders' meeting on its/ their own initiative as provided in this Section, it shall make a written notice to the Board, and complete the necessary reports or announcements in accordance with the securities regulatory rules of the place where the shares of the Company are listed and the requirements of the stock exchange. When convening shareholders, the Audit Committee shall, upon issuing the notice of the shareholders' meeting and the announcement of the resolutions of the shareholders' meeting, complete the necessary reports or announcements in accordance with the securities regulatory rules of the place where the shares of the Company are listed and the requirements of the stock exchange. Prior to the announcement of the resolution of the shareholders' meeting, the proportion of shares held by the convening shareholders shall not be less than 10%.

Proposals and Notices of Shareholders' Meeting

The contents of a proposal shall be within the scope of the duties and powers of the shareholders' meeting, have definite themes and specific matters for resolutions, as well as be in compliance with laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and the relevant requirements set forth in the Articles of Association.

When the Company convenes a shareholders' meeting, the Board, the Audit Committee and shareholders who individually or together hold 1% or more of the shares of the Company are entitled to put forward a proposal to the Company.

Shareholders individually or together holding 1% or more of the shares of the Company can put forward a temporary proposal 10 days before the shareholders' meeting is held and submit the proposal to the convener of the meeting in writing.

A supplemental notice of the shareholders' meeting shall be issued by the convener within 2 days after receipt of such proposals to announce the contents of the ad hoc proposals, and submit such ad hoc proposal to the shareholders' meeting for consideration except where the ad hoc proposal violates the provisions of laws, administrative regulations or the Articles of Association, or is not within the scope of the shareholders' meeting's authority. If the shareholders' meeting is required to be postponed due to the publication of a supplementary notice of the shareholders' meeting in accordance with the provisions of the regulatory rules of the place where the shares of the Company are listed, the convening of the shareholders' meeting shall be postponed in accordance with the provisions of the securities regulatory rules of the place where the shares of the Company are listed.

Except for circumstances provided in the above paragraph, the convener, after issuing the announcement regarding the notice of the shareholders' meeting, shall neither modify the proposals stated in the notice of shareholders' meeting nor add new proposals.

The shareholders' meeting shall not vote for or pass a resolution on any proposal not stated in the notice of the shareholders' meeting or not complying with the provisions hereof.

The convener shall send a written notice of the meeting to the registered shareholders at least 21 days prior to the holding of the annual general meeting (including in the form of announcements or circulars), and notify all registered shareholders of the matters to be considered at the meeting as well as the date and venue of the meeting. For interim shareholders' meeting, the shareholders shall be notified (including in the form of announcements or circulars) 15 days before the meeting is held. In relation to the notice specified in this article, the issuing date is the date of the notice which the Company or the share registrar appointed by the Company deliver the notice to the postal office. The duration of issue of the notice is exclusive of the day on which the meeting is convened.

Notice of shareholders' meeting shall include the following contents:

(I) the date, venue and duration of the meeting;

(II) matters and proposals to be considered at the meeting;

(III) an express statement that the entire ordinary shareholders are entitled to attend the shareholders' meeting, and to appoint proxies to attend and vote on his/her behalf at the meeting, and that a proxy need not be a shareholder of the Company;

(IV) the record date on which the shareholders are entitled to attend the shareholders' meeting;

(V) the name and telephone number of permanent contact persons for the affairs of the meeting;

(VI) where a shareholders' meeting is held by network or other means, the time for voting by network or other means and the voting procedures shall be clearly stated in the notice of the shareholders' meeting.

The notice and supplementary notice of the shareholders' meeting shall contain information as required by the Listing Rules and the Articles of Association and shall fully, completely and accurately disclose the specific contents of all proposals and all information or explanations necessary for the Shareholders to make reasonable judgment on the proposed matters.

The period between the share registration date and the date of the meeting shall not be longer than seven (7) working days. Once the share registration date is fixed, it cannot be altered.

After the notice of a shareholders' meeting has been issued, the shareholders' meeting shall not be adjourned or canceled without justifiable reason, and no proposal set forth in the notice of the shareholders' meeting shall be canceled. If the meeting needs to be adjourned or canceled, the convener shall publish an announcement and explain the reason at least 2 working days prior to the originally scheduled date of the meeting.

Holding of Shareholders' Meeting

All shareholders who are lawfully registered on the record date in accordance with the securities regulatory rules of the place where the shares of the Company are listed, or their proxies, shall be entitled to attend the shareholders' meeting and exercise their voting rights in accordance with relevant laws, regulations and the provisions of the Articles (unless individual shareholders are required to waive their voting rights on certain matters under the securities regulatory rules of the place where the shares of the Company are listed). Any shareholder who have the right to attend the shareholders' meeting and exercise voting rights has the right to appoint one or more persons (who may not be shareholder(s)) as his/ her proxy (proxies) to attend and vote on his/her behalf.

Individual shareholders attending the meeting in person shall present their shareholder identity document and share account card. Proxies appointed to attend the meeting shall present identity document, the power of attorney from the appointing shareholder.

A corporate shareholder shall be represented at the meeting by its legal representative, an agent appointed by the legal representative, or a person authorized by a resolution of its Board or other decision-making body. Where the legal representative attends the meeting, he/she shall present his/her identity card and valid proof of his/her eligibility to act as the legal representative; where an agent appointed by the legal representative or a person authorized by a resolution of the Board or other decision-making body attends the meeting, the agent or the authorized person shall present his/her identity card and a written power of attorney issued in accordance with the law by the legal representative of the corporate shareholder entity or by its Board or other decision-making body (save that this shall not apply if the shareholder is a Recognized Clearing House (or its nominee) as defined in the relevant regulations formulated by Hong Kong from time to time).

The shareholders of a partnership should be represented at the meeting by a representative appointed by the executive partner of the partnership or by a proxy appointed by the appointed representative. If an executive partner appoints a representative to attend the meeting, he/she should present his/her identity card and valid proof of his/her eligibility to appoint a representative; if he/she appoints a proxy to attend the meeting, he/she should present his/her identity card and the written power of attorney issued by the executive partner.

If the shareholder is a Recognized Clearing House (hereinafter referred to as the "**Recognized Clearing House**") or its nominee as defined in the relevant regulations formulated by Hong Kong from time to time, the shareholder may authorize one or more persons as it thinks fit to act as its representative at any shareholders' meeting; however, if more than one person is authorized, the power of attorney shall specify the number and type of shares involved in the authorization of each of such persons, and the power of attorney shall be signed by the authorized person of the Recognized Clearing House. The person(s) so authorized can represent the Recognized Clearing House (or its proxy) to attend the meeting and exercise its right, as if the persons are the Company's individual shareholders, and shall not be required to produce evidence of shareholding, the notarized power of attorney and/or further evidence to prove that he/she/they have been duly authorized. The authorized proxies of the Recognized Clearing House shall enjoy legal rights equivalent to those of other shareholders, including the right to speak and vote.

The authorization letter issued by shareholders to authorize other persons to attend the shareholders' meeting shall clearly state the followings:

(I) the names of the principal, the class and number of shares held by the principal;

(II) the names of the proxies;

(III) specific instructions of the shareholders, including instructions to vote for, against or abstain from voting on each of the items in the agenda of the shareholders' meeting and others;

(IV) the signing date and the effective period of the authorization letter;

(V) signature (or seal) of the principal. If the principal is a corporate shareholder or a partner of a partnership enterprise, the document shall be affixed with the seal of the legal entity, or signed by its Director or a duly appointed agent of the entity.

The power of attorney shall indicate the shareholder's proxy can vote at his/her own discretion if the shareholder does not provide specific instructions.

A proxy form shall be kept at the Company's premises or at such other place as may be specified in the notice convening the meeting, at least 24 hours before the time fixed for the holding of the relevant meeting at which the votes are to be cast pursuant to the proxy form, or at least 24 hours before the time fixed for the casting of such votes. Where the proxy form is signed by a person authorized by the principal to sign it, the power of attorney or other authority under which it is signed shall be notarized. The notarized power of attorney or other authority and the proxy form must be kept at the Company's premises or at such other place as may be specified in the notice convening the meeting.

If the principal is a legal person or a partnership enterprise, its legal representative or an agent thereof, the executive partner or an agent thereof, or a person authorized by a resolution of the Board or other decision-making body shall act as the representative to attend the company's shareholders' meeting and exercise shareholder rights.

A Recognized Clearing House or its nominee to attend the meeting, he/she shall produce his/her identification proof, there is no need for him/her to produce the proxy form signed by the appointor or the legal representative of the appointor or a notarized copy of the resolution or other certified copy permitted by the Company.

Where a shareholders' meeting requires Directors and senior management personnel to be present at the meeting, Directors and senior management personnel shall be so present at the meeting and accept inquiries from shareholders. In compliance with the securities regulatory rules of the place where the shares of the Company are listed, the aforementioned persons may attend or participate in the meeting via the internet, video, telephone, or other methods with equivalent effect.

The shareholders' meeting shall be presided over by the chairman of the Board. Where the chairman of the Board is unable to perform or fails to perform his/her duties, more than half of the Directors shall jointly elect a Director to preside over such meeting.

A shareholders' meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable to or fails to perform his/her duties, such meeting shall be presided over by a member of the Audit Committee jointly elected by more than half of the members of the Audit Committee.

A shareholders' meeting convened by shareholders themselves shall be presided over by the convener or a representative elected by the convener.

Where the host of the shareholders' meeting breaches the rules of procedure and renders the shareholders' meeting unable to proceed, the shareholders' meeting may elect a person to act as the host of the meeting and continue the meeting subject to the consent of more than half of the shareholders with voting rights present at the meeting.

At an annual general meeting, the Board shall report to the shareholders' meeting on the work carried out in the past year. Each independent non-executive Director shall also give his/her work report.

The Directors and senior management personnel shall respond to and make explanations as to the inquiries and suggestions of shareholders at a general meeting, provided that the disclosures involving state secrets or the Company's business secrets shall not be made at the meeting.

The convener shall ensure the information contained in the minutes of the meeting is true, accurate and complete. The minutes of the meeting shall be signed by the Directors, the secretary of the Board, the convener or his/her proxy who attend the meeting as attendees and non-voting attendees and the chairperson, and be kept together with the register of attendance, the powers of attorney and valid information on results of voting online or by other means in respect of the meeting for a period of not less than ten (10) years.

The convener shall ensure continuity of the shareholders' meeting until final resolutions are made. In case of suspension of the shareholders' meeting or failure in making resolutions for such special reasons as force majeure, the convener shall take necessary measures to resume the shareholders' meeting as soon as possible or directly terminate this shareholders' meeting and make a public announcement and report in a timely manner.

Voting and Resolutions of Shareholders' Meetings

The resolutions of the shareholders' meeting are categorized as ordinary resolutions and special resolutions. An ordinary resolution made by the shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders (including proxies thereof) attending the shareholders' meeting. A special resolution made by the shareholders' meeting shall be passed by not less than two-thirds of the voting rights held by the shareholders (including proxies thereof) attending the shareholders' meeting.

Shares held by the Company do not carry any voting rights and shall not be counted in the total number of voting shares represented by shareholders present at the shareholders' meeting.

The following matters shall be passed by ordinary resolution at the shareholders' meeting:

(I) working report of the Board;

(II) profit distribution plan and loss recovery plan formulated by the Board;

(III) the appointment and removal, among the members of the Board, of Directors whose roles are not held by employee representatives, and the remuneration of such Directors and the method for its payment;

(IV) considering and passing resolutions regarding the appointment, removal and remuneration of the accounting firm engaged to undertake the Company's audit business;

(V) other matters other than those required by the laws, administrative regulations, the listing rules of the stock exchange where the shares of the Company are listed, or the Articles of Association to be passed by special resolution.

The following matters shall be passed by special resolution at the shareholders' meeting:

(I) the increase or reduction of registered capital of the Company;

(II) the division, spin-off, merger, dissolution and liquidation (including voluntary winding-up) of the Company;

(III) the amendment to the Articles of Association;

(IV) any purchase or disposal of material assets made or guarantee provided to others by the Company within any consecutive twelve-month period exceeding 30% of the latest audited total assets of the Company;

(V) equity incentive schemes;

(VI) other matters that are required by laws, administrative regulations, the listing rules of the stock exchange where the shares of the Company are listed, or the Articles of Association to be passed by special resolution, as well as other matters which the shareholders' meeting, by way of an ordinary resolution, determines to have a material impact on the Company and require approval by special resolution.

Except in special circumstances such as a crisis, without the approval of a special resolution by the shareholders' meeting, the Company shall not enter into any contract with any person other than the Directors, general manager and other senior management personnel of the Company, pursuant to which the Company will delegate the management of all or any important business of the Company to such person.

The list of candidates for Directors (excluding candidates for employee representative Directors) shall be submitted to the shareholders' meeting for voting by proposal.

The voting at the shareholders' meetings concerning the election of Directors may, in accordance with the provisions of the Articles of Association or a resolution of the shareholders' meeting, adopt the cumulative voting system. The cumulative voting system as stated in the preceding paragraph refers to the voting for the election of Directors at the shareholders' meetings where each share is entitled to the same number of votes which equals to the total number of Directors to be elected, and shareholders may consolidate their voting rights when casting a vote. The Board shall announce the biographical details and basic information of the Directors candidates to the shareholders.

When a single shareholder of the Company, together with the persons acting in concert with it, holds an aggregate shareholding of thirty percent or more, the cumulative voting system shall be implemented.

Other than the cumulative voting system, the shareholders' meeting will vote on all proposals one by one, and for the different proposals on the same matter, voting will be proceeded according to the order of the times these proposals are put forward. Other than special reasons such as force majeure which results in the interruption of the shareholders' meeting or makes it impossible to come to resolution, the shareholders' meeting shall not shelve the proposals or withhold the voting on them.

The same voting right can only choose one voting method whether by on-site, online or other voting methods. In the event of repeated voting of the same voting right, the first voting shall prevail. The shareholders' meeting adopts a registered voting method.

The resolutions of the shareholders' meeting shall be announced in a timely manner, and the announcement shall indicate the number of shareholders and proxies attending the meeting, the total number of voting shares and its proportion to the total number of voting shares of the Company, and the voting method, voting results of each proposal and details of each resolution passed. The announcement of the shareholders' meeting resolutions shall specifically indicate any proposal that fails to be adopted or any amendment to any resolution of the previous shareholders' meeting at the meeting.

Where a resolution on the distribution of cash or stock dividends or capitalization of capital reserve is adopted at a shareholders' meeting, the Company shall implement the specific plan within two (2) months after the end of the shareholders' meeting. If the specific plan cannot be implemented within two (2) months due to the requirements of the laws and regulations and the securities regulatory rules of the place where the Company is listed, the implementation date may be adjusted accordingly in accordance with relevant requirements and the actual situation.

BOARD OF DIRECTORS

Directors

Directors include executive Directors and non-executive Directors. An executive Director refers to a Director who participates in the daily management and operational affairs of the Company or its controlling subsidiaries. A non-executive Director refers to a Director who does not participate in the daily management and operational affairs of the Company or its controlling subsidiaries. Non-executive Directors include independent non-executive Directors. The Board shall include one employee representative of the Company. The employee representative on the Board shall be elected by employees of the Company at the employee representative meeting or the employee meeting or by other forms of democratic election, without the need to submit it to the shareholders' meeting for consideration. The Company shall not appoint any person who does not meet the qualification requirements to serve as a Director, nor shall it authorize any person who lacks the required qualifications to actually perform the relevant duties in violation of applicable provisions.

The Directors of the Company are natural persons. The following persons shall not serve as a Director of the Company:

(I) a person who has no capacity for civil conduct or having limited capacity for civil conduct;

(II) a person who has been sentenced to criminal punishment for corruption, bribery, encroachment on property, misappropriation of property or sabotage of the order of the socialist market economy, or having been deprived of his/her political rights as a result of a criminal conviction and five years have not elapsed since the date on which execution of the sentence was completed, two years have not yet elapsed from the date on which the probationary period of probation has expired;

(III) a person who has served as a director, factory chief, or manager of an insolvent and liquidated company or enterprise and is held personally liable for such bankruptcy, and three years have not elapsed since the date when the insolvency and liquidation of the company or enterprise is completed;

(IV) a person who has served as the legal representative of a company or enterprise whose business license has been revoked or ordered to close down due to any violation of law, and is held personally liable for the revocation, and three years have not elapsed since the date when the revocation occurs;

(V) a person who is listed by the people's court as a judgment defaulter because the amount of debt he/she bears is relatively large and the debt is not paid off when it is due;

(VI) a person who has been prohibited from entering the securities market by the CSRC, and the period of such prohibition has not expired;

(VII) a person who is publicly deemed by a stock exchange as unsuitable to serve as a director and senior management personnel of a listed company and the period of such prohibition has not expired;

(VIII) other circumstances specified by the laws, administrative regulations, departmental rules and the listing rules of the stock exchange where the shares of the Company are listed.

The election, appointment or engagement of any Director in violation of the provisions of this Article shall be invalid and void. If a Director falls under any of the circumstances specified in this Article during his/her term of office, the Company shall remove him/her from office and terminate his/her performance of duties.

Directors who are not employees of the Company shall be elected or replaced by the shareholders' meeting, and may be removed from office by the shareholders' meeting prior to the expiration of their term of office. Each Director shall hold office for a term of three years, and upon the expiration of such term, may be re-elected and re-appointed in accordance with the securities regulatory rules of the place where the shares of the Company are listed, provided that the consecutive term of office of an independent non-executive Director shall not exceed six years. Save as otherwise provided by the relevant laws, regulations, the Articles of Association and the listing rules of the stock exchange where the shares of the Company are listed.

The term of office of a Director shall commence from the date on which the said Director assumes office until the expiry of the term of office of the current session of the Board. A Director shall continue to perform his/her duties as a Director in accordance with laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association until a duly re-elected Director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or where a Director has resigned during the term of his/her office resulting that the number of the members in the Board falls below the quorum.

General manager or other senior management personnel may concurrently serve as a Director, provided that the total number of Directors concurrently serving as general manager or other senior management personnel and employee representative Directors shall not exceed a half of the total number of the Company's Directors.

If the Board appoints a new Director to fill a casual vacancy on the Board or increase the number of Directors, the appointed Director shall hold office only until the first shareholders' meeting of the Company after his/her appointment, and shall stand for election by the shareholders at such first shareholders' meeting subsequent to his/her acceptance of the appointment, and shall be eligible for re-election and re-appointment.

A Director may resign prior to the expiration of his/her term of office. A Director shall submit a written resignation report to the Board, and the Company shall disclose the relevant circumstances within 2 trading days or such period as required by the regulatory rules of the place where the shares of the Company are listed. If the resignation of a Director results in the number of Directors of the Company's Board falling below the statutory minimum number, the resignation of a member of the Audit Committee results in the number of members of the Audit Committee falling below the statutory minimum number, or the lack of an accounting professional serving as the convener, or the resignation of an independent non-executive Director results in the proportion of independent non-executive Directors on the Company's Board or its special committees failing to comply with the provisions of applicable laws, regulations or the Company's Articles of Association, or there being no accounting professional among the independent non-executive Directors, the resigning Director shall continue to perform his/her duties as a Director in accordance with the provisions of applicable laws, administrative regulations, departmental rules, the Articles of Association and the listing rules of the stock exchange

where the shares of the Company are listed until the newly elected Director takes office. Save for the circumstances specified in the preceding paragraph, the resignation of a Director shall take effect upon the delivery of the resignation report to the Board.

The terms of office, nomination and election procedures, duties and powers in relation to the independent non-executive Directors shall be implemented in accordance with the relevant provisions of the law, regulations and the securities rules of the place where the shares of the Company are listed.

Board of Directors

The Company shall have a Board of Directors, which is accountable to the shareholders' meeting. The Board shall consist of 9 Directors, including 3 independent non-executive Directors. Independent non-executive Directors shall account for one-third or more of the total number of Directors on the Board. Among the independent non-executive Directors, at least one shall possess appropriate professional qualifications as required by the securities regulatory rules of the place where the shares of the Company are listed or have appropriate accounting or related financial management expertise, and at least one independent non-executive Director shall be ordinarily resident in Hong Kong.

The Board exercises the following functions and powers:

(I) to convene shareholders' meeting and report its work to the shareholders' meeting;

(II) to implement the resolutions of the shareholders' meeting;

(III) to decide on the Company's business plans and investment plans;

(IV) to formulate the Company's profit distribution plans and loss recovery plans;

(V) to formulate plans for the increase or reduction of the Company's registered capital, the issuance of bonds or other securities of the Company and listing of the Company;

(VI) to formulate plans for the Company's merger, division, dissolution or change of corporate form;

(VII) to formulate plans for the Company's acquisition and disposal of major assets, and for the acquisition of the Company's own shares;

(VIII) to decide on external investment, acquisition and disposal of assets, asset mortgage, external guarantee matters, entrusted wealth management, connected transactions and external donations as authorized by the shareholders' meeting;

(IX) to decide on establishment of internal management organs of the Company;

(X) to decide on the establishment of special committees of the Board, and to appoint or remove the chairperson (conveners) of these special committees of the Board;

(XI) to decide on the appointment or dismissal of the Company's general manager and secretary of the Board, and decide on their remuneration, rewards and punishments; to decide on the appointment or dismissal of the Company's deputy general manager, financial director and other senior management personnel according to the nomination of the general manager, and decide on their remuneration, rewards and punishments;

(XII) to formulate the basic management system of the Company;

(XIII) to formulate proposals to amend the Articles of Association;

(XIV) to formulate plans for the Company's equity incentive schemes;

(XV) to manage the information disclosures of the Company;

(XVI) to propose to the shareholders' meeting the appointment or change of the accounting firm that provides audit services to the Company;

(XVII) to review work reports submitted by the general manager of the Company and examine his/her work;

(XVIII) to decide material matters and administrative matters other than those matters requiring the approval by the shareholders' meeting of the Company in accordance with laws, administrative regulations, departmental rules, the Article of Association and the listing rules of the stock exchange where the shares of the Company are listed, and to execute other significant agreements;

(XIX) other functions and powers stipulated by laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the shares of the Company are listed or the Articles of Association, and those granted by the shareholders' meeting.

Should the foregoing exercise of such functions and powers by the Board, or any transaction or arrangement of the Company be considered and reviewed by a shareholders' meeting according to the listing rules of the stock exchange where the shares of the Company are listed, such shall be submitted to the shareholders' meeting for consideration and review. Except for the Board resolutions in respect of the matters specified in paragraphs (V), (VI) and (XIII) which shall be passed by at least two-thirds of the Directors, the Board resolutions in respect of all other matters set out in the preceding paragraphs may be passed by more than one half of the Directors.

The Board of the Company shall establish an Audit Committee to exercise functions and powers of the Board of Supervisors stipulated under the Company Law, as well as those prescribed by the securities regulatory rules of the place where the shares of the Company are listed. The Board shall establish other special committees, including the Nomination Committee, the Remuneration and Appraisal Committee, and the Strategy and ESG Committee, among others. These special committees are accountable to the Board and shall perform their duties in accordance with the Articles of Association and the authorization granted by the Board. Proposals from these committees shall be submitted to the Board for review and decision.

The Board shall determine the scope of authorities in respect of external investments, acquisition and sale of assets, asset mortgage, external guarantees, entrusted financial management, connected transactions, and external donations, and establish strict review and decision-making procedures; major investment projects should be reviewed by relevant experts and professionals, and subject to approval at the shareholders' meeting.

The Board shall have one chairman and may have a vice chairman. The chairman and the vice chairman of the Board shall be elected by a majority of all Directors.

The chairman of the Board shall exercise the following functions and powers:

(I) to preside over shareholders' meetings, and to convene and preside over meetings of the Board;

(II) to supervise and inspect the implementation of resolutions of the Board;

(III) in case of any extremely severe natural disaster, force majeure or emergency, to exercise the special right to dispose of the affairs of the Company for the benefit of the Company according to law, and report to the Board and the shareholders' meeting afterwards;

(IV) to sign important documents from the Board and other documents that shall be signed by the Company's legal representative;

(V) to exercise the duties and powers of legal representative(s);

(VI) other functions and powers stipulated by laws, administrative regulations, departmental rules, the Articles of Association, and the listing rules of the stock exchange where the shares of the Company are listed, as well as other functions and powers granted by the Board.

Where the chairman of the Board is unable or fails to perform his/her duties, a Director shall be jointly elected by more than half of the Directors to perform the duties.

The Board meetings include regular Board meetings and extraordinary Board meetings. The Board shall convene at least four regular meetings each year with the chairman of the Board as the convener. Written notice of a regular meeting shall be provided to all Directors at least 14 days before the meeting is held. Written notice of an extraordinary meeting shall be provided to all Directors at least 3 days before the meeting is held. If special circumstances arise requiring the Board to convene an extraordinary meeting immediately to pass a resolution, the notice period stipulated above may be waived with the consent of all Directors. If a meeting is held without complying with the notice period stipulated above, but is attended by all Directors who participate in the voting, it shall be deemed that all Directors have agreed to waive the notice period.

Shareholders representing one-tenth or more of the voting rights, one-third or more of the Directors or the Audit Committee have the right to propose to convene an extraordinary meeting of the Board. The Chairman of the Board shall convene and preside over a Board meeting within 10 days upon receipt of the proposal.

Save as otherwise specified in the Articles of Association, Board meetings shall not be held unless more than half of the Directors are present. Unless otherwise provided by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, all resolutions of the Board may be passed by the majority of all Directors. Resolutions of the Board are voted by way of poll with each Director having one vote.

If any Director is associated with an enterprise or individual that is involved in the matters to be resolved by a Board meeting, such Director shall report in writing to the Board in a timely manner. The associated Director shall neither exercise his/her voting rights for such matters, nor exercise voting rights on behalf of other Directors. Such Board meeting shall be convened by a majority of the non-connected Directors present thereat. Resolutions made at the Board meeting shall be passed by more than half of the non-connected Directors. If the number of non-connected Directors attending the Board meeting is less than three, such matters shall be submitted to a shareholders' meeting for consideration. If there are any additional restrictions on Directors' participation in Board meeting and voting imposed by laws, regulations and securities regulatory rules of the place where the shares of the Company are listed, such provisions shall prevail.

MANAGER AND OTHER SENIOR MANAGEMENT PERSONNEL

The Company shall have one general manager, a few deputy general managers who shall assist the general manager in his/her work. The appointment or removal of the general manager and deputy general manager shall be decided by the Board.

The provisions of the Articles of Association in relation to the circumstances in which he/she shall not act as a Director shall apply to the senior management personnel. The fiduciary obligations and the diligent obligations of Directors stipulated in the Articles of Association shall apply to the senior management personnel concurrently.

Persons who hold administrative positions other than Director and supervisor in the Company's controlling shareholder shall not serve as the Company's senior management personnel. The senior management personnel of the Company shall only receive remuneration from the Company, not from the controlling shareholders on behalf of the Company.

The general manager shall serve a term of three years and may be reappointed for consecutive terms. The general manager may resign before the expiration of the term, and the specific procedures and methods for the general manager's resignation shall be stipulated in the labor contract between the general manager and the Company. When the general manager is unable to perform duties for special reasons, the Board shall appoint a deputy general manager to act on his/her behalf.

The Company's general manager shall be accountable to the Board and exercise the following duties and powers:

(I) to be in charge of the production, operation and management of the Company, to organize and implement the resolutions adopted by the Board, and to report his/her work to the Board;

(II) to organize and implement the annual business plans and investment plans of the Company;

(III) to draft schemes for the establishment of the Company's internal management departments;

(IV) to formulate the basic management system of the Company;

(V) to formulate the detailed rules and regulations of the Company;

(VI) to make proposals to the Board regarding the appointment or removal of the vice president, chief financial officers and other senior management personnel of the Company;

(VII) to appoint or remove managerial officers other than those to be appointed or removed by the Board;

(VIII) to draw up a package of staff's salary, benefits, awards and penalty, as well as to decide the appointment and removal of the staff of the Company;

(IX) to approve matters such as external investments, acquisitions or disposals of assets, asset mortgages, entrusted wealth management, connected transactions, and external donations that do not reach the thresholds requiring Board review;

(X) other duties and powers authorized by the Articles of Association and the Board.

The general manager of the Company shall attend Board meetings.

The Company shall have the secretary to the Board, and the secretary to the Board is responsible for preparation of the shareholders' meeting and the Board meetings of the Company, keeping the documents and the management of information of the shareholders of the Company and handling the disclosure of information, etc.

The secretary of the Board shall comply with the relevant provisions of laws, administrative regulations, departmental rules, the Articles of Association, and the listing rules of the stock exchange where the shares of the Company are listed.

The senior management personnel of the Company shall faithfully perform their duties and safeguard the maximum interests of the Company and all shareholders. Where senior management personnel of the Company fail to faithfully perform their duties or breach their fiduciary duties, causing damage to the interests of the Company and public shareholders, they shall bear compensation liability in accordance with the laws.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial and Accounting System

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations, PRC accounting standards formulated by the finance regulatory department of the State Council and securities regulatory rules of the place where the shares of the Company are listed.

At the end of each fiscal year, the Company shall prepare a financial report which shall be audited and verified in accordance with the laws.

The Company shall submit, disclose, and/or present to the shareholders documents such as annual reports, interim reports, and preliminary results announcements in accordance with the laws and regulations of places of its listing, the listing rules of the stock exchanges of places where the shares of the Company are listed, and other normative documents.

The Company shall not keep accounts other than those required by laws. The assets of the Company shall not be kept under the name of any individual.

In distributing its current-year after-tax profits, the Company shall allocate 10% of its profit to its statutory reserve fund. Allocations to Company's statutory reserve fund may be waived once the cumulative amount of funds therein has reached 50% of the Company's registered capital. Where the statutory reserve fund is not sufficient to cover any loss made by Company in the previous year, the current year's profit shall be used to cover such loss before any allocation is made to the statutory reserve fund pursuant to the preceding paragraph. After an allocation to the statutory reserve fund has been made from the after-tax profit of the Company, and subject to the adoption of a resolution by the shareholders' meeting, an allocation may be made to the discretionary reserve fund. The remaining after-tax profit after the Company makes up for losses and withdraws reserve fund shall be distributed according to the proportion of shares held by shareholders, unless otherwise provided in the Articles of Association. If the shareholders' meeting violates the provisions of the Company Law by distributing profits to shareholders, shareholders must return the profits distributed in violation of the regulations to the Company. In the event of any loss caused to the Company, shareholders, the responsible directors and senior management personnel shall be liable for compensation. Profits shall not be distributed to shares held by the Company itself.

Reserve fund of the Company are used for offsetting losses of the Company, expanding the Company's production and operation or increasing the registered capital of the Company. To offset losses with the reserve fund, the Company shall first use discretionary reserve fund and statutory reserve fund; if the losses still cannot be covered, the capital reserve fund may be used in accordance with the relevant provisions. If the statutory reserve fund is converted into an increase in capital, the balance of the statutory reserve s fund hall not fall below 25% of the Company's registered capital before the increase of the capital.

After the profit distribution plan has been adopted at the Company's shareholders' meeting, or after the Board of the Company formulates a specific plan based on the conditions and cap for interim dividends for the next year considered and approved by the annual general meeting, the dividend (or share) distribution shall be completed within 2 months after the shareholders' meeting.

Internal Auditing

The Company shall implement internal audit system, specifying the leadership structure, responsibilities and authorities, staffing, funding, application of audit results, and accountability for internal audit work.

The internal audit system of the Company shall come into effect upon the approval by the Board. In the course of supervising and inspecting the Company's business activities, risk management, internal controls and financial information, the internal audit department shall be subject to the supervision and guidance of the audit Committee. If the internal audit department discovers any relevant significant issues or leads, it shall immediately report directly to the audit committee.

The internal audit department of the Company shall be responsible for the specific organization and implementation of the internal control evaluation of the Company. Based on the evaluation report and related materials issued by the internal audit department and reviewed by the Audit Committee, the Company shall issue the annual internal control evaluation report.

Appointment of Accounting Firm

The Company shall engage an independent accounting firm which is qualified under the laws, regulations, and securities regulatory rules of the place where the Company's shares are listed, to audit the annual financial reports and other financial reports of the Company. The engagement period shall be one year and may be renewed.

The appointment, removal or non-reappointment of the accounting firm by the Company must be determined by the shareholders' meeting. The Board may not appoint an accounting firm before it is approved by the shareholders' meeting.

The Company guarantees that it will provide the accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information without any objection, omission or falsehood.

The audit fee of an accounting firm shall be decided upon by the shareholders' meeting.

In the event of any removal or non-reappointment of an accounting firm by the Company, a notice shall be served to inform the accounting firm 15 days in advance and the accounting firm has the right to express its opinions at the shareholders' meeting. If an accounting firm tenders its resignation, it shall make statement to the shareholders' meeting whether there are any improper circumstances.

MERGER, DIVISION, INCREASE OF CAPITAL, REDUCTION OF CAPITAL, DISSOLUTION AND LIQUIDATION

Merger, Division, Increase of Capital, and Reduction of Capital

The merger of a company may be effected by way of a merger or a new consolidation. When a company merges with other companies, it is a merger, and the merged companies shall be dissolved. When two or more companies merge to form a new company, it is a new consolidation, and all parties to the merger shall be dissolved.

If the payment by the Company for the merger does not exceed 10% of the net assets of the Company, it shall not be subject to a resolution of the shareholders' meeting, unless otherwise specified in the Articles of Association. If the Company merges in accordance with the provisions of the preceding paragraph without a resolution of the shareholders' meeting, it shall be approved by a resolution of the Board.

As for a merger, both parties to the merger shall enter into an agreement of merger with each other and prepare the balance sheets and checklists of properties. The Company shall notify the creditors according to the Company Law, and shall make a public announcement on the media recognized by the stock exchange of the place where the shares of the Company are listed or on the National Enterprise Credit Information Publicity System and the website of Hong Kong Stock Exchange (**https://www.hkexnews.hk**).

Creditors who receive the notice may, within 30 days from the date of receipt, and creditors who do not receive the notice may, within 45 days from the date of the announcement, require the Company to clear off its debts or provide corresponding guarantees. Where there are additional provisions in the securities regulatory rules of the place where the shares of the Company are listed, the relevant parties shall comply with such provisions.

In the case of a merger, the respective creditors' rights and debts of all parties thereto the merger shall be inherited by the existing company, or the newly established company upon the merger.

As for the division of a company, the properties thereof shall be divided accordingly.

As for the division of a company, both parties to the division shall enter into an agreement of division with each other and prepare the balance sheets and checklists of properties. The Company shall notify the creditors within 10 days as of the date of the resolution for the division according to the Company Law, and shall make a public announcement on the media recognized by the stock exchange

of the place where the shares of the Company are listed or on the National Enterprise Credit Information Publicity System and the website of Hong Kong Stock Exchange (**https://www.hkexnews.hk**) within 30 days as of the date of such resolution. Where there are additional provisions in the securities regulatory rules of the place where the shares of the Company are listed, the relevant parties shall comply with such provisions.

Unless a written agreement has been entered into, before the division, by the Company and its creditors in relation to the repayment of debts, debts of the Company prior to the division shall be jointly assumed by the surviving companies after the division.

When the Company reduces its registered capital, it shall prepare a balance sheet and checklists of properties.

The Company shall notify the creditors within 10 days as of the date of the resolution for the reduction of its registered capital, and shall make a public announcement on the media recognized by the stock exchange of the place where the shares of the Company are listed or on the National Enterprise Credit Information Publicity System and the website of Hong Kong Stock Exchange (**https://www.hkexnews.hk**) within 30 days as of the date of the resolution for the reduction of its registered capital. Creditors who receive the notice may, within 30 days from the date of receipt, and creditors who do not receive the notice may, within 45 days from the date of the announcement, require the Company to clear off its debts or provide corresponding guarantees. Where there are additional provisions in the securities regulatory rules of the place where the shares of the Company are listed, the relevant parties shall comply with such provisions.

When the Company reduces its registered capital, it shall reduce the amount of capital contributions or shares in proportion to the shareholders' shareholdings, unless otherwise stipulated in the laws or the Articles of Association.

When the Company issues new shares to increase its registered capital, the shareholders shall not have the pre-emptive right, unless otherwise provided in the Articles of Association or a resolution of the shareholders' meeting granting such right.

Where any of the registered items is changed due to a merger or division of a company, the Company shall process the changes of registration with the company registration authority in accordance with the laws. Should the Company be dissolved, it shall be deregistered in accordance with the laws. If a new company is established, it shall go through the registration for company establishment in accordance with the laws.

When the Company increases or reduces its registered capital, it shall go through change registration with the company registration authority in accordance with the laws.

Dissolution and Liquidation

The Company shall be dissolved and liquidated pursuant to laws should the Company be under any of the following circumstances:

(I) the business term stipulated in the Articles of Association expires, or other causes of dissolution as stipulated in the Articles of Association are present;

(II) the shareholders' meeting makes a special resolution to dissolve;

(III) it is necessary to be dissolved due to merger or division of the Company;

(IV) its business license is revoked or it is ordered to close down or to be dissolved in accordance with the laws; or

(V) the Company has great difficulties in operation or management and cannot be solved by any other means, so that the interests of the shareholders will be subject to heavy loss if it continues to exist. The shareholders who hold ten percent or more of the voting rights of all the shareholders of the Company may plead the people's court to dissolve the Company.

For the circumstance in items (I) and (II) above, and no property has been distributed to shareholders, the Company may continue to subsist by amending the Articles of Association or by resolution of the shareholders' meeting. Amendments to the Articles of Association in accordance with the provisions of the preceding paragraph or by resolution of the shareholders' meeting shall be approved by at least two-thirds of the voting rights held by the shareholders attending the shareholders' meeting.

Where the Company is dissolved pursuant to items (I), (II), (IV) and (V) above, it shall be liquidated. The Directors, being the liquidation obligors of the Company shall form a liquidation committee for liquidation within 15 days from the date of occurrence of the cause for dissolution.

The liquidation committee shall notify the creditors within 10 days of its formation, and shall make a public announcement on the media recognized by the stock exchange of the place where the shares of the Company are listed or on the National Enterprise Credit Information Publicity System and the website of Hong Kong Stock Exchange (**https://www.hkexnews.hk**), within 60 days of its formation. Creditors who receive the notice may, within 30 days from the date of receipt, and creditors who do not receive the notice may, within 45 days from the date of the announcement, file their creditors' rights with the liquidation committee. Where creditors file their creditors' rights, they shall explain about the matters related to creditors' rights, and shall provide the evidencing materials. The liquidation committee shall register the creditors' rights. The liquidation committee may not clear off any of the debts of any creditors during the period of filing creditors' rights.

After liquidating the Company's properties and preparing balance sheet and checklists of properties, the liquidation committee shall formulate a liquidation plan and submit the same to the shareholders' meeting or the people's court for confirmation. The Company shall, in proportion to the shares held by the shareholders, distribute to the shareholders the remaining properties of the Company after payment of liquidation costs, salaries of employees, social insurance contribution and statutory compensations, outstanding taxes, and the Company's debts. During the liquidation period, the Company shall continue to exist but cannot carry out any business activities not relating to liquidation. Prior to the settlement of debts according to the preceding paragraph, the Company's properties shall not be distributed to the shareholders.

Should the liquidation committee find that the properties of the Company are insufficient for clearing off the debts after liquidating the properties of the Company and preparing the balance sheets and checklists of properties, it shall immediately apply to the people's court to declare the Company's bankruptcy liquidation pursuant to laws. After the people's court accepts the bankruptcy application, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report and submit the report to the shareholders' meeting or the people's court for confirmation and submit the report to the company registration authority to apply for the deregistration of the Company, and announce the termination of the Company.

Where the Company is declared bankrupt in accordance with the laws, it shall implement bankruptcy liquidation in accordance with the relevant laws relating to bankruptcy of enterprise.

AMENDMENTS TO ARTICLES OF ASSOCIATION

In any of the following circumstances, the Company shall amend the Articles of Association:

(I) after the amendment of the Company Law or relevant laws, administrative Regulations and the listing rules of the stock exchange where the shares of the Company are listed, the matters as provided in the Articles of Association conflict with the amended laws, administrative regulations and the listing rules of the stock exchange where the shares of the Company are listed;

(II) the circumstances of the Company have changed so that they are inconsistent with those provided in the Articles of Association; or

(III) the shareholders' meeting has resolved to amend the Articles of Association by a special resolution.

FURTHER INFORMATION ABOUT OUR GROUP

Incorporation of Our Company

Our Company was established as a joint stock company with limited liability under the laws of the PRC on December 18, 2018. Our Company has established a place of business in Hong Kong at Room 1919, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong, and has been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance. Ms. Chan Sze Ting (陳詩婷) has been appointed as our authorized representative for acceptance of service of process and notices in Hong Kong, whose correspondence address is the same as our place of business in Hong Kong.

As our Company is incorporated in the PRC, our operations are subject to the relevant laws and regulations of the PRC. A summary of our Articles of Association and relevant aspects of PRC law is set out in "Regulatory Overview" in this prospectus and "Taxation and Foreign Exchange," "Summary of Principal Legal and Regulatory Provisions" and "Summary of the Articles of Association" in Appendices III, IV and V to this prospectus, respectively.

Changes in the Share Capital of our Company

The changes in the share capital of our Company during the two years immediately preceding the date of this prospectus are set out as follows:

(i) On December 12, 2024, our registered capital was increased from RMB444,354,471 to RMB453,657,471.

(ii) On March 24, 2025, our registered capital was increased from RMB453,657,471 to RMB467,814,084.

Save as disclosed in "History, Development and Corporate Structure" and above, there has been no alteration in the share capital of our Company within the two years immediately preceding the date of this prospectus.

Changes in the Share Capital of Our Subsidiaries

Details of our subsidiaries are set out in "History, Development and Corporate Structure — Our Major Subsidiaries" and Note 1 to the Accountants' Report as set out in Appendix I to this prospectus.

The following sets out the changes in the share capital of our subsidiaries within the two years immediately preceding the date of this prospectus:

Xiamen Hongxinchuang

On April 2, 2025, the registered capital of Xiamen Hongxinchuang increased from RMB130,000,000 to RMB190,000,000.

Save as disclosed above, there has been no alteration in the registered capital of our subsidiaries within the two years immediately preceding the date of this prospectus.

Resolutions of the Shareholders

Pursuant to a general meeting held on December 1, 2025, the Shareholders resolved that, among others:

(a) the issuance by our Company of H Shares with a nominal value of RMB1.00 each and such H Shares being listed on the Stock Exchange;

(b) the number of H Shares to be issued shall not be more than 15% of the total issued share capital of our Company as enlarged by the Global Offering (without taking into account any H Shares which may be issued upon the exercise of the Over-Allotment Option), and the grant of the Over-allotment Option in respect of not more than 15% of the number of H Shares initially available under the Global Offering;

(c) subject to the completion of the Global Offering, the conditional adoption of the Articles of Association (which shall become effective on the Listing Date), and authorization to the Board to amend the Articles of Association to the extent necessary in accordance with the laws, regulations and regulatory rules and requirements from relevant government bodies or regulatory authorities and for the purpose of the Listing; and

(d) authorization of the Board or its authorized individual(s) to handle all matters relating to, among other things, the Global Offering, the issue and the listing of H Shares on the Stock Exchange.

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contracts

Our 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 to us:

(a) the cornerstone investment agreement dated October 23, 2026 entered into among our Company, Mr. Chen Chun-Cheng (陳俊成) and China Securities (International) Corporate Finance Company Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of HK$23,500,000;

(b) the cornerstone investment agreement dated October 26, 2026 entered into among our Company, Flourish Holding Limited and China Securities (International) Corporate Finance Company Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US$16,150,000;

(c) the cornerstone investment agreement dated October 26, 2026 entered into among our Company, Pine Vigor Capital Limited and China Securities (International) Corporate Finance Company Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of HK$78,500,000;

(d) the cornerstone investment agreement dated October 26, 2026 entered into among our Company, Transsion International Limited (傳音國際有限公司) and China Securities (International) Corporate Finance Company Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US$10,000,000;

(e) the cornerstone investment agreement dated October 26, 2026 entered into among our Company, STRONG LION LIMITED (雄獅有限公司) and China Securities (International) Corporate Finance Company Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US$4,500,000;

(f) the cornerstone investment agreement dated October 26, 2026 entered into among our Company, Gottfried (HK) Limited and China Securities (International) Corporate Finance Company Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of HK$50,000,000;

(g) the cornerstone investment agreement dated October 27, 2026 entered into among our Company, Longsys Investment Co., Limited (江波龍投資有限公司) and China Securities (International) Corporate Finance Company Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US$8,000,000; and

(h) the Hong Kong Underwriting Agreement.

Our Intellectual Property Rights

Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we considered to be material to our business:

No.	Trademark	Registration number	Registered owner	Place of registration	Class	Expiry date
1	Hosin	42600323	Our Company	PRC	9	November 27, 2030
2	HosinGlobal	42607127	Our Company	PRC	9	August 20, 2030
3	宏芯宇	42628636	Our Company	PRC	9	August 27, 2030
4		43085277	Our Company	PRC	42	October 6, 2030
5		43098090	Our Company	PRC	9	October 6, 2030
6	HOSINGLOBAL 宏芯宇电子	44604610	Our Company	PRC	9	December 27, 2030
7	HOSINGLOBAL 宏芯宇电子	44606739	Our Company	PRC	42	December 20, 2030
8		47240212	Our Company	PRC	42	April 13, 2031
9	HOSINGLOBAL 宏芯宇	49525887	Our Company	PRC	42	June 6, 2031
10	HOSINGLOBAL 宏芯宇	49526336	Our Company	PRC	9	May 27, 2031
11	HOSINGLOBAL	49712515	Our Company	PRC	42	June 6, 2031
12	HOSINGLOBAL	49715697	Our Company	PRC	9	September 13, 2031
13	HOSINGLOBAL 宏芯宇 存现在 储未来 Memory today, tomorrow	54430533	Our Company	PRC	9	January 20, 2032
14	HOSINGLOBAL 宏芯宇 存现在 储未来 Memory today, tomorrow	54438053	Our Company	PRC	42	December 20, 2031
15		65479099	Our Company	PRC	9	January 20, 2034

No.	Trademark	Registration number	Registered owner	Place of registration	Class	Expiry date
16		65479361	Our Company	PRC	9	January 13, 2033
17		72435065	Our Company	PRC	9	October 20, 2034
18		72437025	Our Company	PRC	9	October 13, 2034
19		37525672	Our Company	PRC	9	April 20, 2030
20		42607136	Our Company	PRC	42	August 20, 2030
21		42608641	Our Company	PRC	42	September 6, 2030
22		306609466	Our Company	Hong Kong	9	July 10, 2034
23		306609475	Our Company	Hong Kong	9	July 10, 2034

Patents

As of the Latest Practicable Date, we had registered the following patents which we considered to be material to our business:

No.	Registered Owner	Patent Name	Patent Number	Jurisdiction of Registration	Type	Date of Application	Date of Expiry
1	Our Company. . .	Memory Storage Device Testing Method and Non-Volatile Computer-Readable Storage Medium (存儲器存儲裝置的檢測方法及非瞬時計算機可讀取記錄媒體)	CN202410940225.9	PRC	Invention	July 15, 2024	July 14, 2044
2	Our Company. . .	A Chip Maximum Frequency Prediction Method, Apparatus, Device and Medium (一種芯片極限頻率的預測方法、裝置、設備及介質)	CN202311134151.1	PRC	Invention	September 5, 2023	September 4, 2043
3	Our Company. . .	Chip Bonding Method, Structure and Memory (芯片鍵合方法、結構及存儲器)	CN202310391678.6	PRC	Invention	April 13, 2023	April 12, 2043
4	Our Company. . .	Firmware Programming Method, Firmware Programming System and Memory Storage Device (固件燒錄方法、固件燒錄系統及存儲器存儲裝置)	CN202211507872.8	PRC	Invention	November 29, 2022	November 28, 2042

No.	Registered Owner	Patent Name	Patent Number	Jurisdiction of Registration	Type	Date of Application	Date of Expiry
5	Our Company. . .	A Chip Packaging Apparatus, Method and Packaged Chip (一種芯片封裝裝置、方法及封裝芯片)	CN202211065246.8	PRC	Invention	September 1, 2022	August 31, 2042
6	Our Company. . .	Device Control Method and Mobile Storage Device (裝置控制方法與移動存儲裝置)	CN202210182395.6	PRC	Invention	February 25, 2022	February 24, 2042
7	Our Company. . .	Boot Method, Memory Storage Device and Memory Controller (開機方法、存儲器存儲裝置及存儲器控制器)	CN202111665455.1	PRC	Invention	December 31, 2021	December 30, 2041
8	Our Company. . .	Rapid Card Initialization Method, Device and Computer-Readable Storage Medium (快速開卡方法、設備及計算機可讀存儲介質)	CN202111681407.1	PRC	Invention	December 31, 2021	December 30, 2041
9	Our Company. . .	Cache Management Method, Apparatus, Storage Device and Readable Storage Medium (緩存管理方法、裝置、存儲設備和可讀存儲介質)	CN202111109154.0	PRC	Invention	September 22, 2021	September 21, 2041
10	Our Company. . .	A Hybrid Decoding Method, Storage Device Controller and Storage System (一種混合解碼方法、存儲裝置控制器及存儲系統)	CN202110796421.X	PRC	Invention	July 14, 2021	July 13, 2041
11	Our Company. . .	Target Data Decoding Method, Apparatus, Electronic Device and Storage Device (目標數據的解碼方法、裝置、電子設備和存儲裝置)	CN202110797618.5	PRC	Invention	July 14, 2021	July 13, 2041
12	Our Company. . .	Server and Data Processing Method Thereof (服務器及其數據處理方法)	CN202110384276.4	PRC	Invention	April 9, 2021	April 8, 2041
13	Our Company. . .	Mapping Information Management Method, Memory Storage Device and Memory Controller (映射信息管理方法、存儲器存儲裝置及存儲器控制器)	CN202110369184.9	PRC	Invention	April 6, 2021	April 5, 2041
14	Our Company. . .	Memory Management Method, Memory Storage Device and Memory Controller (存儲器管理方法、存儲器存儲裝置及存儲器控制器)	CN202110266841.7	PRC	Invention	March 11, 2021	March 10, 2041

No.	Registered Owner	Patent Name	Patent Number	Jurisdiction of Registration	Type	Date of Application	Date of Expiry
15	Our Company. . .	Data Processing Method in Multi-Processor System and Multi-Processor System (多處理器系統數據處理方法及多處理器系統)	CN202011056600.1	PRC	Invention	September 29, 2020	September 28, 2040
16	Our Company. . .	Memory Control Method, Memory Storage Device and Memory Controller (存儲器控制方法、存儲器存儲裝置及存儲器控制器)	CN202010474553.6	PRC	Invention	May 29, 2020	May 28, 2040
17	Our Company. . .	Storage Device Test Management Method and Storage Device Test Management System (存儲裝置測試管理方法以及存儲裝置測試管理系統)	CN201910893405.5	PRC	Invention	September 20, 2019	September 19, 2039
18	Our Company. . .	Integrated Circuit Die Mounting Method and Semiconductor Device (集成電路晶粒貼裝方法及半導體器件)	CN201910785619.0	PRC	Invention	August 23, 2019	August 22, 2039
19	Our Company . .	Leakage Current Test Board and Leakage Current Test System (漏電流測試板和漏電流測試系統)	CN202520968968.7	PRC	Utility model	May 16, 2025	May 15, 2035
20	Hefei Kaimeng . .	Storage Area Management Method and Storage Device (存儲區域管理方法與存儲裝置)	CN202410931426.2	PRC	Invention	July 12, 2024	July 11, 2044
21	Hefei Kaimeng . .	Data Management Method and Storage Device (數據管理方法與存儲裝置)	CN202410764362.1	PRC	Invention	June 14, 2024	June 13, 2044
22	Hefei Kaimeng . .	Memory Management Method and Memory Controller (存儲器管理方法及存儲器控制器)	CN202410764363.6	PRC	Invention	June 14, 2024	June 13, 2044
23	Hefei Kaimeng . .	System Mode Control Method and Storage Device (系統模式控制方法及存儲裝置)	CN202410764371.0	PRC	Invention	June 14, 2024	June 13, 2044
24	Hefei Kaimeng . .	A Storage Chip Testing Apparatus (一種存儲芯片測試裝置)	CN202310647655.7	PRC	Invention	June 1, 2023	May 31, 2043

No.	Registered Owner	Patent Name	Patent Number	Jurisdiction of Registration	Type	Date of Application	Date of Expiry
25	FlySlice	A Cache Management Method, Storage Array Controller, Apparatus, Device and Medium (一種緩存管理方法、存儲陣列控制器、裝置、設備及介質)	CN202411637673.8	PRC	Invention	November 15, 2024	November 14, 2044
26	FlySlice	A Storage Array Cache Management Method, Apparatus, Controller and Medium (一種存儲陣列的緩存管理方法、裝置、控制器及介質)	CN202411637675.7	PRC	Invention	November 15, 2024	November 14, 2044
27	FlySlice	A Storage Array Controller, Storage Array System and Data Processing Method (一種存儲陣列控制器、存儲陣列系統及數據處理方法)	CN202411637672.3	PRC	Invention	November 15, 2024	November 14, 2044
28	FlySlice	A Convolution Operation Hardware Accelerator and Data Processing Method (一種卷積運算硬件加速器及數據處理方法)	CN202111596275.2	PRC	Invention	December 24, 2021	December 23, 2041
29	FlySlice	Floating-Point Operation Fixed-Point Conversion Method and System (浮點運算定點化方法及系統)	CN201710606500.3	PRC	Invention	July 24, 2017	July 23, 2037
30	FlySlice	A Method for Improving OpenCL Hardware Execution Efficiency (一種提高OpenCL硬件執行效率的方法)	CN201610039665.2	PRC	Invention	January 20, 2016	January 19, 2036
31	FlySlice	Storage Array and Storage System (陣列存儲器及存儲系統)	CN202420656008.2	PRC	Utility model	March 29, 2024	March 28, 2034
32	FlySlice	BGA Chip Connection Circuit and Printed Wiring Board (BGA芯片連接電路及印刷線路板)	CN202321860023.0	PRC	Utility model	July 14, 2023	July 13, 2033
33	FlySlice	A Method and System for Dynamic Concurrent Control of a Storage Array Based on Cache Water Level (一種基於緩存水位的存儲陣列並發動態控制方法及系統)	CN202610369510.9	PRC	Invention	March 25, 2026	March 24, 2046

Copyrights

As of the Latest Practicable Date, we had the following copyrights which we considered to be material to our business:

No.	Copyright Name	Registered Owner	Registration Number	Place of Registration	Date of Registration	Date of Expiry
1	Wafer customs data statistics software (晶圓報關數據統計軟件)	Company	2021SR0996386	PRC	July 7, 2021	December 31, 2070
2	HOSIN Electronics HG-2309 firmware file encryption and decryption software (宏芯宇HG-2309之韌體檔案加解密軟件)	Company	2020SR0448674	PRC	May 13, 2020	December 31, 2069
3	HOSIN Electronics HG-2309 static data verification software (宏芯宇HG-2309之靜態資料校驗軟件)	Company	2020SR0438719	PRC	May 12, 2020	December 31, 2069
4	HOSIN Electronics HG-2309 random logic block address storage optimization software (宏芯宇HG-2309之隨機邏輯區塊位址存儲優化軟件)	Company	2020SR0109011	PRC	January 20, 2020	December 31, 2069
5	HOSIN Electronics HG-2270 bad block recognition software (宏芯宇HG-2270之壞塊識別軟件)	Company	2020SR0073312	PRC	January 15, 2020	December 31, 2069
6	HOSIN Electronics HG-2270 errors checking correction system and verifying software (宏芯宇HG-2270之錯誤檢查糾正系統驗證軟件)	Company	2020SR0073607	PRC	January 15, 2020	December 31, 2069
7	HOSIN Electronics HG-2309 the system by obtaining hardware ID locking the usage rights of software (宏芯宇HG-2309之通過獲取硬件ID鎖定軟件使用權軟件)	Company	2019SR1296266	PRC	December 5, 2019	December 31, 2069
8	HOSIN Electronics HG-2270 software for sampling and testing the stability of flash memory blocks (宏芯宇HG-2270之抽樣檢測閃存區塊穩定度軟件)	Company	2019SR1127309	PRC	November 7, 2019	December 31, 2069
9	HOSIN Electronics HG-2309 the intelligent batch file formatting software HG-2309 (宏芯宇HG-2309之智能系統批量格式化軟件)	Company	2019SR1122569	PRC	November 6, 2019	December 31, 2069
10	HOSIN Electronics HG-2309 the distributed data configuration and transfer software (宏芯宇HG-2309之分散式資料配置搬移軟件)	Company	2019SR1122562	PRC	November 6, 2019	December 31, 2069
11	HOSIN Electronics HG-2270 the software that maximizing the use of flash blocks (宏芯宇HG-2270之最大化使用閃存區塊軟件)	Company	2019SR1122556	PRC	November 6, 2019	December 31, 2069

No.	Copyright Name	Registered Owner	Registration Number	Place of Registration	Date of Registration	Date of Expiry
12	HOSIN Electronics HG-2309 flash memory and controller chip matching software (宏芯宇HG-2309之快閃記憶體與控制芯片匹配軟件).	Company	2019SR1122753	PRC	November 6, 2019	December 31, 2069
13	HOSIN Electronics HG-2309 data frequency bandwidth scanning software (宏芯宇HG-2309之掃描資料頻帶寬度軟件)	Company	2019SR1122825	PRC	November 6, 2019	December 31, 2069
14	HOSIN Electronics test results analyzer software (宏芯宇測試結果分析器軟件).	Company	2019SR1081018	PRC	October 24, 2019	—(1)
15	HOSIN Electronics HG-2270 storage block erasing software (宏芯宇HG-2270之存儲區塊抹寫均化軟件) . .	Company	2019SR1042688	PRC	October 14, 2019	December 31, 2069
16	Mass production software for SSD (SSD的量產開卡軟件)	Xiamen Hongxinchuang	2022SR1562342	PRC	November 23, 2022	December 31, 2072
17	SSD mass production data recording and analysis software (SSD量產數據記錄及分析軟件)	Xiamen Hongxinchuang	2022SR1562343	PRC	November 23, 2022	December 31, 2072
18	SSD anomaly debugging software (SSD異常調試軟件)	Xiamen Hongxinchuang	2022SR1560889	PRC	November 23, 2022	December 31, 2072
19	UFS storage test platform software (UFS存儲測試平台軟件).	Xiamen Hongxinchuang	2022SR1551893	PRC	November 21, 2022	December 31, 2072
20	eMMc storage test platform software (eMMc存儲測試平台軟件)	Xiamen Hongxinchuang	2022SR1551892	PRC	November 21, 2022	December 31, 2072
21	SSD data read and write speed monitoring software (SSD數據讀寫速度監測軟件)	Xiamen Hongxinchuang	2022SR1335841	PRC	August 30, 2022	December 31, 2071
22	NandFlashDie selection software (NandFlashDie挑選軟件)	Xiamen Hongxinchuang	2022SR1294709	PRC	August 26, 2022	December 31, 2071
23	SSD-based flash chip timing detection software (基於SSD的閃存芯片時序檢測軟件)	Xiamen Hongxinchuang	2022SR1294721	PRC	August 26, 2022	December 31, 2072
24	Mass production capacity calibration and verification software for SSD (SSD的量產容量校準及校驗軟件)	Xiamen Hongxinchuang	2022SR1294710	PRC	August 26, 2022	December 31, 2072
25	Memory controller chip security monitoring system (存儲器控制芯片安全監控)	Xiamen Hongxinchuang	2021SRE029406	PRC	November 11, 2021	December 31, 2071
26	UFS/SSD data flow analysis software (UFS/SSD數據流分析軟件)	Shanghai HOSIN Global	2023SR1561131	PRC	December 5, 2023	December 31, 2073

No.	Copyright Name	Registered Owner	Registration Number	Place of Registration	Date of Registration	Date of Expiry
27	The ATE express interface testing software for SSD chip (SSD芯片ATE高速接口測試軟件)	Shanghai HOSIN Global	2023SR1561187	PRC	December 5, 2023	December 31, 2073
28	NVMe SSD functional test platform software (NVMe SSD功能測試平台軟件)	Shanghai HOSIN Global	2023SR1561274	PRC	December 5, 2023	December 31, 2073
29	NVMe SSD mass production performance tuning software (NVMe SSD量產性能調優軟件)	Shanghai HOSIN Global	2023SR1552746	PRC	December 4, 2023	December 31, 2073
30	Chip internal register debugging software (芯片內部寄存器調試軟件)	Shanghai HOSIN Global	2023SR1060795	PRC	September 14, 2023	December 31, 2073
31	NVMe SSD data flow analysis and debugging software (NVMe SSD數據流分析調試軟件)	Shanghai HOSIN Global	2023SR0992636	PRC	August 31, 2023	December 31, 2073
32	The ATE test data characterization analyzing software for SSD chip (SSD芯片ATE測試數據特性分析軟件)	Shanghai HOSIN Global	2023SR0798616	PRC	July 5, 2023	December 31, 2073
33	SSD data encryption and decryption testing software (SSD數據加解密測試軟件)	Shanghai HOSIN Global	2023SR0798751	PRC	July 5, 2023	December 31, 2073
34	SoC integrated chip development software (SoC芯片集成開發軟件)	Shanghai HOSIN Global	2023SR0799749	PRC	July 5, 2023	December 31, 2073
35	SSD power tuning software (SSD功耗調優軟件)	Shanghai HOSIN Global	2023SR0798539	PRC	July 5, 2023	December 31, 2073
36	Dynamic voltage and frequency conditioning testing software for LPDDR4/LPDDR5 (LPDDR4/LPDDR5的動態電壓與頻率調節測試軟件)	HOSIN Global Storage	2023SR0470960	PRC	April 13, 2023	December 31, 2073
37	LPDDR4/LPDDR5 performance detection system (LPDDR4/LPDDR5性能檢測系統)	HOSIN Global Storage	2023SR0471247	PRC	April 13, 2023	December 31, 2072
38	LPDDR4/LPDDR5 chip test temperature monitoring system (LPDDR4/LPDDR5芯片測試溫度監控系統)	HOSIN Global Storage	2023SR0471290	PRC	April 13, 2023	December 31, 2073
39	Auxiliary software to view LPDDR4/LPDDR5 information in bulk (批量查看LPDDR4/LPDDR5信息的輔助軟件)	HOSIN Global Storage	2023SR0453867	PRC	April 10, 2023	December 31, 2073
40	LPDDR4/LPDDR5 test data analysis system (LPDDR4/LPDDR5測試數據分析系統)	HOSIN Global Storage	2023SR0453868	PRC	April 10, 2023	December 31, 2072

No.	Copyright Name	Registered Owner	Registration Number	Place of Registration	Date of Registration	Date of Expiry
41	IC-compatible platform test software for LPDDR4/LPDDR5 (LPDDR4/LPDDR5的IC兼容展訊平台測試軟件)	HOSIN Global Storage	2023SR0424436	PRC	March 31, 2023	December 31, 2072
42	IC-compatible MediaTek platform test software for LPDDR4/LPDDR5 (LPDDR4/LPDDR5的IC兼容聯發科平台測試軟件)	HOSIN Global Storage	2023SR0424427	PRC	March 31, 2023	December 31, 2072
43	Burn-in test software for the IC of LPDDR4/LPDDR5 (LPDDR4/LPDDR5的IC的老化測試軟件)	HOSIN Global Storage	2023SR0424428	PRC	March 31, 2023	December 31, 2072
44	IC-compatible Qualcomm platform test software for LPDDR4/LPDDR5 (LPDDR4/LPDDR5的IC兼容高通平台測試軟件)	HOSIN Global Storage	2023SR0424435	PRC	March 31, 2023	December 31, 2072
45	Die screening analysis system for LPDDR4/LPDDR5 (LPDDR4/LPDDR5的Die篩選分析系統)	HOSIN Global Storage	2023SR0424426	PRC	March 31, 2023	December 31, 2072
46	LPDDR4/LPDDR5 self-refresh, data retention testing software (LPDDR4/LPDDR5自刷新、數據保存能力測試軟件)	HOSIN Global Storage	2023SR0425896	PRC	March 31, 2023	December 31, 2072
47	Flash chip timing detection device and control system (閃存芯片時序檢測裝置控制系統)	Hefei Kaimeng	2024SR1751212	PRC	November 12, 2024	December 31, 2073
48	UFS performance test data management and analyzing platform (UFS性能測試數據管理分析平台)	Hefei Kaimeng	2024SR1751170	PRC	November 12, 2024	December 31, 2073
49	UFS abnormal power down test control software (UFS異常掉電測試控制軟件)	Hefei Kaimeng	2024SR0748792	PRC	May 31, 2024	December 31, 2073
50	UFS data intelligent detection system (UFS數據讀寫智能檢測系統)	Hefei Kaimeng	2024SR0726388	PRC	May 28, 2024	December 31, 2073
51	Flash chips intelligent test data processing systems (閃存芯片智能測試數據處理系統)	Hefei Kaimeng	2024SR0211896	PRC	February 1, 2024	December 31, 2073
52	UFS reliability test and analysis software (UFS可靠度測試分析軟件)	Hefei Kaimeng	2024SR0197841	PRC	January 30, 2024	December 31, 2073
53	UFS firmware test software (UFS固件測試軟件)	Hefei Kaimeng	2024SR0186740	PRC	January 29, 2024	December 31, 2073
54	UFS overclocked burn-in test system (UFS超頻壽命老化測試系統)	Hefei Kaimeng	2024SR0185622	PRC	January 29, 2024	December 31, 2073

No.	Copyright Name	Registered Owner	Registration Number	Place of Registration	Date of Registration	Date of Expiry
55	FlySlice Technology for FPGA high speed data transfer performance test and evaluation software in PCIE link bridge mode (杭州菲數科技適用於FPGA在PCIE鏈路橋模式下的高速數據傳輸性能測試與評估軟件)	FlySlice	2022SR1610197	PRC	December 25, 2022	December 31, 2071
56	FPGA high-speed data distribution architecture system based on RDMA (基於RDMA的FPGA高速數據分發架構系統)	FlySlice	2022SR1610199	PRC	December 25, 2022	December 31, 2071
57	FlySlice Technology Zynq Embedded Interface Transparent Transmission Network Server Software (杭州菲數科技zynq嵌入式接口透傳網絡服務端軟件)	FlySlice	2022SR1610200	PRC	December 25, 2022	December 31, 2071
58	FlySlice utilized raspberry pi SPI-controlled relay for automatic chip power on/off software (菲數通過樹莓派SPI控制繼電器實現芯片自動通斷電軟件)	FlySlice	2022SR1610198	PRC	December 25, 2022	December 31, 2071
59	General service driver software for FPGAs under PCIE links (適用於FPGA在PCIE鏈路下的通用業務驅動軟件)	FlySlice	2022SR1537242	PRC	November 18, 2022	December 31, 2071
60	Multi-type IO data logging software based on embedded Linux system (基於嵌入式linux系統的多類型IO數據記錄軟件)	FlySlice	2022SR1537293	PRC	November 18, 2022	December 31, 2070
61	Project management system software (項目管理系統軟件)	FlySlice	2022SR1475299	PRC	November 7, 2022	December 31, 2072
62	Business-layer software for FPGA-based integration storage and computing platforms (適用於FPGA存算一體化平台的業務層軟件)	FlySlice	2022SR1475298	PRC	November 7, 2022	December 31, 2072
63	BOM management system software (BOM管理系統軟件)	FlySlice	2022SR1475304	PRC	November 7, 2022	December 31, 2072
64	FlySlice tagged data storage system based on the 8K sector FLASH (杭州菲數基於8K扇區FLASH標籤化數據存儲系統)	FlySlice	2022SR1473199	PRC	November 4, 2022	December 31, 2072
65	CNN-based compute acceleration driver software for FPGA (基於FPGA的CNN計算加速驅動軟件)	FlySlice	2020SR0463687	PRC	May 18, 2020	December 31, 2070

No.	Copyright Name	Registered Owner	Registration Number	Place of Registration	Date of Registration	Date of Expiry
66	CNN network model resolution software for FPGAs (面向FPGA的CNN網絡模型解析軟件)	FlySlice	2020SR0463693	PRC	May 18, 2020	December 31, 2070
67	FlySlice FPGA-based rsa encryption and decryption module software (菲數基於FPGA的rsa加解密模塊軟件)	FlySlice	2016SR392420	PRC	December 24, 2016	December 31, 2066
68	FlySlice FPGA accelerator board supporting software for OPENCL support (菲數支持OPENCL的FPGA加速板卡支持軟件)	FlySlice	2016SR392427	PRC	December 24, 2016	December 31, 2065

Note:

(1) Pursuant to Article 14 of the Regulations on the Protection of Computer Software (《計算機軟件保護條例》), the term of protection for software copyright owned by a legal person or other organization is 50 years, expiring on December 31 of the 50th year following the software's first publication. However, if the software is not published within 50 years from the date on which its development was completed, it will cease to be protected. As of the Latest Practicable Date, such software had not been published.

Domain Name

As of the Latest Practicable Date, we had registered the following internet domain names which we considered to be material to our business:

No	Domain Name	Registered Owner	Expiry Date
1	hosinglobal.com	Company	December 26, 2027

Save as disclosed above, as of the Latest Practicable Date, there were no other intellectual property rights which are or may be material in relation to our business.

FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Disclosure of Interests

Interests of the Directors and chief executive of our Company

Save as disclosed below, immediately following the completion of the Global Offering, and Conversion of Unlisted Shares into H Shares, assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised, the interests and/or short positions of our Directors and the chief executive of our Company in the Shares, underlying Shares and debentures of our Company and any interests and/or short positions in shares, underlying shares or debentures of any of our Company's associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deem to have under such provisions of the SFO), or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company, once the H Shares are listed on the Stock Exchange, are listed below:

(i) Interest in our Company

Save as disclosed below, no Directors or the chief executive will, directly or indirectly, be interested in the shares or underlying shares of our Company.

Name	Position	Nature of interest	Number and description of Shares held[1]	Approximate percentage of shareholding in Unlisted Shares/ H Shares[2]	Approximate percentage of shareholding in our total share capital[2]
Mr. Wu[3]	Chairperson of our Board and executive Director	Interest in controlled corporation, beneficial owner	102,945,358 Unlisted Shares	49.66%	21.33%
			71,510,238 H Shares	25.98%	14.82%
Ms. Liang Qiyan (梁啓燕)[4] . .	Executive Director	Beneficial owner	400,000 H Shares	0.15%	0.08%
Mr. Zhang Yun (張雲)[5] . . .	Executive Director	Beneficial owner	100,000 H Shares	0.04%	0.02%

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of 207,299,784 Unlisted Shares and 275,231,500 H Shares in issue upon Listing comprising (i) an aggregate of 260,514,300 H Shares to be converted from the Unlisted Shares and (ii) 14,717,200 H Shares to be issued pursuant to the Global Offering (without taking into account the H Shares which may be issued upon the exercise of the Offer Size Adjustment Option or the Over-allotment Option or pursuant to the Pre-IPO Share Option Scheme).

(3) As of the Latest Practicable Date, Xinruilai was owned as to approximately 71.76% by Mr. Wu. Mr. Wu was the general and executive partner of Hongxin Micro, Shenzhen Jubang, Hongxin Chuang, Hongxintai No. 2, Hosintai, Ningbo Zhaohan, Ningbo Zhaoxin and Hangzhou Feisuan.

By virtue of the SFO, Mr. Wu was deemed to be interested in the Shares held by each of Xinruilai, Hongxin Micro, Shenzhen Jubang, Hongxin Chuang, Hongxintai No. 2, Hosintai, Ningbo Zhaohan, Ningbo Zhaoxin, and Hangzhou Feisuan. For further details, please refer to the section headed "Substantial Shareholders" in this prospectus.

As of the Latest Practicable Date, Mr. Wu was granted 2,880,000 options under the Pre-IPO Share Option Scheme by our Company, upon the exercise of which the same number of Shares will be issued.

(4) As of the Latest Practicable Date, Ms. Liang Qiyan was granted 400,000 options under the Pre-IPO Share Option Scheme by our Company, upon the exercise of which the same number of Shares will be issued.

(5) As of the Latest Practicable Date, Mr. Zhang Yun was granted 100,000 options under the Pre-IPO Share Option Scheme by our Company, upon the exercise of which the same number of Shares will be issued.

(ii) Interest in our associated corporations

So far as our 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 or underlying shares of the associated corporations of our Company.

Interests of substantial Shareholders

Save as disclosed in the section headed "Substantial Shareholders" in this prospectus, immediately following the completion of the Global Offering and the Conversion of Unlisted Shares into H Shares and without taking into account any Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option, our Directors are not aware of any other person (other than our Directors or chief executive) who will have an interest or short position in our Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company or any other members of our Group.

Particulars of the Service Contracts

We have entered into a service contract with each of our Directors in respect of, among other things, compliance with the relevant laws and regulations and the Articles of Association.

Save as disclosed above, we have not entered, and do not propose to enter, any service contracts with any of our Directors in their respective capacities as Directors (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

Remuneration of Directors

The aggregate remuneration paid and benefits in kind granted to our Directors by our Group in respect of the last completed financial year, being the year ended December 31, 2025, was RMB16.5 million. For details of our Directors' emoluments during the Track Record Period, see Note 9 to the Accountants' Report in Appendix I to this prospectus.

Under the arrangements in force at the date of this prospectus, we estimate the aggregate remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2026, to be approximately RMB62.8 million.

Disclaimers

Save as disclosed in this prospectus:

(a) none of the Directors nor any of the experts referred to in "Qualifications 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) none of the Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group;

(c) none of our Directors are interested in any business apart from our Group's business which competes or is likely to compete, directly or indirectly, with the business of our Group; and

(d) so far as is known to our Directors, none of our Directors or their associates or any Shareholders who are expected to be interested in 5% or more of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group.

EMPLOYEE INCENTIVE PLANS

The following is a summary of the principal terms of our employee incentive plans comprising (i) the 2019 share incentive plan ("**2019 Share Incentive Plan**"), 2021 share option incentive plan ("**2021 Share Option Incentive Plan**"), 2023 share incentive plan ("**2023 Share Incentive Plan**") and 2024 share incentive plan ("**2024 Share Incentive Plan**", collectively the "**Share Incentive Plans**"); and (ii) the Pre-IPO Share Option Scheme.

Share Incentive Plans

We have adopted the Share Incentive Plans to attract and secure the talent required for the Company's development, provide effective talent support for the Company's accelerated growth, and enhance the Company's ability to achieve strategic success in a competitive market. The terms of the Share Incentive Plans are not subject to the provisions of Chapter 17 of the Listing Rules.

As of the Latest Practicable Date, all the Shares underlying the Share Incentive Plans have been issued and granted, and to the extent that there is any change to the grants under the Share Incentive Plans after the Listing, we will comply with the applicable Listing Rules (including the requirements under Chapter 14A of the Listing Rules applicable to grants to connected persons, if any).

Participants

The eligible participants of (i) the 2019 Share Incentive Plan include Directors, senior management members and employees of our Group; and (ii) the 2021 Share Option Incentive Plan, the 2023 Share Incentive Plan and the 2024 Share Incentive Plan include Directors and senior management members of our Company; mid-level management members and key technical personnel of our Company; mid-level and senior management members and key technical personnel of our subsidiaries; and other individuals whom our Board considers appropriate.

Forms of awards, numbers of initial participants and award Shares

Under the 2019 Share Incentive Plan, 2023 Share Incentive Plan, and 2024 Share Incentive Plan, the grantees shall subscribe for partnership interests in our employee shareholding platforms as partners in accordance with the amount of awards granted under the relevant Share Incentive Plans as approved by the Board, and make the corresponding capital contributions pursuant to the arrangements of the Board, thereby holding indirect interests in the Shares. Under the 2021 Share Option Incentive Plan, the grantees were granted the option to subscribe for partnership interests in our employee shareholding platforms. The summary of the number of initial participants and the number of award Shares granted under each Share Incentive Plan is set out below:

Share Incentive Plan	Number of initial participants	Number of initial award Shares to be granted under the Share Incentive Plan	Grant price
			(RMB)
2019 Share Incentive Plan[(1)]	27	4,000,000	2.20
2021 Share Option Incentive Plan	158	3,203,500[(2)]	3.00
2023 Share Incentive Plan	304	14,971,000	3.00
2024 Share Incentive Plan	180	9,303,000	3.00

Note:

(1) The 2019 Share Incentive Plan was further amended in March 2021 with additional 5,315,500 award Shares granted to 125 eligible employees at a subscribed price of RMB2.60 per share.

(2) Under the 2021 Share Option Incentive Plan, 2,881,500 award options granted were exercised in March 2023, while the remaining options were forfeited due to the resignation of grantee, as of the Latest Practicable Date.

Lock-up period

Prior to the Listing and for a period of three years following the Listing Date (the "**Lock-up Period**"), except as otherwise stipulated in the Share Incentive Plans, the grantees shall not directly or indirectly dispose of the partnership interests held in the relevant employee shareholding platforms, including, but not limited to, transferring, pledging, entrusting, or subjecting such partnership interests to any nominee or trust arrangements.

During the Lock-up Period, if a grantee (i) resigns, is dismissed, becomes incapable of performing work, dies or is legally declared deceased, or is unable to continue employment due to work-related injury, (ii) violates laws, regulations, professional ethics, internal rules of the Company, labor contract, confidentiality agreement, or non-compete agreement, (iii) breaches the obligations under the Share Incentive Plans, (iv) has partnership interests that are subject to claims, division, transfer, disposal, preservation measures, or enforcement due to personal reasons or disputes, (v) commits gross negligence or serious dereliction of duty causing material loss to the Company, (vi) establishes employment or service relationships with other employers without the Company's consent, adversely affecting performance, or fails to correct such behavior when requested, or (vii) is held criminally liable according to law, the grantee shall, at the request of the executive partner of the relevant employee shareholding platforms, return or transfer their partnership interests to the executive partner or its designated third party. The grantee may retain the proportion of the partnership interests corresponding

to the period of continuous service completed during the Lock-up Period following the Listing, while the portion corresponding to the unfulfilled Lock-up Period shall be returned or transferred in accordance with the requirements of the executive partner.

Details of the Grantees

As of the Latest Practicable Date, there are 12 employee shareholding platforms, among which Hongxintai No. 2, Hosintai, Ningbo Zhaohan, Ningbo Zhaoxin and Hangzhou Feisuan hold 3.84%, 2.82%, 0.86%, 0.64% and 0.56%, respectively, of the shareholding in our Company.

For details of awards granted to Directors, members of senior management, or connected persons of our Company under the Share Incentive Plans, please refer to the paragraphs headed "History, Development and Corporate Structure — Corporate Structure" of this prospectus.

Pre-IPO Share Option Scheme

The following is a summary of the principal terms of the Pre-IPO Share Option Scheme adopted on December 18, 2025. The Pre-IPO Share Option Scheme is not subject to the approval requirement under Chapter 17 of the Listing Rules as it does not involve the grant of Shares or the grant of options by our Company to subscribe for the Shares after the Listing. Terms of the Pre-IPO Share Option Scheme does not need to comply with provisions under Chapter 17 of the Listing Rules so long as no further options may be granted thereunder after the Listing.

Purpose

The purpose of the Pre-IPO Share Option Scheme is to attract and retain the talent required for our Company's development, provide a strong talent base to support the acceleration of our Company's growth, and enhance our Company's competitiveness in the market. Our Company intends to implement the Pre-IPO Share Option Scheme as a long-term incentive mechanism, with share options serving as the linkage.

Administration

The Pre-IPO Share Option Scheme is subject to the approval of the Shareholders' meeting, administration of the Board and the supervision of the Audit Committee.

Eligibility

Eligible participants under the Pre-IPO Share Option Scheme include the Directors, senior management and core employees of our Company, excluding independent non-executive Directors.

Each eligible participant shall maintain an employment or labor relationship with our Company or any of its subsidiaries during the relevant review period as specified in the terms of the Pre-IPO Share Option Scheme.

Grantees

As of the Latest Practicable Date, there are total 45 grantees under the Pre-IPO Share Option Scheme, which include three Directors, two senior management members (other than directors) and one other connected person and 39 core employees of our Company.

Maximum Number of Shares

The maximum number of underlying Shares under the Pre-IPO Share Option Scheme shall not exceed 10% of the total issued share capital of our Company at the time when the Pre-IPO Share Option Scheme is considered and approved by the Shareholders' meeting.

The maximum number of Shares to be granted to each grantee under the Pre-IPO Share Option Scheme shall not exceed 1% of the total issued share capital of our Company at the time when the Pre-IPO Share Option Scheme is considered and approved by the Shareholders' meeting.

Source of Shares

The options granted under the Pre-IPO Share Option Scheme (the "**Option(s)**") will entitle the grantees to subscribe for Shares to be issued by our Company after the Listing. All of the Options must be granted before the Listing.

Validity

The Pre-IPO Share Option Scheme shall be valid and effective from the date of grant until all Options granted thereunder have either been exercised in full or cancelled, subject to a maximum term of 42 months from the Listing Date.

Vesting Period

The vesting period of the Options shall commence on the date of grant and end on the date falling six months after the date of grant or the Listing Date, whichever is later. No Options shall be transferred, used as a form of guarantee or as a repayment of debt by any grantee prior to the expiry of the vesting period.

Exercise Period and Exercise Conditions

Subject to the terms and conditions of the Pre-IPO Share Option Scheme and the grant agreement entered into with the grantee, the Options shall be exercised by the grantee on any trading day within the exercise period, provided that no Option shall be exercisable prior to the expiry of the vesting period. The exercise of any Option shall be further subject to the satisfaction of the prescribed exercise conditions under the Pre-IPO Share Option Scheme.

The grantees may exercise their Options in three tranches as follows:

	Exercise period	**Maximum portion of Options which may be exercised**
First exercise period	Commencing on the first trading day of the H Share immediately following the expiry of the vesting period and ending on the last trading day within 12 months from the date of expiry of the vesting period	30%
Second exercise period . . .	Commencing on the first trading day immediately following the expiry of 12 months from the expiry of the vesting period and ending on the last trading day within 24 months from the date of expiry of the vesting period	30%
Third exercise period	Commencing on the first trading day immediately following the expiry of 24 months from the expiry of the vesting period and ending on the last trading day within 36 months from the date of expiry of the vesting period	40%

Any Option that is not exercised within the prescribed exercise period or which fails to satisfy the applicable exercise conditions shall be cancelled in accordance with the terms of the Pre-IPO Share Option Scheme.

Exercise Price

The exercise price of the Options is RMB3.00 per Share.

If, during the period from the approval date of the Pre-IPO Share Option Scheme to the date on which the Options are exercised, our Company undertakes any capitalization of capital reserves, distribution of share dividends, share subdivision or consolidation, rights issue or dividend distribution, appropriate adjustments shall be made to the exercise price of the Options in accordance with the relevant provisions of the Pre-IPO Share Option Scheme.

Lock-up Periods and Restrictions

The grantees under the Pre-IPO Share Option Scheme shall comply with the applicable lock-up periods and restriction requirements under the relevant laws and regulations.

Outstanding Options Granted under the Pre-IPO Share Option Scheme

As of the Latest Practicable Date, the number of underlying Shares pursuant to the outstanding Options amounted to 6,095,000 Shares, representing approximately 1.26% of the issued Shares immediately following the completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised and no additional Shares are issued pursuant to the Pre-IPO Share Option Scheme).

As of the Latest Practicable Date, the outstanding options were held by 45 grantees. Assuming full exercise of all outstanding options granted under the Pre-IPO Share Option Scheme and the Offer Size Adjustment Option and the Over-allotment Option are not exercised, the issued and outstanding shareholding of our Shareholders immediately following completion of the Global Offering will be diluted by approximately 1.25%.

The table below sets forth the details of the outstanding options granted to all the 45 grantees under the Pre-IPO Share Option Scheme, including Directors, members of senior management and connected persons of our Company and other grantees, as of the Latest Practicable Date:

Name	Address	Position in our Group	Date of grant	Grant price	Number of Shares underlying the outstanding Options	Approximate percentage of issued Shares immediately after completion of the Global Offering[(1)]
				(RMB)		
Directors and members of senior management of our Company						
Mr. Wu Yisheng (吳奕盛)	Room 604, Building 10, Zhaoshang Mingshi Garden, Nanshan District, Shenzhen, Guangdong Province, PRC	Chairperson of our Board, executive Director and general manager	December 18, 2025	3.00	2,880,000	0.60%
Mr. Liu Weibo (劉維波)	Room 605, Building 1J, Huiyicheng, Xixiang Sub-district, Bao'an District, Shenzhen, Guangdong Province, PRC	Deputy general manager and finance director	December 18, 2025	3.00	500,000	0.10%
Ms. Liang Qiyan (梁啓燕)	Room 6B, Building 19, China Overseas No. 9 Mansion, Bao'an District, Shenzhen, Guangdong Province, PRC	Executive Director and deputy general manager	December 18, 2025	3.00	400,000	0.08%
Mr. Zhu Zixuan (朱子軒)	Room 5305, Building 1, Runxi Phase II, China Resources City, Nanshan District, Shenzhen, Guangdong Province, PRC	Deputy general manager and secretary to the Board	December 18, 2025	3.00	300,000	0.06%
Mr. Zhang Yun (張雲)	Unit 303, Building 6, North Zone, Langshi International Block, 87 Hexi Avenue, Nanjing, Jiangsu Province, PRC	Executive Director and deputy general manager	December 18, 2025	3.00	100,000	0.02%

Name	Address	Position in our Group	Date of grant	Grant price	Number of Shares underlying the outstanding Options	Approximate percentage of issued Shares immediately after completion of the Global Offering[1]
				(RMB)		
Connected person of our Company						
Mr. Li Wenjun (李文俊)	Flat 10A, Block B, Junjing Huating, Minzhi Sub-district, Longhua District, Shenzhen, Guangdong Province, PRC	Director of HOSIN Global Storage	December 18, 2025	3.00	500,000	0.10%
Other grantees						
Long Hai (龍海) .	Room 202, Unit 2, Building 1, Xinliyuan, Nanyuan, Xinggong Road, Zhaoshang Sub-district, Nanshan District, Shenzhen, Guangdong Province, PRC	Business director	December 18, 2025	3.00	200,000	0.04%
Chen Derong (陳德榮)	7/F, No. 9, Alley 29, Lane 372, Section 5, Zhongxiao East Road, Taipei, Taiwan	R&D director	December 18, 2025	3.00	200,000	0.04%
Huang Binghui (黃炳輝)	Room 905, Building 9, Baihe Century Plaza, Buji Sub-district, Longgang District, Shenzhen, Guangdong Province, PRC	Securities affairs representative	December 18, 2025	3.00	100,000	0.02%
Wang Fei (王飛)	Room 3305, Building 13, Fu'an Yayuan, Guanlan Sub-district, Longhua District, Shenzhen, Guangdong Province, PRC	Finance manager	December 18, 2025	3.00	80,000	0.02%
Liu Qiaoling (劉巧玲)	Room 704, Phase I, Jinyu Central Garden, No. 155 Bulong Road, Longgang District, Shenzhen, Guangdong Province, PRC	Finance supervisor	December 18, 2025	3.00	10,000	0.002%
Cai Naiquan (蔡乃全)	Room 4003, Unit 1, Block A, Building 6, China Merchants Zhencheng Garden, Junction of Lianzhong Road and Tangjing West Road, Guihua Road, Jihua Sub-district, Longgang District, Shenzhen, Guangdong Province, PRC	Financial analyst	December 18, 2025	3.00	20,000	0.004%
Huang Hao (黃昊)	Room 1405, Building 8, Jinhong Garden, Gongming Sub-district, Guangming District, Shenzhen, Guangdong Province, PRC	Finance supervisor	December 18, 2025	3.00	10,000	0.002%
Zhu Qi'ao (朱啓傲)	Room 501, Building 56, Xiangyuan Jingangwan, High-tech Zone, Hefei, Anhui Province, PRC	R&D director	December 18, 2025	3.00	300,000	0.06%
Cao Kuai (曹快) .	Room 2004, Building 1, Phase II, Rongningfu, Luyang District, Hefei, Anhui Province, PRC	Department director	December 18, 2025	3.00	30,000	0.006%

Name	Address	Position in our Group	Date of grant	Grant price	Number of Shares underlying the outstanding Options	Approximate percentage of issued Shares immediately after completion of the Global Offering[1]
				(RMB)		
Lyu Wenqing (吕文慶)	Room 1401, Building 22, Zhongnan Yuefu, High-tech Zone, Hefei, Anhui Province, PRC	Senior team leader	December 18, 2025	3.00	25,000	0.005%
Yang Shaofeng (楊少鋒)	Room 2201, Building 16, Zizaicheng, Shuilifang, Beijing Road, Baohe District, Hefei, Anhui Province, PRC	Team leader	December 18, 2025	3.00	25,000	0.005%
Guo Yajie (郭亞傑)	Room 1003, Building 7, Wenchen Yuefu, 240 metres southeast of the Junction of Mozitan Road and the Auxiliary Road of Jiangjunling Road, Shushan District, Hefei, Anhui Province, PRC	Technical team leader	December 18, 2025	3.00	15,000	0.003%
Tian Can (田燦)	Yangjiayan Group, Baiyun'an Village, Luoerling Town, Huoshan County, Lu'an, Anhui Province, PRC	Senior engineer	December 18, 2025	3.00	10,000	0.002%
Sun Shuwen (孫舒文)	Room 1003, Building BY6, Gaosu Shidai Shuyuan, 140 metres north of the Junction of Sanchengsi Road and Yanghewan Road, Hefei, Anhui Province, PRC	Engineer	December 18, 2025	3.00	10,000	0.002%
Yang Shousen (楊守森)	Room 1004, Building 25, Phase IV, Zijing Mingdu, Huanancheng, Feixi County, Hefei, Anhui Province, PRC	Senior engineer	December 18, 2025	3.00	10,000	0.002%
Dong Haoyu (董浩宇)	Room 203, Building D1, Zuo'an Xiaozhen, Guoyang County, Bozhou, Anhui Province, PRC	Engineer	December 18, 2025	3.00	5,000	0.001%
Chen Yang (陳陽)	Room 1103, Building 15, North Zone, Gaosu Xinda Shidai Xinghe Residential Community, Shushan District, Hefei, Anhui Province, PRC	Technical team leader	December 18, 2025	3.00	5,000	0.001%
Zhu Kaidi (朱凱迪)	Room 1701, Building 3, Xinhua Yuhu Shangyuan, High-tech Zone, Hefei, Anhui Province, PRC	Manager	December 18, 2025	3.00	30,000	0.006%
Hu Jian (胡健)	Room 902, Building 22, Zhongnan Yuefu, High-tech Zone, Hefei, Anhui Province, PRC	Deputy manager	December 18, 2025	3.00	35,000	0.007%
Zhang Yang (張洋)	Room 1604, Building 42, Phase III, China Resources Oak Bay, Luyang District, Hefei, Anhui Province, PRC	Senior team leader	December 18, 2025	3.00	25,000	0.005%

Name	Address	Position in our Group	Date of grant	Grant price	Number of Shares underlying the outstanding Options	Approximate percentage of issued Shares immediately after completion of the Global Offering[1]
				(RMB)		
Wang Enyang (汪恩洋)	Room 1603, Building 6, Runyuan, China Railway Qingxiucheng, Wulidun Sub-district, Shushan District, Hefei, Anhui Province, PRC	Senior team leader	December 18, 2025	3.00	25,000	0.005%
Gao Yinping (高銀平)	Room 1317, Block A, Fushi Plaza, Luyang District, Hefei, Anhui Province, PRC	Senior team leader	December 18, 2025	3.00	15,000	0.003%
Yu Haoyue (余浩岳)	Room 1607, Building B1, Xiangyuancheng Apartments, Shushan District, Hefei, Anhui Province, PRC	Senior engineer	December 18, 2025	3.00	20,000	0.004%
Zhang Xiaoshuai (張小帥)	Room 803, Building 16, Longfor Yikang Hucheng Dajing, Shushan District, Hefei, Anhui Province, PRC	Senior engineer	December 18, 2025	3.00	5,000	0.001%
Wang Huagang (王華港)	Room 603, Unit 2, Building 26, Zhongnan Chenyue, Beicheng, Changfeng County, Hefei, Anhui Province, PRC	Engineer	December 18, 2025	3.00	10,000	0.002%
Sun Jianhua (孫建華)	Aoyuan Chengyang Yipin, Shushan District, Hefei, Anhui Province, PRC	Deputy manager	December 18, 2025	3.00	20,000	0.004%
Du Jiaxing (杜甲興)	Huichuang Junbo, Zhenxing Road, Shushan District, Hefei, Anhui Province, PRC	Deputy manager	December 18, 2025	3.00	10,000	0.002%
Yuan Peng (袁鵬)	Room 806, Unit 2, Building 2, North Zone, Hailiang Jiuxi, High-tech Zone, Hefei, Anhui Province, PRC	Senior engineer	December 18, 2025	3.00	10,000	0.002%
Zeng Bingyang (曾秉洋)	Room 1701, Building 19, Phase II, Longfor Guangnian, Shushan District, Hefei, Anhui Province, PRC	Deputy manager	December 18, 2025	3.00	30,000	0.006%
Yuan Xiaojie (袁孝傑)	Room 612, Building 18, West Zone, Shanhuyuan, Shushan District, Hefei, Anhui Province, PRC	Deputy team leader	December 18, 2025	3.00	10,000	0.002%
Wu Hongyu (吳紅雨)	Room 1104, Building 5, Shangkun Yunqilu, Yunhe New Town, Shushan District, Hefei, Anhui Province, PRC	Deputy team leader	December 18, 2025	3.00	5,000	0.001%
Sun Zhongbiao (孫中標)	Room 1804, Building 18, Tianyi Jiayuan, Shushan District, Hefei, Anhui Province, PRC	Senior engineer	December 18, 2025	3.00	5,000	0.001%
Niu Yuting (牛玉婷)	Room 604, Building 17, Danqing Garden, Junction of Dongzhi Road and Xiuning Road, Government Affairs District, Hefei, Anhui Province, PRC	Senior team leader	December 18, 2025	3.00	25,000	0.005%

Name	Address	Position in our Group	Date of grant	Grant price	Number of Shares underlying the outstanding Options	Approximate percentage of issued Shares immediately after completion of the Global Offering[1]
				(RMB)		
Zhang Hao (張浩)	Room 1003, Building 26, Longfor Tianjing, Shushan District, Hefei, Anhui Province, PRC	Senior engineer	December 18, 2025	3.00	10,000	0.002%
Li Bowen (李博文)	Room 1103, Building 12, Longfor Yikang Dajing, Shushan District, Hefei, Anhui Province, PRC	Senior engineer	December 18, 2025	3.00	5,000	0.001%
Huang Zi'en (黃子恩)	Room 1103, Building 1, Huijing City Center, Junction of Wangjiang West Road and Chuangxin Avenue, High-tech Zone, Hefei, Anhui Province, PRC	Team leader	December 18, 2025	3.00	20,000	0.004%
Chang Kai (常凱)	Room 1004, Building 2, Huafang Xinhuacheng, Baicao Street, High-tech Industrial Development Zone, Hefei, Anhui Province, PRC	Deputy team leader	December 18, 2025	3.00	10,000	0.002%
Cheng Xuhui (程旭輝)	Room 703, Unit 2, Building 18, Yuehu Shanyuan, High-tech Zone, Hefei, Anhui Province, PRC	Senior team leader	December 18, 2025	3.00	20,000	0.004%
Liu Xueqing (劉雪晴)	Room 704, Building 20, Xindi Huadicheng, Taohua Town, Feixi County, Hefei, Anhui Province, PRC	Engineer	December 18, 2025	3.00	15,000	0.003%
Total					**6,095,000**	**1.26%**

Note:

(1) The calculation is based on the assumption that the Offer Size Adjustment Option and the Over-allotment Option are not exercised and no additional Shares are issued pursuant to our Pre-IPO Share Option Scheme.

OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

Litigation

As of the Latest Practicable Date, no member of our Group is engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Company that would have a material adverse effect on our Company's results of operations or financial condition.

Sole Sponsor

The Sole Sponsor has made an application on behalf of our Company to the Stock Exchange for the listing of, and permission to deal in, (i) our H Shares to be issued pursuant to the Global Offering, (ii) the H Shares to be converted from our existing Unlisted Shares and (iii) the H Shares to be issued

under the Pre-IPO Share Option Scheme. 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 an aggregate of USD300,000 for acting as the Sole Sponsor for the Listing.

Preliminary Expense

As of Latest Practicable Date, our Company did not incur any preliminary expenses.

Promoters

The promoters of our Company were all three then-shareholders of our Company at the time of our Company's establishment as a joint stock company with limited liability on December 18, 2018, namely Xinruilai, RealYou Investment and Shenzhen Jubang.

Within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given, nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering or the related transactions described in this prospectus.

Qualifications of Experts

The qualifications of the experts who have given opinions or advice in this prospectus are as follows:

Name	Qualification
China Securities (International) Corporate Finance Company Limited	A licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities (as defined under SFO)
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor
AllBright Law Offices	Legal advisor to our Company as to PRC law
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent Industry Consultant
Ernst & Young (China) Advisory Limited Shenzhen Branch Office	Independent transfer pricing consultant to our Company
Paul Hastings (Hong Kong) LLP	Legal adviser to our Company as to international sanctions laws

Consents of Experts

Each of the experts referred to in "Qualifications of Experts" above has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its reports, letters or opinions (as the case may be) and the references to its name included herein in the form and context in which they are included.

Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of our Shares being sold or transferred. For further information in relation to taxation, see "Appendix III — Taxation and Foreign Exchange."

Restriction on Share Repurchases

For details of the restrictions on share repurchases by our Company, please refer to the sections headed "Summary of Principal Legal and Regulatory Provisions" in Appendix IV and "Summary of the Articles of Association" in Appendix V to this prospectus.

No Material Adverse Change

Our Directors confirm that, as of the date of this prospectus, there has been no material adverse change in our financial position or prospects since April 30, 2026.

Binding Effect

This prospectus shall have the effect, if any application is made pursuant hereto, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance as 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 by Section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

Save as disclosed in this prospectus:

(a) within the two years immediately preceding the date of this prospectus:

  (i) no share or loan capital of our Company or any of our subsidiaries had been issued or agreed to be issued or proposed to be fully or partly paid either for cash or a consideration other than cash;

  (ii) no commissions, discounts, brokerages or other special terms had been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and

  (iii) no commission had been paid or payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share or debenture in our Company or any of our subsidiaries;

(b) no share or loan capital of our Company or any of our subsidiaries had been under option or is agreed conditionally or unconditionally to be put under option;

(c) no founder, management or deferred shares, convertible debt securities nor any debentures in our Company or any of our subsidiaries have been issued or agreed to be issued;

(d) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus;

(e) our Group has no outstanding convertible debt securities or debentures;

(f) there is no arrangement under which future dividends are waived or agreed to be waived;

(g) none of our equity and debt securities is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought; and

(h) all necessary arrangements have been made to enable the H shares to be admitted into CCASS for clearing and settlement.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

1. the written consents referred to in "Statutory and General Information — Other Information — Consents of Experts" in Appendix VI to this prospectus; and

2. a copy of each of the material contracts referred to in "Statutory and General Information — Further Information about our Business — Summary of Material Contracts" in Appendix VI to this prospectus.

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 our website at **www.hosinglobal.com**, for a period of 14 days from the date of this prospectus:

1. the Articles of Association;

2. the Accountants' Report prepared by Ernst & Young, the text of which is set out in Appendix I to this prospectus;

3. the audited consolidated financial statements of our Company for the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026;

4. the report prepared by Ernst & Young on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this prospectus;

5. the material contracts referred to in "Statutory and General Information — Further Information about Our Business — Summary of Material Contracts" in Appendix VI to this prospectus;

6. the written consents referred to in "Statutory and General Information — Other Information — Consents of Experts" in Appendix VI to this prospectus;

7. the service contracts referred to in "Statutory and General Information — Further Information about Our Directors and Substantial Shareholders — Particulars of the Service Contracts" in Appendix VI to this prospectus;

8. the PRC legal opinion issued by AllBright Law Offices, the PRC Legal Advisor, in respect of, among other things, the general corporate matters and property interests of the Group under PRC law;

9. the industry report issued by Frost & Sullivan, the summary of which is set forth in the section headed "Industry Overview" in this prospectus;

10. the transfer pricing analysis report issued by Ernst & Young (China) Advisory Limited Shenzhen Branch Office, our transfer pricing consultant;

11. a copy of the PRC Company Law, the PRC Securities Law and the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies, together with their respective unofficial English translations thereof; and

12. the legal memorandum issued by Paul Hastings (Hong Kong) LLP, our legal adviser as to international sanctions laws, in respect of certain matters in relation to export controls and sanctions of our Group.

