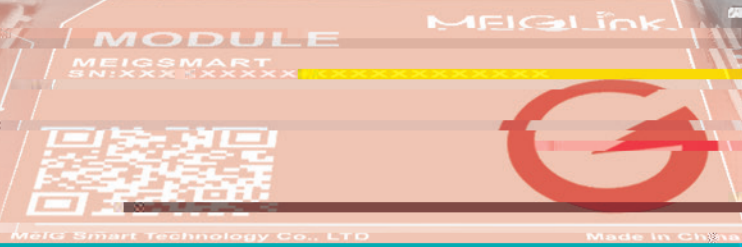


(A joint stock company incorporated in the People's Republic of China with limited liability)

**Stock Code : 3268**



# GLOBAL OFFERING

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



Overall Coordinator, Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

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



Mei G Smart Technology Co., Ltd.  
美格智能技術股份有限公司

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

GLOBAL OFFERING

Number of Offer Shares to be issued : 35,000,000 H Shares (including Offer Shares  
Global Offer Shares and Ad Shares)  
Number of HK Shares Offered : 3,500,000 H Shares (including each of  
Offer Shares and Ad Shares)  
Number of International Offer Shares : 31,500,000 H Shares (including each of  
Offer Shares and Ad Shares)

**IMPORTANT NOTICE TO INVESTORS:  
FULLY ELECTRONIC APPLICATION PROCESS**

We are adopting a fully electronic application process for the HKSP Banc  
Office. We will be providing a detailed description of the process.

Your application through the **WebFEED IPO** 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 **WebFEED IPO** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares.

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

Number of Hong Kong Offer Shares		Number of Hong Kong Offer Shares		Number of Hong Kong Offer Shares		Number of Hong Kong Offer Shares	
Application Fee	Amount Payable <sup>(2)</sup>	Application Fee	Amount Payable <sup>(2)</sup>	Application Fee	Amount Payable <sup>(2)</sup>	Application Fee	Amount Payable <sup>(2)</sup>
	HK\$		HK\$		HK\$		HK\$
100	2,915.10	2,000	58,302.11	10,000	291,510.53	300,000	8,745,315.94
200	5,830.22	2,500	72,877.64	20,000	583,021.06	400,000	11,660,421.25
300	8,745.31	3,000	87,453.16	30,000	874,531.60	500,000	14,575,526.56
400	11,660.42	3,500	102,028.69	40,000	1,166,042.12	600,000	17,490,631.85
500	14,575.53	4,000	116,604.21	50,000	1,457,552.65	700,000	20,405,737.16
600	17,490.64	4,500	131,179.74	60,000	1,749,063.19	800,000	23,320,842.48
700	20,405.74	5,000	145,755.27	70,000	2,040,573.72	900,000	26,235,947.79
800	23,320.83	6,000	174,906.32	80,000	2,332,084.25	1,000,000	29,151,053.10
900	26,235.95	7,000	204,057.36	90,000	2,623,594.78	1,250,000	36,438,816.38
1,000	29,151.05	8,000	233,208.42	100,000	2,915,105.31	1,500,000	43,726,579.66
1,500	43,726.58	9,000	262,359.48	200,000	5,830,210.62	1,750,000 <sup>(1)</sup>	51,014,342.93

Notes:

- (1) Maximum number of Hong Kong Offer Share you may apply for.
- (2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, you will be required to pay the following amounts to the Stock Exchange in Hong Kong:
  - o, the Stock Exchange trading fee of the SFC transaction levy, by the Stock Exchange of Hong Kong
  - the SFC transaction levy and the AFRC transaction levy, by the Stock Exchange of Hong Kong

---

## EXPECTED TIMETABLE<sup>(1)</sup>

---

*If there is any change in the following expected timetable of the Hong Kong Public Offering, our Company will issue an announcement to be published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of our Company at [www.meigsmart.com](http://www.meigsmart.com).*

**Date<sup>(1)</sup>**

Hong Kong Public Offering commences . . . . . 9:00 a.m. on  
Friday, February 27, 2026

Latest time to complete electronic applications  
under **Wireless eIPO** service through the  
designated website at [www.eipo.hk](http://www.eipo.hk) . . . . .<sup>(2)</sup> 11:30 a.m. on  
Thursday, March 5, 2026

Application lists of the Hong Kong Public Offering open<sup>(3)</sup> . . . . . 11:45 a.m. on  
Thursday, March 5, 2026

Latest time to (a) complete payment of **Wireless eIPO**  
applications by effecting internet banking transfer(s) or  
PPS payment transfer(s) and (b) give **electronic  
applications** to HKSCC<sup>(4)</sup> . . . . . 12:00 noon on  
Thursday, March 5, 2026

If you are instructing your **broker or custodian** who is a HKSCC Participant will submit **electronic applications** 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 of the Hong Kong Public Offering close<sup>(3)</sup> . . . . . 12:00 noon on  
Thursday, March 5, 2026

Expected Price Determination Date<sup>(5)</sup> . . . . . by 12:00 noon,  
Friday, March 6, 2026

---

## EXPECTED TIMETABLE<sup>(1)</sup>

---

Announcement of the final Offer Price, the results of applications in the Hong Kong Public Offering, the level of indications of interest in the International Offering and the basis of allocation of the Hong Kong Offer Shares under the Hong Kong Public Offering to be published on the website of the Stock Exchange at [www.eew.com](http://www.eew.com) and the website of our Company at

[www.eb.a.c](http://www.eb.a.c)<sup>(6)</sup> ..... no later than 11:00 p.m. on  
Monday, March 9, 2026

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

(1) A full announcement of the Hong Kong Public Offering to be published on the website of the Stock Exchange at [www.eew.com](http://www.eew.com) and the website of our Company at [www.eb.a.c](http://www.eb.a.c)<sup>(6)</sup> ..... no later than 11:00 p.m. on  
Monday, March 9, 2026

(2) Results of allocations in the Hong Kong Public Offering will be available at [www.eb.a.c](http://www.eb.a.c) (alternatively: [www.eb.a.c/eIPOA](http://www.eb.a.c/eIPOA)) with a “search by ID” function on a 24-hour basis from ..... 11:00 p.m. on  
Monday, March 9, 2026 to  
12:00 midnight on  
Sunday, March 15, 2026

(3) Allocation results telephone enquiry by calling +852 2862 8555 ..... between 9:00 a.m. and 6:00 p.m. on  
Tuesday, March 10, 2026 to  
Friday, March 13, 2026

Despatch of H Share certificates in respect of wholly or partially successful applications, or deposit of H Share certificate into CCASS pursuant to Hong Kong Public Offering, on or before<sup>(7)(9)</sup> ..... Monday, March 9, 2026

---

## EXPECTED TIMETABLE<sup>(1)</sup>

---

Dispatch/collection of refund cheques and **W . e F . . .**

e-Refund payment instructions in respect of (i) wholly or partially successful applications (if applicable); and

(ii) wholly or partially unsuccessful applications pursuant

to the Hong Kong Public Offering on or before<sup>(8)(9)</sup> . . . . . Tuesday, March 10, 2026

Dealings in H Shares on the Stock Exchange

expected to commence at 9:00 a.m. on . . . . . at 9:00 a.m. on  
Tuesday, March 10, 2026

The application for the Hong Kong Offer Shares will commence on Friday, February 27, 2026 through Thursday, March 5, 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 Hong Kong Stock Exchange are expected to commence on Tuesday, March 10, 2026.

---

*Notes:*

- (1) All dates and times refer to Hong Kong local dates and times, except as otherwise stated.
- (2) You will not be permitted to submit your application to the **W . e F . . . eIPO** Service Provider through the designated website at **www.e . . c . .** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website on or before 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.
- (3) If there is a “black” rainstorm warning or 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 Thursday, March 5, 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” in this prospectus.
- (4) Applicants who apply for Hong Kong Offer Shares by instructing your broker or custodian to give **e e c . . . c a . . . . . c . . .** to HKSCC on your behalf via FINI should see “How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares — 2. Application Channels” in this prospectus.
- (5) The Price Determination Date is expected to be on or before Friday, March 6, 2026, and in any event, not later than 12:00 noon on Friday, March 6, 2026. If, for any reason, the Offer Price is not agreed between the Overall Coordinators and us by 12:00 noon on Friday, March 6, 2026, the Global Offering will not proceed and will lapse.
- (6) None of the websites or any of the information contained on the websites forms part of this prospectus.
- (7) H Share certificates for the Offer Shares will become valid evidence of title at 8:00 a.m. on the Listing Date provided that (i) the Global Offering has become unconditional in all respects; and (ii) none of the Underwriting Agreements have been terminated in accordance with its terms.

- (8) **W . e F . .** e-Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering. Part of the applicant's Hong Kong identity

**IMPORTANT NOTICE TO PROSPECTIVE INVESTORS**

*This prospectus is issued by our Company solely in connection with the Hong Kong Public Offering and does not constitute an offer to sell or a solicitation of an offer to buy any*

---

## CONTENTS

---

	<i>Page</i>
Forward-Letter to the Board of Directors .....	44
Resolution of the Board of Directors .....	46
Waiver and Extension of the Board of Directors .....	87
Information About the Proposed Acquisition of the Company by the Board of Directors .....	103
Decision and Plan of the Board of Directors to Acquire the Company by the Board of Directors .....	107
Company Information .....	115
Industry Overview .....	118
Regional Overview .....	146
History and Company Structure .....	171
Business .....	180
Financial Information .....	290
Relationship with Other Companies and the Board of Directors .....	349
Share Capital .....	353
Subsidiary Shareholders .....	356
Decision and Share Management .....	358
Company Information .....	369
Future Plans and Future Proceedings .....	379
Undertakings .....	387
Structure of the Company by the Board of Directors .....	400

---

**CONTENTS**

---

	<i>Page</i>
How A <sup>y</sup> f <sup>y</sup> H <sup>y</sup> K <sup>y</sup> Office S <sup>y</sup> a <sup>y</sup> .....	413
A <sup>y</sup> e <sup>y</sup> d/ I      Acc <sup>y</sup> a <sup>y</sup> ' Re <sup>y</sup> .....	I-1
A <sup>y</sup> e <sup>y</sup> d/ IIA      U <sup>y</sup> a <sup>y</sup> d <sup>y</sup> ed P <sup>y</sup> F <sup>y</sup> a <sup>y</sup> F <sup>y</sup> a <sup>y</sup> c <sup>y</sup> a <sup>y</sup> I <sup>y</sup> f <sup>y</sup> a <sup>y</sup> .....	IIA-1
A <sup>y</sup> e <sup>y</sup> d/ IIB      P <sup>y</sup> f <sup>y</sup> E <sup>y</sup> a <sup>y</sup> e <sup>y</sup> f <sup>y</sup> Yea <sup>y</sup> E <sup>y</sup> ded Dece <sup>y</sup> be <sup>y</sup> 31, 2025 .....	IIB-1
A <sup>y</sup> e <sup>y</sup> d/ III      Ta <sup>y</sup> a <sup>y</sup> a <sup>y</sup> d F <sup>y</sup> e <sup>y</sup> E <sup>y</sup> c <sup>y</sup> a <sup>y</sup> .....	III-1
A <sup>y</sup> e <sup>y</sup> d/ IV      S <sup>y</sup> a <sup>y</sup> f <sup>y</sup> P <sup>y</sup> c <sup>y</sup> a <sup>y</sup> Le <sup>y</sup> a <sup>y</sup> d Re <sup>y</sup> a <sup>y</sup> P <sup>y</sup> .....	IV-1
A <sup>y</sup> e <sup>y</sup> d/ V      S <sup>y</sup> a <sup>y</sup> f <sup>y</sup> e <sup>y</sup> A <sup>y</sup> c <sup>y</sup> e <sup>y</sup> f <sup>y</sup> A <sup>y</sup> c <sup>y</sup> a <sup>y</sup> .....	V-1
A <sup>y</sup> e <sup>y</sup> d/ VI      S <sup>y</sup> a <sup>y</sup> a <sup>y</sup> d Ge <sup>y</sup> e <sup>y</sup> a <sup>y</sup> I <sup>y</sup> f <sup>y</sup> a <sup>y</sup> .....	VI-1
A <sup>y</sup> e <sup>y</sup> d/ VII      D <sup>y</sup> c <sup>y</sup> e <sup>y</sup> De <sup>y</sup> e <sup>y</sup> ed <sup>y</sup> T <sup>y</sup> e <sup>y</sup> Re <sup>y</sup> a <sup>y</sup> f <sup>y</sup> C <sup>y</sup> a <sup>y</sup> e <sup>y</sup> a <sup>y</sup> d A <sup>y</sup> a <sup>y</sup> abe <sup>y</sup> D <sup>y</sup> a <sup>y</sup> .....	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**

### **About Us**

We are a leading provider of wireless communication modules and solutions, with a focus on smart modules, particularly high-computing-power smart modules. Our modules and solutions are widely applied across the general internet of things (“IoT”), Intelligent Connected Vehicle (“ICV”) and wireless broadband sectors. According to Frost & Sullivan, we ranked fourth in the global wireless communication module industry in terms of revenue from wireless communication module business in 2024, accounting for 6.4% of the global market share. According to the same source, the global wireless communication module market is highly concentrated, with the three largest players accounting for 65.7% of global market revenue in 2024 (the largest player alone holding a 42.7% market share), compared to our 6.4% market share despite ranking fourth.

Wireless communication modules are products typically equipped with communication functions designed to enable the transmission and processing of large volumes of data over long distances. Our portfolio of wireless communication modules includes:

- **Smart Modules**, which are equipped with system-on-chips (“SOC”) processors and

Leveraging our wireless communication module technologies, we develop customized solutions tailored to the specific requirements of various application sectors, addressing the diverse needs of our customers. They represent value added beyond the provision of hardware, as they are integrated offerings that combine our module with a layer of customized software, hardware and application-specific R&D services. This includes complex system-level software and firmware customization to enable unique features and optimize performance, as well as provide integral R&D services to co-develop and ensure the integration of the final tailored solution into the

---

## SUMMARY

---

### OUR PRODUCTS AND SOLUTIONS

The following table sets forth a summary of our module products and solutions:

Product	Key features	Key components
<b>(i) Smart module:</b>		
<i>(a) Regular smart module</i>	<ul style="list-style-type: none"> <li>Equipped with smart operating systems such as Android;</li> <li>Supports features such as multi-media, multi-camera and multi-display; and</li> <li>Computing capability at lower than 8 TOPS<sup>(1)</sup></li> </ul>	<ul style="list-style-type: none"> <li>SoC;</li> <li>Memory chip<sup>(3)</sup>;</li> <li>Radio frequency chip<sup>(4)</sup>;</li> <li>Printed circuit board (“PCB”)<sup>(5)</sup>; and</li> <li>Power management chip<sup>(6)</sup></li> </ul>
<i>(b) High-computing-power smart module</i>	<ul style="list-style-type: none"> <li>Equipped with smart operating systems such as Android;</li> <li>More suitable for deployment of advanced AI models (especially on local devices) that require high computing power and large memory; and</li> <li>Computing capability at equal to or higher than 8 TOPS</li> </ul>	<ul style="list-style-type: none"> <li>SoC with stronger neural processing unit (“NPU”) and AI acceleration performance;</li> <li>Memory chip;</li> <li>Radio frequency chip;</li> <li>PCB; and</li> <li>Power management chip</li> </ul>
<b>(ii) Data transmission module</b>	<ul style="list-style-type: none"> <li>Cellular wireless connection from 2G to 5G<sup>(2)</sup>;</li> <li>Not equipped with smart operating systems like Android; and</li> <li>No high-computing-power capability, and typically not selected for their computing power capability</li> </ul>	<ul style="list-style-type: none"> <li>Baseband chip<sup>(7)</sup>;</li> <li>Memory chip;</li> <li>Radio frequency chip;</li> <li>PCB; and</li> <li>Power management chip</li> </ul>

*Notes:*

- (1) According to Frost & Sullivan, 8 TOPS is considered as an industry norm as the threshold for high-computing-power smart modules, enabling stable deployment and effective commercialization in mainstream scenarios such as AI model deployment in intelligent cockpits and on-device generative image models for extended reality devices.
- (2) Data transmission modules have cellular wireless communication capability, while smart modules may or may not have cellular wireless communication capability.
- (3) Memory chip stores data and software program instructions required for module operations.
- (4) Radio frequency chip converts digital signals to radio frequency signals and vice versa for wireless communication.

- (5) PCB serves as the physical platform with electrical connections for integrating and supporting electronic components in a module or device.
- (6) Power management chip regulates and distributes power efficiently to ensure stable and optimal operation of the module's components in electronic devices.
- (7) Baseband chip processes and manages digital signals for communication protocols and data transmission.

We also provide our customers with solutions based on our module products and/or module





## SUMMARY

The following table sets forth the average selling price of our smart and data transmission modules and solutions by application sectors for the periods indicated:

	Fiscal year ended December 31,			Fiscal year ended September 30,	
	2022	2023	2024	2024	2025
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
General IoT . . . . .	118.4	106.2	136.3	166.9	180.7
ICV . . . . .	500.4	543.5	504.5	405.2	505.9
Wireless Broadband . . . . .	326.1	296.5	263.4	252.7	318.3

### Comparison between the nine months ended September 30, 2025 and 2024

**General IoT.** Our sales volume in the general IoT sector increased by 15.5% from 5.5 million units in the nine months ended September 30, 2024 to 6.4 million units in the corresponding period in 2025, primarily due to growth in demand from customers that provide IoT equipment for industrial and consumer applications, such as increasing demand for intelligent retail equipment. The average selling price for this sector increased by 8.3% from RMB166.9 to RMB180.7 over the same period. This increase was primarily attributable to a shift in our product mix towards higher-value products such as customized smart modules, which typically command a higher average selling price.

**ICV.** Our sales volume in the ICV sector remained relatively stable. The average selling price for this sector increased significantly by 24.9% from RMB405.2 to RMB505.9, primarily because we experienced a substantial increase in sales of our 5G high-computing-power smart modules for intelligent cockpit applications, coupled with a decrease in sales of our lower price 4G data transmission modules used in T-Box applications.

**Wireless Broadband.** Our sales volume in the wireless broadband sector increased by 26.8% from 1.5 million units in the nine months ended September 30, 2024 to 1.9 million units in the same period in 2025, primarily due to our successful market expansion in overseas markets, particularly in Japan. The average selling price for this sector increased from RMB252.7 to RMB318.3 over the same period, primarily due to an increase in the sales of our 5G data transmission modules and solutions with a high selling price, reflecting our expanded customer base.

**C. Comparison between 2024 and 2023**

**General IoT.** Our sales volume in the general IoT sector decreased from 9.1 million units in



The following diagram illustrates our business model:



## **OUR CUSTOMERS AND SUPPLIERS**

In 2022, 2023, 2024 and the nine months ended September 30, 2025, revenue generated from our five largest customers in each year/period of the Track Record Period amounted to RMB701.2 million, RMB847.2 million, RMB1,388.8 million and RMB1,398.0 million, respectively, accounting for 30.4%, 39.5%, 47.2% and 49.5% of our total revenue in the same year/period, respectively. Revenue from our largest customer in each year/period of the Track Record Period accounted for 8.3%, 24.3%, 32.5% and 28.2% of our total revenue, respectively. For further details, please see “Business — Our Customers.”

## SUMMARY

### SUMMARY OF HISTORICAL FINANCIAL INFORMATION

#### Summary of Consolidated Statement of Profit or Loss and Other Comprehensive Income

The following table sets out a summary of our consolidated statements of profit or loss and other comprehensive income for the years/periods indicated:

	For the year ended December 31,						For the year ended September 30,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
Revenue	2,305,932	100.0	2,147,336	100.0	2,941,374	100.0	2,182,028	100.0	2,821,288	100.0
Cost of sales	(1,900,557)	(82.4)	(1,751,198)	(81.6)	(2,456,712)	(83.5)	(1,837,399)	(84.2)	(2,464,709)	(87.4)
Gross profit	405,375	17.6	396,138	18.4	484,662	16.5	344,629	15.8	356,579	12.6
Profit for the year/period	126,615	5.5	62,609	2.9	134,375	4.6	90,498	4.1	113,170	4.0

#### Non-IFRS Measure

We also use adjusted net profit (non-IFRS measure) in evaluating our operating results, which is not required by or presented in accordance with IFRS, as an additional financial measure to supplement our consolidated financial statements, which are presented in accordance with IFRS. We believe that the non-IFRS measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. We define adjusted net profit (non-IFRS measure) as profit for the year/period adjusted for (i) share-based payment expenses, which are non-cash in nature; and (ii) listing expenses, which relate to the Global Offering. However, our presentation of adjusted net profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS.

The following table reconciles adjusted net profit (non-IFRS measure) to our profit for the years/periods, presented in accordance with IFRS, for the periods indicated:

	For the year ended December 31,			For the year ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Profit for the year ended . . . . .	126,615	62,609	134,375	90,498	113,170
Add:					
Share-based payment expenses . . . . .	8,455	2,777	11,118	5,537	16,535
Listing expenses . . . . .	—	—	—	—	767
Adjusted profit (non-IFRS measure) . . . . .	<u>135,070</u>	<u>65,386</u>	<u>145,493</u>	<u>96,035</u>	<u>130,472</u>

Our profit for the year decreased by 50.6% from RMB126.6 million in 2022 to RMB62.6

## SUMMARY

Our profit for the year/period increased from RMB90.5 million for the nine months ended September 30, 2024 to RMB113.2 million for the nine months ended September 30, 2025, primarily due to an increase in total revenue, particularly an increase in revenue generated from sales of smart modules and solutions, as well as selling and marketing, administrative and R&D expenses remaining relatively stable as a result of operational efficiency and economies of scale achieved through business expansion.

### Selected Consolidated Statement of Financial Position

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

	As of December 31,			As of
	2022	2023	2024	September 30,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total non-current assets . . . . .	457,166	539,442	478,945	475,137
Total current assets . . . . .	1,269,537	1,605,280	2,280,612	2,375,528
<b>Total assets . . . . .</b>	<b>1,726,703</b>	<b>2,144,722</b>	<b>2,759,557</b>	<b>2,850,665</b>
Total non-current liabilities . . . . .	108,997	40,484	24,535	26,029
Total current liabilities . . . . .	797,455	624,445	1,167,909	1,143,311
<b>Total liabilities . . . . .</b>	<b>906,452</b>	<b>664,929</b>	<b>1,192,444</b>	<b>1,169,340</b>
Net current assets . . . . .	472,082	980,835	1,112,703	1,232,217
<b>Net assets . . . . .</b>	<b>820,251</b>	<b>1,479,793</b>	<b>1,567,113</b>	<b>1,681,325</b>
Share capital . . . . .	239,667	261,641	261,802	262,629
Treasury shares . . . . .	(56,605)	(41,999)	(79,286)	(67,044)
Reserves . . . . .	636,356	1,261,218	1,384,597	1,485,740
Non-controlling interests . . . . .	833	(1,067)	—	—
<b>Total Equity . . . . .</b>	<b>820,251</b>	<b>1,479,793</b>	<b>1,567,113</b>	<b>1,681,325</b>

Our net current assets increased by 107.8% from RMB472.1 million as of December 31, 2022

## SUMMARY

### Summary of Condensed Statement of Cash Flows

The following table sets forth selected information from our cash flows for the years/periods indicated:

	For the year ended December 31,			For the year ended September 30,	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				(unaudited)	
Net cash flows from/(used in)					
operating activities . . . . .	31,824	(31,313)	(129,890)	(41,664)	44,460
Net cash flows (used in)/from					
investing activities . . . . .	(153,412)	(98,393)	16,758	36,721	(29,233)
Net cash flows from/(used in)					
financing activities . . . . .	16,809	191,327	306,473	104,238	(49,481)
<b>Net (decrease)/increase in cash and cash equivalents . . . . .</b>	<b>(104,779)</b>	<b>61,621</b>	<b>193,341</b>	<b>99,295</b>	<b>(34,254)</b>
Cash and cash equivalents at					
beginning of the year/period . . . . .	173,092	72,287	138,926	138,926	341,879
Effect of foreign exchange rate					
changes, net . . . . .	3,974	5,018	9,612	7,390	8,229
<b>Cash and cash equivalents at end of year/period . . . . .</b>	<b>72,287</b>	<b>138,926</b>	<b>341,879</b>	<b>245,611</b>	<b>315,854</b>

In 2023, we had net cash flows used in operating activities of RMB31.3 million, which primarily consisted of profit before tax of RMB63.1 million, adjusted for (i) non-cash and non-operating items such as amortization of other intangible assets of RMB30.7 million and depreciation of right-of-use assets of RMB16.9 million and fair value gains on equity investments measured at FVTPL of RMB25.4 million; (ii) the effects of movement in working capital such as an increase in trade and bills receivables of RMB259.6 million, an increase in trade and bills payables of RMB159.5 million and an increase in inventories of RMB51.1 million; and (iii) income tax paid of RMB10.4 million.

In 2024, we had net cash flows used in operating activities of RMB129.9 million, which primarily consisted of profit before tax of RMB124.1 million, adjusted for (i) non-cash and non-operating items such as amortization of other intangible assets of RMB38.3 million, write-down of inventories to net realizable value of RMB16.3 million and depreciation of right-of-use assets of RMB14.6 million; (ii) the effects of movement in working capital such as an

increase in trade and bills receivables of RMB358.8 million, an increase in inventories of RMB145.8 million and an increase in trade and bills payables of RMB114.9 million; and (iii) income tax paid of RMB22.7 million.

In the nine months ended September 30, 2025, we had net cash flows from operating activities of RMB44.5 million, which primarily consisted of profit before tax of RMB122.1 million, adjusted for (i) non-cash and non-operating items such as amortization of other intangible assets of RMB28.4 million, equity-settled share-based payment expense of RMB16.5 million, and write-down of inventories to net realizable value of RMB14.0 million; (ii) the effects of movement in working capital such as an increase in prepayments, other receivables and other assets of RMB185.4 million and an increase in inventories of RMB175.5 million; and (iii) income tax paid of RMB12.6 million.

Please see “Financial Information — Cash Flows Analysis” for more details.

## KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates indicated:

	A _ f Dece be .r31,			A _ f Se p e be .r30,
	2022	2023	2024	2025
Current ratio <sup>(1)</sup> . . . . .	1.59	2.57	1.95	2.08
Quick ratio <sup>(2)</sup> . . . . .	0.98	1.73	1.40	1.37

Notes:

(1) Current ratio equals to total current assets divided by total current liabilities as of end of the respective year/period.



---

## SUMMARY

---

### OUR LISTING ON THE MAIN BOARD OF THE SHENZHEN STOCK EXCHANGE

Since June 2017, our A Shares have been listed on Main Board of the Shenzhen Stock Exchange. Our Directors confirm that, and our PRC Legal Advisor is of the view that, having made all reasonable inquiries, throughout the last two full financial years (i.e., for the two years ended December 31, 2023 and 2024) and up to the Latest Practicable Date, there had been no instances of material non-compliance with the applicable rules of the Shenzhen Stock Exchange and other applicable PRC securities laws and regulations. To the best knowledge of our Directors, there are no material matters in relation to our compliance record on the Shenzhen Stock Exchange that should be brought to the attention of the Stock Exchange. Based on the independent due diligence conducted by the Sole Sponsor and our PRC Legal Advisor's view above, no material matter has come to the Sole Sponsor's attention that would cause it to disagree with our Directors' confirmation with regard to the compliance records of our Company on the Shenzhen Stock Exchange.

### GLOBAL OFFERING STATISTICS

The statistics in the following table are based on the assumptions that (i) the Global Offering is completed and 35,000,000 H Shares are newly issued in the Global Offering; (ii) the Offer Size Adjustment Option is not exercised; and (iii) 261,756,700 A Shares are issued and outstanding following the completion of the Global Offering:

	<u>Based on the assumed Offer Price of HK\$28.86 per H Share</u>
Market capitalization of our Shares upon the completion of the Global Offering <sup>(1)</sup> .....	HK\$15,052.1 million
Market capitalization of our H Shares .....	HK\$1,010.1 million
Unaudited pro forma adjusted consolidated net tangible assets per Share <sup>(2)</sup> .....	HK\$9.17

*Notes:*

- (1) The calculation of market capitalization of our Shares is based on 35,000,000 H shares and 261,756,700 A Shares expected to be in issue immediately following the completion of the Global Offering (assuming that the Offer Size Adjustment Option is not exercised). The market capitalization of A Shares is calculated based on the closing price of the A Shares for the five trading days immediately preceding the Latest Practicable Date of RMB47.63 per A share and the total share capital of 261,756,700 A Shares expected to be in issue immediately following the completion of the Global Offering.
- (2) The unaudited pro forma adjusted consolidated net tangible assets per Share as of September 30, 2025 was calculated after making the adjustments referred to in "Appendix IIA — Unaudited Pro Forma Financial Information" of this prospectus.

---

## SUMMARY

---

### DIVIDENDS

Dividend distribution to our shareholders is recognized as a liability in the period in which the dividends are approved by our shareholders or Directors, as appropriate. During the Track Record Period, we paid dividends of RMB24.8 million, RMB25.9 million, RMB25.8 million and RMB33.9 million in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively. As of the Latest Practicable Date, no dividends had been declared or remained unpaid by us.

We do not have a fixed dividend distribution ratio. According to the PRC Company Law (《中華人民共和國公司法》), the No. 3 Guideline for the Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies (2025 Revision) (《上市公司監管指引第3號 — 上市公司現金分紅(2025年修訂)》) and the Articles of Association, we are required to pay cumulative cash dividends of any three fiscal years that account for not less than 30% of our average net profits for those three fiscal years which are available for distribution, calculated in accordance with PRC GAAP, provided that, among others, the sustainable operation and long term development of the Company will not be impacted and there is no plan for significant capital expenditure. Future profit distributions may be carried out in the form of cash dividends or stock dividends, or a combination of both. Any proposed distribution of dividends is subject to the discretion of our Board and approval at our Shareholders' meetings. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders' interests and any other conditions that our Board may deem relevant.

### FUTURE PLANS AND USE OF PROCEEDS

#### **F u t u r e P l a n s**

Please see “Business — Our Strategies” for a detailed description of our future plans.

#### **U s e o f P r o c e e d s**

Based on the maximum Offer Price of HK\$28.86 per H Share and assuming the Offer Size Adjustment Option is not exercised, we estimate that we will receive net proceeds of approximately HK\$944.5 million (equivalent to approximately RMB838.6 million) from the Global Offering after deducting the underwriting commission and other estimated expenses paid and payable by us in connection with the Global Offering. In line with our strategies, we intend to

---

## SUMMARY

---

use our proceeds from the Global Offering for the purposes and in the amounts set forth below:

- approximately 55% of the net proceeds, or HK\$519.6 million (equivalent to approximately RMB461.3 million), is expected to be used for enhancing our R&D and innovation capabilities;
- approximately 10% of the net proceeds, or HK\$94.5 million (equivalent to approximately RMB83.9 million), is expected to be used for expanding our overseas sales network and promoting our products in overseas markets;
- approximately 10% of the net proceeds, or HK\$94.5 million (equivalent to approximately RMB83.9 million), is expected to be used for strategic investments and/or acquisition to achieve our long-term growth strategies;
- approximately 15% of the net proceeds, or HK\$141.7 million (equivalent to approximately RMB125.8 million), is expected to be allocated for the repayment of certain interest-bearing bank borrowings; and
- approximately 10% of the net proceeds, or HK\$94.5 million (equivalent to approximately RMB83.9 million), is expected to be used for working capital and general corporate uses.

For details, please see “Future Plans and Use of Proceeds.”

### 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 maximum Offer Price of HK\$28.86 per Share) for the Global Offering are approximately HK\$65.6 million, accounting for approximately 6.5% of our gross proceeds. Among such estimated total listing expenses, we expect to pay underwriting-related expenses of HK\$34.8 million, professional fees for our legal advisors and Reporting Accountants of HK\$20.0 million and other fees and expenses of HK\$10.8 million. An estimated amount of HK\$3.8 million for our listing expenses, accounting for approximately 0.4% of our gross proceeds, was or is expected to be expensed through the statement of profit or loss and other comprehensive income, and the remaining amount of HK\$61.8 million is expected to be recognized directly as a deduction from equity upon the Listing. As of

---

## SUMMARY

---

September 30, 2025, listing expenses in an aggregate of RMB0.8 million were incurred and charged to our consolidated statement of profit or loss, and RMB13.0 million will be deducted from equity upon the Listing.

### IMPACT OF THE COVID-19 PANDEMIC

The outbreak of the COVID-19 pandemic introduced significant global challenges, impacting economies worldwide since 2020. These challenges included travel restrictions, quarantine measures and shifts in working arrangements. While these restrictions temporarily disrupted sectors of the global economy, our Directors are of the view that the COVID-19 pandemic did not have any material adverse impact on our business operations and financial condition. See “Business — Impact of the COVID-19 Pandemic” for details.

### RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our business operations continued to expand subsequent to the Track Record Period. In particular, we continued to experience strong growth in the overseas market, especially in terms of smart modules and solutions, as well as 5G data transmission modules (including 5G MBB/FWA products), all of which had already been commercialized. In addition, we continued to launch new and innovative products and solutions catered to a diverse range of applications in the general IoT, ICV and wireless broadband sectors.

### 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 September 30, 2025, being the end date of our latest audited financial statements, and there has been no event since September 30, 2025 that would materially affect the information shown in the Accountants’ Report set out in Appendix I to this prospectus.

### Recent U.S.-China Tariff Policy

Recent complexities in international relations and geopolitical tensions between the United States and China have presented new challenges. For example, in April 2025, the U.S. government announced substantial new tariffs affecting a wide range of products and jurisdictions and has indicated an intention to continue developing new trade policies. In response, certain other governments announced or implemented retaliatory tariffs and other protectionist measures. In May 2025, China and the U.S. made an announcement on a joint statement to substantially move down the tariff levels. On June 11, 2025, U.S. President Donald Trump announced that a trade deal was reached between the U.S. and China. On August 11, the U.S. government and China further



---

## SUMMARY

---

protection measures, including imposition of trade restrictions and sanctions, and our reputation, business, results of operations and financial condition could be adversely affected by these factors” for details.

### **P. e . a P. e . y A c. q . . . . .**

We plan to acquire a property in Shanghai, China for use as an office and/or staff accommodation. As of the Latest Practicable Date, we were in active discussions with a potential vendor. The specific terms of such acquisition will be subject to the final terms agreed upon following further negotiations. This potential property acquisition is expected to be funded by the proceeds raised from our private placing of A Shares in 2023. See “History and Corporate Structure — Major Shareholding Changes of our Company — Private Placing of A Shares in 2023.”

### **PROFIT ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2025**

On the basis set out in Appendix IIB to this prospectus, and in the absence of unforeseen circumstances, we estimate that our unaudited consolidated profit attributable to owners of our Company for the year ended December 31, 2025 is as follows:

Estimated consolidated profit attributable to owners of our Company. . . . .	Not less than RMB140 million
---	------------------------------

Our Directors have prepared the estimate of the consolidated profit attributable to owners of our Company for the year ended December 31, 2025 (the “**P. e . a P. e . y**”) on the basis of (i) the audited consolidated results of our Group for the nine months ended September 30, 2025; and (ii) the unaudited consolidated results of our Group for the remaining three months ended December 31, 2025 based on the management accounts of our Group.

The Profit Estimate has been prepared on the basis of the accounting policies consistent in all material respects with those currently adopted by our Group, as summarized in the Accountants’ Report as set out in Appendix I to this prospectus.

*In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set forth below. Certain other terms are explained in “Glossary of Technical Terms.”*

---

“Audit Committee”	the audit committee of the Board
“Board”	the Company’s board of Directors
“business day”	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
“Capital Market Intermediaries”	the capital market intermediaries as named in “Directors and Parties Involved in the Global Offering” in this prospectus
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China”, “Chinese mainland” or “PRC”	the People’s Republic of China excluding, for the purposes of this prospectus, Hong Kong, Macao and Taiwan, China
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company,” “our Company,” “we,” “our” or “us”	MeiG Smart Technology Co., Ltd. (美格智能技術股份有限公司) (formerly known as Shenzhen Forge Electronics Co. Ltd. (深圳市方格電子有限公司) and Shenzhen Forge Precision Components Co., Ltd. (深圳市方格精密器件有限公司)), a company established under the laws of the PRC with limited liability on April 5, 2007 and converted into a joint stock company with limited liability on May 14, 2015, whose A Shares have been listed on the Shenzhen Stock Exchange (002881.SZ)
“Controlling Shareholder(s)”	has the meaning given to it under the Listing Rules and, unless the context otherwise requires, refers to the person(s) named in “Relationship with Our Controlling Shareholders” in this prospectus

---

## DEFINITIONS

---

“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the PRC national securities markets
“Director(s)”	the director(s) of our Company
“EIT”	enterprise income tax
“EIT Law”	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
“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
“Forge International”	Forge International Co., Ltd. (方格國際有限公司), a limited company incorporated under the laws of Hong Kong on December 16, 2014, and our direct wholly-owned subsidiary
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant
“F&S Report”	the industry report commissioned by us and independently prepared by Frost & Sullivan, a summary of which is set forth in “Industry Overview”
“General Rules of HKSCC”	the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“Global Offering”	the Hong Kong Public Offering and the International Offering

“Group,” “our Group,” “we,” “our”  
or “us” our Company and our subsidiaries (or our Company and any one or more of our subsidiaries, as the content may require), or where the context so requires, in respect of the periods before our Company became the holding company of our present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time

“Guide for New Listing Applicants” the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange effective from January 1, 2024 (as amended, supplemented or otherwise modified from time to time)

“H Share(s)” overseas listed foreign shares in the share capital of our Company, with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange

“H Shareholder(s)”ses of our “H Share(srs

---

## DEFINITIONS

---

“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”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Offer Shares”	the 3,500,000 H Shares being initially offered for subscription in the Hong Kong Public Offering, subject to reallocation and the Offer Size Adjustment Option
“Hong Kong Public Offering”	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong, as further described in “Structure of the Global Offering — The Hong Kong Public Offering” in this prospectus
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering listed in “Underwriting — Hong Kong Underwriters” in this prospectus
“Hong Kong Underwriting Agreement”	the underwriting agreement dated February 25, 2026 relating to the Hong Kong Public Offering and entered into by our Company, the Sole Sponsor and the Hong Kong Underwriters
“IFRS”	International Financial Reporting Standards, as issued by the International Accounting Standards Board
“Independent Third Party(ies)”	person(s) or company(ies) who/which, to the best of our Directors’ knowledge, information and belief, is/are not a connected person of our Company

“International Offer Shares”	the 31,500,000 H Shares being initially offered for subscription under the International Offering, subject to reallocation and Offer Size Adjustment Option
“International Offering”	the offer of the International Offer Shares at the Offer Price outside the United States in offshore transactions in accordance with Regulation S or any other available exemption from registration under the U.S. Securities Act, as further described in “Structure of the Global Offering” in this prospectus
“International Underwriters”	the underwriters of the International Offering
“International Underwriting Agreement”	the international underwriting agreement relating to the International Offering, which is expected to be entered into by our Company, the Sole Sponsor, the Overall Coordinators and the International Underwriters on or about March 6, 2026
“Joint Bookrunners”	the joint bookrunners as named in “Directors and Parties Involved in the Global Offering” in this prospectus
“Joint Global Coordinators”	the joint global coordinators 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

---

## DEFINITIONS

---

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
“MeiG Zhilian”	Shenzhen MeiG Zhilian Information Technology Co., Ltd. (深圳市美格智聯信息技術有限公司), a limited liability company established under the laws of the PRC on October 15, 2018, and our direct wholly-owned subsidiary
“MeiG Investment”	Shenzhen MeiG Smart Investment Entrepreneur Investment Co., Ltd. (深圳市美格智投創業投資有限公司), a limited liability company established under the laws of the PRC on December 31, 2019, and our direct wholly-owned subsidiary
“Nomination Committee”	the nomination committee of the Board
“Offer Price”	the final offer price per Offer Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%), expressed in Hong Kong dollars, at which Hong Kong Offer Shares are to be subscribed for pursuant to the Hong Kong Public Offering and International Offer Shares are to be offered pursuant to the International Offering, to be determined as described in “Structure of the Global Offering — Pricing and Allocation” in this prospectus
“Offer Share(s)”	the Hong Kong Offer Shares and the International Offer Shares, together with, where relevant, any additional H Shares which may be issued by our Company pursuant to the exercise of the Offer Size Adjustment Option

“Offer Size Adjustment Option”	the option exercisable by our Company under the Hong Kong Underwriting Agreement, pursuant to which the Company may issue and allot up to an aggregate of 5,250,000 additional H Shares (representing approximately 15.0% of the Offer Shares initially offered under the Global Offering) at the Offer Price to cover excess demand, without being subject to any reallocation mechanism
“Overall Coordinators”	the overall coordinators as named in “Directors and Parties Involved in the Global Offering” in this prospectus
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Company Law”	the 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 Legal Advisor”	Han Kun Law Offices, our legal advisor as to PRC laws
“PRC Securities Law”	the Securities Law of the PRC (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time
“Price Determination Date”	the date, expected to be on or before Friday, March 6, 2026 and in any event no later than 12:00 noon on Friday, March 6, 2026, on which the Offer Price is to be fixed for the purposes of the Global Offering
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“Renminbi” or “RMB”	Renminbi, the lawful currency of China
“SAFE”	the State Administration for Foreign Exchange of the PRC (

“SASAC”

the State-owned Assets Supervision and Administration Commission of the State Council of the PRC (中華人民共和國國務院國有資產監督管理委員會)

“SAT”

the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)



---

## DEFINITIONS

---

“ZhongGe Shanghai” ZhongGe Smart Technology (Shanghai) Co., Ltd. (眾格智能科技(上海)有限公司), a limited liability company established under the laws of the PRC on March 23, 2018, and our direct wholly-owned subsidiary

“%” percent

*In this prospectus, the terms “associate(s),” “close associate(s),” “connected person(s),” “connected transaction(s),” “core connected person(s),” “controlling shareholder(s),” “subsidiary(ies)” and “substantial shareholder(s)” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.*

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



---

## GLOSSARY OF TECHNICAL TERMS

---

“DDR”	double data rate; an industry standard for synchronous dynamic random-access memory products introduced by the Joint Electron Device Engineering Council Solid State Technology Association
“digital energy”	Use of digital technologies to manage and optimize energy systems for cleaner, more efficient and sustainable operations
“DMS”	driver monitoring system; a vehicle safety system to assess the driver’s alertness and warn the driver if needed, and eventually apply the brakes
“edge intelligence”	the deployment of AI models and processing capabilities at the network edge, close to data sources, enabling real-time analytics, reduced bandwidth consumption, and decentralized decision-making
“edge servers”	computing nodes located at the edge of networks, designed to process, store, and manage data near the source, supporting latency-sensitive applications
“embodied AI”	AI systems embedded in physical agents, enabling them to perceive, interact with, and learn from the physical environment through real-time sensorimotor integration
“EMS”	electronic manufacturing service; an accepted term for a contract manufacturer in the electronics industry
“FWA”	fixed wireless access; a broadband internet service that uses wireless networks to get internet access to fixed locations
“Gbps”	gigabit per second; a unit of data transfer rate commonly used to measure data transfer speed
“general IoT”	general internet of things; covering the IoT in various scenarios, such as smart retail, logistics, sharing economy, consumer and industrial IoT
“generative AI”	a branch of artificial intelligence that focuses on generating new and original content

“GHG”	greenhouse gas
“GNSS”	global navigation satellite system
“GPS”	global positioning system
“GPU”	graphics processing unit; a specialized electronic circuit designed to manipulate and alter memory to accelerate the creation of images in a frame ymfer intended for output to a display device
“IATF”	International Automotive Task Force; a coalition of automotive manufacturers and trade associations dedicated to establishing global quality standards for the automotive industry
“IATF 16949”	international technical standard for automotive industry quality management systems, which is prepared by the IATF and the ISO
“ICV”	Intelligent Connected Vehicle; vehicles equipped with advanced sensor, communication, and processing capabilities to enable smart and connected driving features
“intelligent integration platforms”	Wireless communication modules combining connectivity with local AI computing, edge processing, protocol control and system management
“IoT”	the Internet of Things; a network of interconnected devices

---

## GLOSSARY OF TECHNICAL TERMS

---

“ISO 45001”	Occupational Health and Safety Management System — Requirements with Guidance for Use, an international standard for occupational health and safety management systems
“ISO 9001”	Quality Management Systems — Requirements, an international standard on quality management systems developed by the ISO
“lightweight applications”	Smart modules with AI computing power below 8 TOPS for scenarios with limited processing, low data throughput and low energy consumption
“LMM”	large multimodal model; a type of AI model capable of processing and understanding multiple data modalities, such as text, images, audio and video
“local light intelligence”	Basic AI capabilities built directly into devices, allowing them to make simple judgments or actions without relying on cloud processing
“MBB”	mobile broadband; refers to wireless internet access via mobile networks, such as a portable modem, wireless modem, smartphone or other mobile device
“Mi-Fi”	mobile Wi-Fi; a wireless router that acts as a mobile Wi-Fi hotspot device
“mmWave”	millimeter wave; electromagnetic waves with frequencies between 30 GHz and 300 GHz used for high-speed data transmission in 5G networks and other technologies in the context of wireless communication
“MSDS”	Material Safety Data Sheet; a document that provides detailed information on the properties of a chemical substance, including its hazards and handling requirements, to ensure safe use in the supply chain
“MWh”	megawatt-hour; a measure of energy used to quantify how much electricity is consumed or generated within a one-hour period

---

## GLOSSARY OF TECHNICAL TERMS

---

“NFC”	near-field communication; a set of communication protocols that enables two electronic devices or one electronic device and an NFC tag to communicate with each other
“NPU”	neural processing unit; a microprocessor that specializes in the acceleration of machine learning algorithms, typically by operating on predictive models such as artificial neural networks or random forests
“NR”	new radio; the radio access technology developed for 5G mobile networks and the global standard for the air interface in 5G networks
“OEM”	original equipment manufacturer, a company that uses its brand advantages, core technologies and sales channels to have products produced by a manufacturer with production capabilities and then sells them to the market
“on-device intelligence”	denotes AI computing capabilities integrated directly into end devices, allowing local execution of machine learning inference tasks without reliance on cloud resources, thereby reducing latency and enhancing data privacy
“PCB”	printed circuit board; a medium used to connect or wire components to one another in a circuit
“PCBA”	printed circuit board assembly; a completed PCB assembly that contains electronic components, or the process of assembling electronic components on to a PCB
“PDA”	personal digital assistant; a multi-purpose mobile device which functions as a personal information manager
“physical carriers”	tangible hardware entities or intelligent terminals in which AI models are embedded, enabling artificial intelligence to interact with the physical world
“POS”	point of sale

---

## GLOSSARY OF TECHNICAL TERMS

---

“REACH Declaration”	refers to a supplier’s statement of compliance with the EU’s Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation, which addresses the production and use of chemical substances and their impacts on human health and the environment
“RedCap”	reduced capability; a new 5G device category with lower complexity, lower cost, lower power consumption and moderate data rates commonly used in the IoT industry
“RF”	radio frequency; refers to the electronic components and circuits used to generate, amplify, transmit, and receive radio signals in wireless communication systems
“RoHS”	Restriction of Hazardous Substances; an EU directive that restricts the use of specific hazardous materials found in electrical and electronic products
“ROW”	rest of world
“smart city”	An urban area that uses the IoT and data technologies to improve city services and residents’ quality of life
“smart module(s)”	module(s) that incorporates smart technologies
“smart retail”	A retail model that uses the IoT, big data and AI to enable precision marketing, intelligent supply chain management and shopping experiences
“smart technology”	in the context of wireless communication modules, refers to the integration of computing capability and operating system support into communication modules, enabling them to function not only as connectivity components but also as intelligent system-level platforms
“SoC”	system-on-chips; an integrated circuit that integrates most or all components of a computer or other electronic system



---

## GLOSSARY OF TECHNICAL TERMS

---

“3GPP”	the 3rd Generation Partnership Project; a global collaborative standards-development project for mobile telecommunications, formed by multiple regional and national standards organizations (including Europe, North America, China, Japan, India, etc.), whose protocols are globally adopted and applicable across different countries and regions
“4G”	fourth generation wireless mobile telecommunications technology
“5G”	fifth generation wireless mobile telecommunications technology
“5G-A”	5G-Advanced, an enhanced version of 5G that builds upon the existing 5G with improved performance and efficiency such as faster speed, lower latency and greater capacity
“5G NR Sub-6”	a 5G technology operating in frequency bands below 6 GHz. It offers a good balance of coverage and speed, ideal for widespread 5G deployment
“5G RedCap”	a 5G communication standard designed for medium-speed IoT application. It retains key features of 5G broadband while reducing complexity, power consumption and cost
“6G”	sixth generation wireless mobile telecommunications technology, an upcoming generation that is expected to offer higher performance than current 5G networks



---

## **FORWARD-LOOKING STATEMENTS**

---

- change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information.

In this prospectus, statements of or references to our intentions or those of our Directors are made as of the date of this prospectus. Any such information may change in light of future developments.

All forward-looking statements in this prospectus are qualified by reference to the cautionary statements in this section.

---

## RISK FACTORS

---

*An investment in our H Shares involves significant risks. You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material and adverse effect on our business, financial condition and results of operations. In any such case, the market price of our H Shares could decline, and you may lose all or part of your investment.*

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

### RISKS RELATING TO OUR BUSINESS AND INDUSTRY

New c e f c a d e c . . . . B c a . . c e . . . e d c . d a e . . . d c a d . . . .  
- c . p e . . e a d . b . e e .

Our success depends on our ability to develop and integrate our technologies to support our products and solutions. To remain competitive, we must maintain and enhance our technologies to meet the latest downstream market needs, technological advancement and industry standards. However, our R&D activities may involve significant time, risks and uncertainties. For example, our R&D team may not be able to coordinate and manage the R&D projects, the expenses associated with these activities may affect our profit margins and operating results and these activities may not generate sufficient revenue to offset related liabilities and expenses. Moreover, our products and solutions are used in a variety of application sectors, primarily including general IoT, ICV and wireless broadband. Technological advancement and new industry standards in these downstream industries may affect the application requirements of our end customers and their products and solutions. If we fail to develop new products and solutions 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 operation may be adversely affected.

If our new products and solutions are not accepted, we are unable to generate revenue, and our ability to meet our customers' needs may be adversely affected. In addition, our ability to meet our customers' needs may be adversely affected by changes in market demand, macroeconomic conditions, and the pace of technical advancements, which we may not estimate accurately.

Our success depends on our ability to meet customer expectations and increase the sale of our products and solutions to our customers. If we cannot offer products and solutions that cater to our customers' evolving demand, or if our competitors are able to offer products and solutions with more competitive quality and parameters, our ability to retain our customers may be adversely affected. We cannot assure you that new products and solutions will receive the market acceptance we expect, or generate profits within our expected timeframe. The success and profitability of our new products and solutions are subject to various factors such as market demand, macroeconomic conditions and the pace of technical advancements, which we may not estimate accurately.

In addition, we may not be able to maintain our relationships with customers due to factors beyond our control, including, but not limited to, changes in the customers' business models, the availability of comparable products and solutions from competitors at lower prices and shifts in macroeconomic conditions. Any adverse development in these respects may adversely affect our customer base, and in turn affect our business, financial condition, results of operations and prospects.

Further, our ability to increase the sale of our products and solutions depends on our ability

---

## RISK FACTORS

---

If we fail to launch products and solutions that meet customer expectation; develop and integrate our core technologies; secure a stable supply of key raw materials at a reasonable cost; manage our EMS providers who provide manufacturing services for us; maintain and expand our sales network; enhance our talent management and recruit additional key personnel; monitor and control expenses and investments in anticipation of expanded operations; improve our operational, financial and management compliance programs and reporting systems; and address new market opportunities and potentially unforeseen challenges as they arise.

We may not be able to continue growing at the same rate as we did during the Track Record Period, or at all. Our results of operations depend 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:

- launch products and solutions that meet customer expectation;
- develop and integrate our core technologies;
- secure a stable supply of key raw materials at a reasonable cost;
- manage our EMS providers who provide manufacturing services for us;
- maintain and expand our sales network;
- enhance our talent management and recruit additional key personnel;
- monitor and control expenses and investments in anticipation of expanded operations;
- improve our operational, financial and management compliance programs and reporting systems; and
- address new market opportunities and potentially unforeseen challenges as they arise.

In addition, our future growth may be affected by factors beyond our control. Such factors include changes in macroeconomic conditions in China and globally, changes in the competitive landscape of the industries in which we operate, government regulations, international geopolitical situation, and changes in supply and demand for our products and solutions, among others.

The wireless communication module industry in which we operate is highly competitive. According to Frost & Sullivan, although leading enterprises dominate in terms of scale and revenue, the diversity of enterprises at various levels ensures continuous technological progress and a vibrant competitive environment. In 2024, the competitive landscape in the global wireless

---

communication module market was relatively concentrated, with the five largest manufacturers accounting for 76.8% of the market share in total. We primarily compete with other companies that focus on developing and commercializing similar products and solutions. If we compete with players that offer competitive products and solutions at lower prices, or if we do not have (or in the future fail to gain) more financial resources and sophisticated technological capabilities as well as a broader customer base and stronger customer relationships than our competitors, we may not be able to respond as quickly and effectively to new opportunities, technologies, industry standards, customer demand or regulatory requirements as our competitors.

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

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

Our products and solutions are primarily offered to downstream end customers of multiple industries, primarily including general IoT, ICV, and wireless broadband. Factors that adversely affect these industries could also materially and adversely affect our business, financial condition, results of operations and prospects. These factors include, among others:

- a decline in demand for, or negative perception of, or negative publicity about, our products and solutions in these industries;
- the reduction or elimination of preferential tax treatments, economic incentives and other favorable government policies on our downstream end customers;
- regulatory restrictions, trade disputes, industry-specific quotas, tariffs, non-tariff barriers and taxes that may have the effect of limiting exports of these industries from China;

- a downturn in the general economic conditions of major countries and regions that import our products and solutions; and
- macroeconomic conditions which affects the consumption habits of end consumers.

Any decrease in the demand for our products and solutions in the downstream industries would result in a decrease in customer orders for our products and solutions. Even if the downstream demand increases, we may not be able to identify and capitalize on the market opportunities. If we fail to anticipate or adjust to any shifts in industry standards or technological advancement in these downstream industries, our products and solutions may not be able to compete effectively. Additionally, shifts in industry standards or technological advancement in these downstream industries may also reduce the application of our products and solutions, or even render them obsolete. As a result, if we fail to adjust to changes in the market conditions of our

Even if our R&D efforts successfully result in the development and commercialization of new products and solutions, these 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 and solutions are subject to various factors such as market demand, macroeconomic conditions and 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, financial condition, results of operations and competitive position.

We may not be able to develop new products, and, as a result, our business and financial condition may be adversely affected.

We plan to continue investing in R&D to drive product iteration and industry expansion, build and strengthen global sales and supply chain networks to accelerate international expansion and expand along the industry value chain, and pursue strategic mergers and acquisitions to create new growth opportunities. For details, please see “Business — Our Strategies.” 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 control. Our business and strategies may not successfully develop our business a

Our business may be adversely affected.

Our business may be adversely affected.

products and solutions from competitors and our

---

## RISK FACTORS

---

copyrights and 10 registered trademarks in China. The intellectual property application process may be expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable intellectual property applications at a reasonable cost or in a timely manner, if at all. In addition, we may fail to identify patentable aspects of our R&D outputs before it is too late to obtain patent protection. As a result, we may not be able to prevent competitors from developing and commercializing competitive products and solutions in any or all such fields.

Even if we have identified, filed and prosecuted our intellectual property applications, approvals 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 in 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 and solutions.

Even if our intellectual property applications are approved, they 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, products or solutions 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 for any approved products and solutions, even if we successfully obtain patent protection, once the patent life has expired for the product.

We depend on our key management team and our key R&D personnel to execute our business plan and to identify and pursuing new opportunities. Our future performance will also depend on their continuing services and contributions to formulating and executing our business plan and to identifying and pursuing new opportunities. The loss of the services of any of these individuals, or the ineffective management of any leadership transitions, 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.

In addition, our success depends on our ability to attract and retain a large number of other qualified employees, especially senior R&D personnel and skilled engineers. In particular, we rely on our R&D team to develop our core technologies and new products and solutions. In order to compete for talent, we may need to offer higher compensation, better training, more attractive career opportunities and other benefits to our employees, which may be costly. We cannot assure you that we will be able to attract, assimilate, develop or retain the qualified personnel necessary to support our future growth. Even if we attract and retain qualified personnel, our ability to train and integrate new employees into our operations may not meet the demands of our growing business. Furthermore, any disputes between us and our employees or any labor-related regulatory or legal proceedings may divert management and financial resources, negatively affect staff morale, reduce our productivity, or harm our reputation and future recruiting efforts. Any of the above issues related to our workforce may materially and adversely affect our business, financial condition, results of operations and future growth.

We may be subject to economic and trade sanctions, including trade restrictions, export controls, and other economic and trade measures, and our operations, financial performance and financial condition could be adversely affected by these factors.

Our operations are subject to deterioration in political and economic relations between countries, 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.

In particular, the U.S. government has imposed economic and trade sanctions directly or indirectly affecting China-based technology companies. It is possible that the extent and scope of





---

## RISK FACTORS

---

jurisdictions, the downstream customers' demand for our products and solutions may drop significantly and, as a result, our business, financial condition and results of operations may be materially and adversely affected.

**We may not be able to effectively control and assure the quality of our products and solutions.**

The quality of our products and solutions depends on the effectiveness of our quality control and quality assurance protocols, 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 protocols could render our products and solutions unsuitable for use within their service life or defective, which may adversely impact our market reputation and relationship with business partners.

In addition, the quality of products or services provided by our suppliers, including our EMS providers, is beyond our control. 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 complaints and product liability claims and we may not be able to seek indemnification from our suppliers. Please see “Risks Relating to Our Business and Industry — Our products and solutions may be subject to warranty, 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” in this section. 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 may be unable to effectively manage our relationships with our suppliers.**

We rely on a limited number of suppliers for raw materials and the manufacture of our modules and solutions. In 2022, 2023, 2024 and the nine months ended September 30, 2025, the aggregate purchases from our five largest suppliers in each year/period of the Track Record Period were RMB1,159.9 million, RMB962.3 million, RMB1,720.7 million and RMB1,513.9 million, respectively, accounting for 57.8%, 53.3%, 63.8% and 56.7% of our total purchases in each year/period of the Track Record Period, respectively. Purchases from our largest supplier in each year/period of the Track Record Period accounted for 37.6%, 26.5%, 34.1% and 34.9% of our total purchases for the same periods, respectively. Please see “Business — Our Suppliers.” We may not be able to maintain our business relationships with our suppliers due to factors such as geopolitical

---

## RISK FACTORS

---

and trade tensions, unsatisfactory quality or significant increase in the prices of the raw materials and services related to the manufacture of our products. If this 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 or services 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 operation 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 or services could be adversely affected by natural disasters, including earthquakes, drought and typhoons, in locations where they operate, disruptions at manufacturing facilities, international trade policies, geopolitics, and trade protection measures, including imposition of trade restrictions and sanctions. Please see “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” in this section. If any of these suppliers loses its qualification eligibility because of its failure to comply with regulatory requirements, recover from natural disasters and 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 depend on a few key customers for a significant portion of our revenue, and the loss of any of these customers could have a material adverse effect on our business, results of operations and financial condition.

Revenue generated from our largest customer in each year/period of the Track Record Period accounted for 8.3%, 24.3%, 32.5% and 28.2% of our total revenue in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively. Revenue generated from our five largest customers in each year/period of the Track Record Period accounted for 30.4%, 39.5%, 47.2% and 49.5% of our total revenue in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively. The business conditions, liquidity and solvency of these customers may have a significant impact on our business dealings. Any disruption in our business relationships with major customers could have a material adverse effect on our business, results of operations and financial condition. Additionally, if our current major customers decide not to purchase our products or solutions, purchase fewer of our products or solutions than they did in the past, or alter their purchasing patterns or contractual terms with us, we may not be able to find new customers with similar levels of demand at comparable terms in a timely manner or at all. As a result, our business, financial condition and results of operations may be materially and adversely affected.



Our products and solutions may be subject to warranty, design and product liability claims, which could result in litigation and damage to our reputation, and we may incur significant legal costs. We may also be subject to product liability claims if our products and solutions, or the integration of our products and solutions, cause system failures.

Our products and solutions are highly complex and may contain defects that affect their quality or performance. Further, as our products and solutions are used in various application scenarios, failure of the systems in which our products or solutions are integrated could cause damage to property or people. We may be subject to product liability claims if our products and solutions, or the integration of our products and solutions, cause system failures.

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 or solutions contain defects, or have reliability, quality or compatibility problems, we may lose existing customers and fail to attract potential customers.

---

## RISK FACTORS

---

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.

Our brand is a key competitive differentiator for our products and solutions, and we believe that our brand is integral to the success of our business. Since we operate in a highly competitive market, brand maintenance directly affects our ability to maintain our market position. Any loss of trust in our products and solutions could harm the value of our brand, which could reduce our revenue and profitability. The successful maintenance of our brand depends on our ability to provide high-quality and competitive products and solutions, customers' satisfaction with our products and solutions and after-sale services, our ability to maintain and strengthen business relationships with our customers and the increase in brand awareness through marketing activities. In addition, any negative publicity about us, our Directors, employees, brand or products, whether warranted or not, may adversely affect our reputation and business. Even if it is factually incorrect or based on isolated incidents, such negative publicity could damage our reputation and undermine the trust and credibility we have established with our customers and have a negative impact on our ability to attract new customers or retain our existing customers. If our brand and reputation is damaged, we may face challenges in maintaining our current business relationships with our customers and in entering into new markets, which may adversely affect our business, financial condition, results of operations and prospects.

We believe that our brand is integral to the success of our business. Since we operate in a highly competitive market, brand maintenance directly affects our ability to maintain our market position. Any loss of trust in our products and solutions could harm the value of our brand, which could reduce our revenue and profitability. The successful maintenance of our brand depends on our ability to provide high-quality and competitive products and solutions, customers' satisfaction with our products and solutions and after-sale services, our ability to maintain and strengthen business relationships with our customers and the increase in brand awareness through marketing activities. In addition, any negative publicity about us, our Directors, employees, brand or products, whether warranted or not, may adversely affect our reputation and business. Even if it is factually incorrect or based on isolated incidents, such negative publicity could damage our reputation and undermine the trust and credibility we have established with our customers and have a negative impact on our ability to attract new customers or retain our existing customers. If our brand and reputation is damaged, we may face challenges in maintaining our current business relationships with our customers and in entering into new markets, which may adversely affect our business, financial condition, results of operations and prospects.

We are also 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.

Our raw material costs represent a substantial portion of our total cost of sales. In 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, raw material costs accounted for 91.3%, 92.3%, 92.8%, 93.1% and 92.6% of our cost of sales, respectively. 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.

Our primary raw materials include baseband chips, SoCs, memory chips, radio frequency chips, PCBs and power management chips. The global semiconductor industry has experienced significant volatility in recent years, including periods of supply shortages and cyclical price fluctuations. For instance, the market for memory chips is characterized by high price volatility.

---

## RISK FACTORS

---

After a period of decline in 2022 and 2023, memory chip prices began to rebound in 2024 and continued to increase into 2025, driven by shifts in global supply and demand. For 2023, 2024 and the nine months ended September 30, 2025, average procurement cost for memory chips increased from US\$31.0 to US\$40.7 and US\$49.6, respectively. Such price increases directly impact our material costs and our mitigating measures may not fully offset the impact of rising costs. Please see “Business — Raw Materials and Procurement — Impact of Global Chip Supply and Raw Material Price Volatility” for details.

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 price increases 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 experienced significant growth in revenue generated from the sales of our products and solutions used in the ICV sector. Revenue from this sector increased by 73.5% from RMB342.2 million in 2022 to RMB593.6 million in 2023, and further increased by 105.7% to RMB1,220.9 million in 2024, and increased by 25.2% from RMB788.3 million for the nine months ended September 30, 2024 to RMB986.9 million for the nine months ended September 30, 2025. This growth was primarily attributable to the increase in sales volume of our smart modules and solutions driven by growing demand from our downstream customers in this sector. There is no assurance that the growth in demand for our ICV products and solutions, or our revenue from this sector, will continue at a similar rate or at all in the future. The ICV market is subject to rapid technological changes, evolving industry standards and intense competition. Factors such as a slowdown in the adoption of NEVs, changes in government subsidies or regulations, shifts in consumer preferences, or increased competition among automakers could lead to a slowdown or decline in demand for our products.

Furthermore, the gross profit margin we derive from the ICV sector may not be possible to sustain. The automotive industry, particularly in China, is characterized by intense pricing pressure and competition. Our ICV customers, who often possess significant bargaining power, may demand price reductions, especially as their own markets face margin pressure. In addition, as the market

for ICV modules matures, we may face increased competition from other suppliers or from our

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 and solutions.

We may not be able to identify or avoid intellectual property infringement activities, primarily because determining 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

---

## RISK FACTORS

---

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. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial financial and human resource costs.

**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 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. As of December 31, 2022, 2023, 2024 and as of September 30, 2025, our trade and bills receivables were RMB420.3 million, RMB659.4 million, RMB1,016.1 million and RMB761.4 million, respectively. In 2022, 2023, 2024 and the nine months ended September 30, 2025, our average trade and bills receivables turnover days were 58.7 days, 91.8 days, 104.0 days and 86.3 days, respectively. Fluctuations and extension of trade, bills and other receivables turnover may adversely affect our cash flow and liquidity. Please see “Financial Information — Selected Balance Sheet Items — Current Assets/Liabilities — Trade and Bills Receivables” for details. 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 business, financial condition and results of operations may be adversely affected.

**Failure to benefit from preferential tax treatment may adversely affect our business, financial condition and results of operations.**

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 were approved as “High New Technology Enterprises” and, accordingly, enjoyed a preferential income tax rate of 15% during the Track Record Period. One of our subsidiaries was qualified as Small and Low-Profit Enterprise and, accordingly, enjoyed a preferential income tax rate of 5% during the Track Record Period. Please see Note 11 to the Accountants’ Report in Appendix I to this prospectus. If our preferential tax treatments are revoked, become unavailable, or if the calculation of our tax liability is successfully challenged by PRC tax authorities, the termination of any of the various types of preferential tax treatment we enjoy could adversely affect our business, financial condition and results of operations.

In addition, during the Track Record Period, we benefited from government subsidies. Some of such government subsidies are non-recurring in nature. We recorded government grants under other income and gains of RMB24.8 million, RMB17.5 million, RMB10.7 million, RMB8.8

million and RMB16.3 million in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, among which the non-recurring government grants were RMB13.1 million, RMB9.7 million, RMB2.0 million, RMB1.7 million and RMB8.6 million, respectively. Please see Note 5 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.

**F** **a** **r** **a** **e** **c** **a** **B** **e** **f** **r** **e** **q** **u** **e** **r** **e** **a** **f** **a** **r** **a** **e** **B** **p** **r** **f** **a** **d** **e** **r** **e** **y**  
**aff** **ec** **t** **b** **e** **,f** **a** **c** **a** **c** **d** **a** **d** **e** **f** **p** **e** **a** **r** **.**

extension of inventory turnover may adversely affect our cash flow and liquidity. Please see “Financial Information — Selected Balance Sheet Items — Current Assets/Liabilities — Inventories” for details. For example, memory chip prices are inherently cyclical and volatile, directly impacting our material costs. In anticipation of a new price increase cycle beginning in early 2025, we significantly built up inventory to mitigate this effect. Please see “Business — Raw Materials and Procurement — Impact of Global Chip Supply and Raw Material Price — Supply of Certain Key Materials — Impact of Memory Chip Price Volatility” for details. As of September 30, 2025, the net carrying amount of our memory chip inventory was RMB217.7 million, representing RMB196.8 million of memory chip inventory under one year, RMB20.6 million of

---

## RISK FACTORS

---

price of raw materials, the quality and price of service provided by, and the production capacity of, our EMS providers. If we are not able to fulfill our obligations with respect to our contract liabilities, the amount of contract liabilities will not be recognized as revenue and we may have to refund the advance payment made by our customers. As a result, our liquidity and financial condition may be adversely affected.

**We are exposed to the risk that share-based awards, which are adversely affected by fluctuations in the price of our Shares, may be impaired, which may adversely affect our financial condition and operating performance.**

We have established share incentive plans to grant shares to certain of our employees. The fair value of shares granted to employees 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 at the grant date.

We believe share-based awards are important to our ability to attract, retain and motivate our key individuals, and we may 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 that an impairment of our intangible assets has occurred, which may be adversely affected by fluctuations in the price of our Shares, our financial condition and operating performance may be adversely affected.**

As of December 31, 2022, 2023, 2024 and September 30, 2025, our intangible assets were RMB75.4 million, RMB118.7 million, RMB109.1 million and RMB104.7 million, respectively, which primarily consist of license rights and software. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortized on straight-line basis over their estimated useful lives. The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at the end of each reporting period. Please see Note 14 to the Accountants' Report in Appendix I to this prospectus. If we determine our intangible assets to be impaired, our results of operations and financial condition may be adversely affected.

The  $\text{ec}_t$  variable is defined as a binary variable equal to 1 because of a **B** ceremonial.

---

## RISK FACTORS

---

If we fail to obtain and maintain the required licenses and approvals, we may be unable to conduct our business, which may adversely affect our financial performance and our ability to expand our business.

Under the laws and regulations in any jurisdiction where we operate, we are required to obtain or complete a number of licenses, approvals, registrations, filings and other permissions for our operation. We may become subject to additional license, approval and other requirements as we develop and expand the scope of our business and engage in different business activities. We may fail to meet such requirements timely or at all, in which case we may be subject to administrative penalties and our ability to expand our business and sustain our growth may be adversely affected.

Our insurance coverage may be insufficient to cover the risks associated with our business, which may adversely affect our financial performance and our ability to expand our business.

We may not have adequate insurance to cover operational risks and risks relating to product liability claims. We cannot assure you that our insurance will be adequate to cover the abovementioned risks. 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. Even if the amounts and claims are within the limits and scope of our insurance coverage, the insurance provider may not be able to make the compensation payment to us in a timely manner.

We are aware of the risks associated with our business, which may be affected by the risks associated with our business, which may be affected by the risks associated with our business.

In 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, our revenue generated from overseas sales was RMB545.6 million, RMB665.0 million, RMB802.9 million, RMB569.0 million and RMB962.9 million, respectively, representing 23.7%, 31.0%, 27.3%, 26.1% and 34.1% of our total revenue, respectively.

Operating in multiple jurisdictions around the globe and expanding into new markets may subject ourselves to the following risks:

- challenges in providing products, solutions and customer support, in recruiting personnel in international markets and in managing sales channels effectively;
- challenges in commercializing our products and solutions in new markets where we have limited experience with the local market dynamics and no existing or developed sales and marketing infrastructure;

- differences in accounting treatment in different countries and jurisdictions, uncertainties in interpretation and application of tax laws and regulations, more onerous tax obligations and unfavorable tax conditions and foreign exchange losses;
- exposure to litigation or third-party claims, inability to effectively enforce contractual or legal rights and difficulty in obtaining or enforcing legal rights and judgements overseas;
- instability or unavailability of international transportation or logistics services due to macroeconomics, geopolitical and other factors;
- changes in or failure to comply with laws, regulations and policies as well as political, economic and market instability, geopolitical risks or civil unrest in the relevant countries and jurisdictions; and
- unfavorable market conditions, intense competition, unattractive products and services, downward pressure on our selling price and any other inherent risks associated with our international business operations.

Acquisitions, investments and other strategic transactions may be subject to various risks, including those described above. We may also incur significant transaction, administrative and other costs and management time on transactions that are ultimately not completed.

We may make acquisitions of, or investments in, businesses or technologies that are complementary to our business in the future, including using a portion of the proceeds from the Global Offering for potential acquisitions. The process of identifying, evaluating and consummating acquisitions, investments or strategic alliances, and the subsequent integration of new assets, technologies or 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. We may also incur significant transaction, administrative and other costs and management time on transactions that are ultimately not completed.

Any acquisition or investment involves inherent valuation risk. We may have to rely on assumptions, estimates and limited information when assessing the value, prospects and risks of a



obtain additional capital is impacted by factors including, but not limited to, our market position, future profitability, financial position and the general macroeconomic condition. 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.

**Factors that may affect our ability to raise additional capital include:**

We may be exposed to unethical or unlawful behaviors by our consultants, agents, suppliers, which include our raw material suppliers and EMS providers, direct customers and distributors or any other third parties. We may have limited control over third parties involved in unlawful, unethical or anticompetitive conducts targeted at or in connection with our 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 third parties.

**We are becoming increasingly dependent on Third-Party Payment Arrangements.**

During the Track Record Period, certain of our customers (individually or collectively, the “**Receivable Customers**”) settled their outstanding payments with us through accounts of third-party payors designated by them (such arrangements, the “**Third-Party Payment Arrangements**”). Please see “Business — Our Customers — Third-Party Payment Arrangements” for details.

We are subject to various risks relating to such Third-Party Payment Arrangements, including: (i) possible claims for return of funds from third-party payors who were not contractually indebted to us; (ii) potential risks arising from the fact that we have limited knowledge about the source and purpose of the funds utilized by the third-party payors; and (iii) possible claims from liquidators of third-party payors. In the event of any claims from third-party payors or their liquidators, or legal proceedings instituted or brought against us in respect of any

---

## RISK FACTORS

---

payments under the Third-Party Payment Arrangements, we may have to spend financial and managerial resources to defend against such claims or legal proceedings, and our financial condition and results of operations may be adversely affected.

We may be subject to claims, litigation and disputes, 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 and claims 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.

Our business, financial condition and results of operations may be materially and adversely affected by legal or administrative proceedings and claims 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.

Pursuant to the PRC Labor Contract Law, employers are subject to stricter requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employees' probation and unilaterally terminating labor contracts. In the event that we decide to change our employment or labor practices, the Labor Contract Law and other PRC labor related regulations and rules may limit our ability to effect those changes in a manner that we believe to be cost-effective. In addition, due to the application and implementation of these laws and regulations are subject to interpretation, our employment practices may not be at all times deemed in compliance with the laws and regulations.

Pursuant to the PRC Labor Contract Law, employers are subject to stricter requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employees' probation and unilaterally terminating labor contracts. In the event that we decide to change our employment or labor practices, the Labor Contract Law and other PRC labor related regulations and rules may limit our ability to effect those changes in a manner that we believe to be cost-effective. In addition, due to the application and implementation of these laws and regulations are subject to interpretation, our employment practices may not be at all times deemed in compliance with the laws and regulations.

We are also required to participate in the employee social welfare plan administered by local governments. Such plan consists of pension insurance, medical insurance, work-related injury insurance, maternity insurance, unemployment insurance and housing provident fund. The amount we are required to contribute for each of our employees under such plan should be calculated between the minimum and maximum level as from time to time prescribed by national laws and

regulations and local authorities. During the Track Record Period, we and certain of our PRC subsidiaries did not make full contributions to social insurance and housing provident fund for all employees in accordance with the Regulations on Administration of Housing Provident Fund (《住房公積金管理條例》) and the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), because certain employees were not willing to pay the social insurance and housing provident funds in full as it requires additional contributions from these employees.

As advised by our PRC Legal Advisor, pursuant to relevant PRC laws and regulations, if we fail to make social insurance contributions in compliance with the relevant PRC laws and regulations in the future, we may be required to pay all outstanding social insurance contributions within a prescribed period, with late fees at a daily rate of 0.05% of the outstanding amount, accruing from the date when the outstanding social insurance contributions are due. If this payment is not made within the stipulated period, the competent authority may further impose a fine of one to three times of the overdue amount on us. In 2022, 2023 and 2024 and the nine months ended September 30, 2025, the amount of shortfall in social insurance was RMB31.9 million, RMB31.7 million and RMB31.7 million and RMB24.8 million, respectively. In addition, pursuant to relevant PRC laws and regulations, in case of a failure to pay housing provident fund in full, the relevant housing provident fund management center may require us to pay the outstanding amount within a prescribed period. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement. In 2022, 2023 and 2024 and the nine months ended September 30, 2025, the amount of shortfall in housing provident fund contributions was RMB7.2 million, RMB7.8 million and RMB7.6 million and RMB6.9 million, respectively. If these enforcement actions were taken by relevant authorities, our financial condition and results of operations could be materially and adversely affected. Additionally, we cannot assure you that any new laws and regulations or any changes in the implementation of the existing laws and regulations will not require us to pay any contribution shortfall, overdue charges or penalties retroactively, thereby adversely affecting our financial condition and results of operations. For instance, on July 31, 2025, the Supreme People’s Court of the PRC issued the Interpretation II by the Supreme People’s Court of the PRC on Legal Issues in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the “**I n t e r p r e t a t i o n**”), which takes effect from September 1, 2025. For details of the Interpretation and its impact on our business operations and financial positions, please see “Regulatory Overview — Applicable Laws and Regulations to Our Business in the PRC — Regulations on Employment and Social Welfare — Social Insurance” and “Business — Employees”.

insurance contributions by companies to avoid overburdening enterprises and prohibits local authorities from requiring enterprises to make up for historically underpaid or unpaid social insurance contributions in one go.

If the relevant authorities order us to fully contribute the social insurance and/or housing provident funds, we would make full contributions and take rectification measures as soon as possible within the specified period. As of the Latest Practicable Date, no penalty had been imposed by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions. As advised by our PRC Legal Advisor, based on the above, the likelihood that the relevant social insurance and housing provident fund authorities would take initiative to recover the historically unpaid social insurance and housing provident fund from us or impose material administrative penalties on us due to our failure to provide full social insurance and housing provident fund contributions for our employees is remote.

For the purpose of the above, we have consulted with our PRC legal advisor and advised that because of the above and the fact that the relevant authorities have not yet affected us, we have no material administrative penalties to pay.

We lease properties mainly for office space. As of the Latest Practicable Date, we had eight

In addition, as of the Latest Practicable Date, we have not obtained the real estate ownership certificate for 12 properties we owned, with a GFA of approximately 1,008.2 sq.m. As of the Latest Practicable Date, as advised by our PRC Legal Advisor, we have not been subject to any administrative penalty as a result of such defect. However, we cannot assure you that we will be able to obtain the real estate ownership certificate in a timely manner or at all. In the absence of the real estate ownership certificates for these properties, these properties are not permitted to be used as collateral for borrowings nor can it be bought, transferred or sold.

Our business and operations may be adversely affected by such a defect.

---

## RISK FACTORS

---

undergo changes or adjustments, compliance to which may incur additional costs for us. If we cannot fully comply with these Laws, regulations and policies, our business, financial condition, results of operations and prospects may be adversely affected.

De e . . . e eBa Y e . f ce .a . Be B a . c a . e . . w . c we . e . a e c . d  
a e . a Y a d ad . e . e Y affec . T e eBa Y e . . . e e Be B a . c a . e . a Y  
B . f . ca . Y f . . . e . . . d . c . . . a . . . e .

Legal systems of the geographic markets where we operate vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value. The legal systems of some geographic markets where we operate are consistently evolving. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations are subject to future implementations, and the application of some of these laws and regulations to our businesses is not settled. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets where we operate. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims. In addition, the regulatory uncertainties may be exploited through unmerited or frivolous legal actions, claims concerning the conduct of third parties, or threats in attempt to extract payments or benefits from us.

Furthermore, many legal systems in the geographic markets where we operate are based in part on their respective government policies and internal interpretations, some of which are not published on a timely basis, or at all, and may have retroactive effects. There are other circumstances where key regulatory definitions are unclear, imprecise or missing, or where interpretations that are adopted by regulators are inconsistent with interpretations adopted by a court in analogous cases. As a result, we may not be aware of our violation of certain policies or rules until sometime after the violation. In addition, administrative and court proceedings in certain of our geographic markets may be protracted, resulting in substantial costs and diversion of resources and management attention.

It is possible that a number of laws and regulations may be adopted or construed to be applicable to us in our geographic markets and elsewhere that could affect our businesses and operations. Scrutiny and regulations of the industries in which we operate may further increase, and we may be required to devote additional legal and other resources to addressing these



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.

**H** **d** **e** **f** **o** **r** **H** **S** **a** **r** **e** **a** **y** **b** **e** **l** **i** **c** **e** **d** **P** **R** **C** **r** **e** **s** **i** **d** **e** **n** **t** **i** **n** **d** **i** **v** **i** **d** **e** **n** **d** **s** **.**

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

---

## RISK FACTORS

---

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稅有關問題的通知》) issued by the STA, 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.

According to the Notice of the Ministry of Finance and the State Administration of Taxation on the Value-Added Tax and Consumption Tax Policy for Labor Services of Exported Goods (《財政部、國家稅務總局關於出口貨物勞務增值稅和消費稅政策的通知》) issued by Ministry of Finance and the SAT on May 25, 2012, revised on December 9, 2014 and January 20, 2020, unless otherwise provided by law, export goods and services are subject to the exemption and refund of value-added tax (“VAT”) policies. Subject to the relevant PRC laws, we are entitled to a rebate of VAT from the PRC tax authority in connection with our export sales for our products. The tax rebate comprised a refund of VAT incurred on the raw materials we used for production of our products in the PRC, which are subsequently exported to overseas countries. We cannot assure you that the PRC governmental policies on tax rebate will not change or that the current policies we enjoy will not be cancelled. If there is any reduction, suspension, discontinuation or cancellation of tax rebate which may adversely affect the recoverability of our VAT recoverable, our business, financial condition and profitability would be adversely affected.

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 in 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 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

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

The price and trading volume of our H Shares may be affected by various factors, including general market conditions, the performance of our Company, and the overall market conditions in Hong Kong. The 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

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 Overall Coordinators, 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 Shares may drop below the Offer Price at any time after completion of the Global Offering.

The price and trading volume of our H Shares may be affected by various factors, including general market conditions, the performance of our Company, and the overall market conditions in Hong Kong. The 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

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

---

F

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. A 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 H Shares commences on the Hong Kong Stock Exchange. While we are not currently aware of any intention of our Controlling Shareholders to dispose of significant amounts of their Shares after the expiry of the lock-up periods, 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 the Controlling 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 to shares in the Global Offering are not subject to any restrictions on the disposal of the H Shares to which they subscribed, they may have existing arrangements or agreements to dispose of part or all of the H Shares they hold immediately or within a 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.

T

Immediately upon the completion of the Global Offering, our Controlling Shareholders will control approximately 43.36% 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

---

## RISK FACTORS

---

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.

As of the Latest Practicable Date, Mr. WANG, one of our Controlling Shareholders, had pledged 12,850,000 A Shares, representing approximately 4.91% of our total issued share capital, in favor of certain financial institutions for commercial loans at RMB266.4 million. See “Substantial Shareholders.” If an event of default occurs under the relevant security agreements, the lenders may be able to enforce their rights against part or all of the pledged Shares of our Company thereunder through legal proceedings. In such event, Mr. Wang may no longer be able to maintain the current level of interest in our Company, which could adversely affect the influence of our Controlling Shareholders over us.

Our directors and officers may be deemed to have a duty to declare dividends, and we may be able to pay dividends in the future.

We have declared dividends in the past. We protect our Shareholders’ interest by ensuring a consistent dividend policy. 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, 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 approval at a 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. Please 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.

Y . . . d . . . p a c e a . . . e . . . a . . . c e . . . a . . . y . . . f . . . a . . . e . . . e a e d b . . . c . . . e c . . . w . . . e . . .  
B . . . f . . . A S . . . a . . . e . . . S . . . e . . . S . . . c . . . E / c . . . a . . . e . . .

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

Y . . . d . . . e a d . . . e . . . e . . . d . . . c . . . e . . . c a e f . . . y . . . a . . . d . . . y . . . e . . . y . . . e . . . f . . . a . . . c . . . d e d . . .  
d . . . c . . . e . . . a . . . e . . . e . . . e . . . d e c . . . , a . . . d . . . w e . . . B . . . y . . . c a . . . y . . . e . . . y . . .  
a . . . y . . . f . . . a . . . c . . . a . . . e d . . . p . . . e . . . a . . . c e . . . e . . . e . . . d . . . a . . . c . . . e . . . a . . . e . . . a . . . B . . . , . . . S . . . a . . . e . . .  
e . . . G . . . l . . . b . . . a . . . O . . . f . . . f . . . e . . . r . . . B . . .

We strongly caution our investors not to rely on any information contained in press articles or

---

## RISK FACTORS

---

Certain facts, forecasts and other statistics in this document are derived from various government and official resources. However, our Directors cannot guarantee the quality or reliability of such source materials. We believe that the sources of the information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Nevertheless, information from official government sources has not been independently verified by us, the Sole Sponsor, the Overall Coordinators, the Joint Global Coordinators, Joint Bookrunners, the Joint Lead Managers or any of their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts and statistics. Further, we cannot assure our investors that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, our investors should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

---

## WAIVERS AND EXEMPTIONS

---

In preparation of the Global Offering, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

### 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 through its PRC subsidiaries, 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 the 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. WANG Ping, an executive Director, and Mr. AU Kai Yin (歐啟賢) (“**M. A**”), one of our joint company secretaries. Mr. WANG Ping confirms that he possesses valid travel documents and can readily travel to Hong Kong and Mr. Au 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 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 or can apply for and 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 office phone numbers, 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 Somerley Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules who will have access at all times to the

---

## WAIVERS AND EXEMPTIONS

---

- (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)).

In assessing “relevant experience”, the Stock Exchange will consider the individual’s:

- (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 be the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

We have appointed Mr. HUANG Min (黃敏) as one of our joint company secretaries. Mr. Huang joined our Group in June 2014 and is our executive Director, secretary of the Board and deputy general manager. He is primarily responsible for the Group’s securities affairs, refinancing initiatives, and other capital market-related matters. Although our Company believes, having regard to his past experience in handling corporate matters, that he has a thorough understanding of our Company and the Board, he does not possess the requisite qualifications required by Rule 3.28 of the Listing Rules. Therefore, our Company has appointed Mr. Au, who is a Hong Kong resident and possesses such qualifications, to be a joint company secretary to assist Mr. Huang 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, please see “Directors and Senior Management — Joint Company Secretaries” in this prospectus. Over such three-year period, we will implement measures to assist Mr. Huang 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. Huang's appointment as our joint company secretary pursuant to Chapter 3.10 of the Guide for New Listing Applicants on the following conditions:

- (a) Mr. Huang must be assisted by Mr. Au, who possesses the qualification and experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the validity period of the waiver; and
- (b) the waiver is valid for a period of three years from the Listing Date and will be revoked immediately if and when Mr. Au ceases to provide such assistance or if there are material breaches of the Listing Rules by our Company.

It is anticipated that Mr. Huang will gain experience with the assistance of Mr. Au. Before the end of the initial three-year period, we will evaluate the then experience of Mr. Huang 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 on-going assistance would be needed. We would then endeavor to demonstrate to the satisfaction of the Stock Exchange that Mr. Huang, having had the benefit of Mr. Au'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 AND EXEMPTION IN RESPECT OF THE 2024 STOCK OPTION INCENTIVE PLAN**

The Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance prescribe certain disclosure requirements in relation to the share options granted by our Company (the "ESOP Disclosure Requirements"):

- (i) Rule 17.02(1)(b) of the Listing Rules stipulates that all material terms of a scheme must be clearly set out in this prospectus. Our Company is also required to disclose in this prospectus full details of all outstanding options and their potential dilution effect on the shareholdings upon Listing as well as the impact on the earnings per share arising from the issue of shares in respect of such outstanding options;
- (ii) Paragraph 27 of Appendix D1A to the Listing Rules requires our Company to set out in this prospectus particulars of any capital of any member of our Group that is under

(iii) Paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires our Company to disclose, amongst others,

We have applied to: (i) the Stock Exchange for a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules; and (ii) the SFC for a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, respectively, on the ground that strict compliance with the above requirements would be unduly burdensome for our Company and the exemption would not prejudice the interests of the investing public for the following reasons:

- (i) given that 150 grantees are involved, strict compliance with ESOP Disclosure Requirements in setting out full details of all the grantees under the 2024 Stock Option Incentive Plan in this prospectus would be costly and unduly burdensome for us in light of a significant increase in costs and timing for information compilation and prospectus preparation;
- (ii) the 144 grantees who are not Directors, members of the senior management or other connected persons of our Company have been 76 TD0s.672.6(aersons)-3torsonsRersonsbeenoight



---

## WAIVERS AND EXEMPTIONS

---

- (v) a summary of the major terms of the 2024 Stock Option Incentive Plan will be disclosed in the section headed “Appendix VI — Statutory and General Information — D. 2024 Equity Incentive Plans”;
- (vi) a full list of all the grantees with outstanding options under the 2024 Stock Option Incentive Plan containing all the particulars as required under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules be made available for public inspection in accordance with “Documents Delivered to the Registrar of Companies and Available on Display — Document Available for Inspection” in Appendix VII to this prospectus;
- (vii) the grant of a certificate of exemption under the Companies (Winding Up and Miscellaneous Provisions) Ordinance from the SFC exempting our Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (viii) a full list of all the grantees (including the persons referred to in (i) above) who have been granted options to subscribe for A Shares under the 2024 Stock Option Incentive Plan, containing all the details as required under as required under Rule 17.02(1)(b) of the Listing Rules, and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, be made available for public inspection in accordance with “Documents Delivered to the Registrar of Companies and Available on Display — 2. Document Available for Inspection” in Appendix VII to this prospectus; and
- (ix) the particulars of the waiver and the exemption will be disclosed in this prospectus.

We have applied for, and the SFC has granted, a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that:

- (i) on an individual basis, full details of the options granted by our Company under the 2024, Stock Option Incentive Plan to (1) each of our Directors, senior management, and connected persons of our Company and its subsidiaries, and (2) other grantees who have been granted options to subscribe for 20,000 A Shares or more, are disclosed in the section headed “Appendix VI — Statutory and General Information — D. 2024 Equity Incentive Plans” in this prospectus, such details to include all the particulars required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

(ii) in respect of the options granted by our Company under the 2024 Stock Option Incentive Plan to grantees other than those set out in (i) above, disclosure is made, on an aggregate basis, categorized into lots based on the number of A Shares underlying the options granted to each individual grantee, being: (i) 1 to 5,000 A Shares, (ii) 5,001 to 10,000 A Shares, (iii) 10,001 to 15,000 A Shares, and (iv) 15,001 to 19,999 A Shares, For each lot of A Shares under the 2024 Stock Option Incentive Plan, the following

Pursuant to paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, a prospectus must include a statement as to the gross trading income or sales turnover (as the case may be) of the company during each of the three financial

---

## WAIVERS AND EXEMPTIONS

---

- (d) there must be a directors' statement in the prospectus that there is no material adverse change to the company's financial and trading positions or prospects with specific reference to the trading results from the end of the stub period to the latest financial year end.

Pursuant to the relevant requirements set out above, our Company is required to produce three full years of audited accounts for the three years ended December 31, 2025. As such, an application has been made to the Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules, and such waiver has been granted by the Stock Exchange on the conditions that:

- (a) this prospectus will be issued on or before Friday, February 27, 2026 and our Company's H Shares will be listed on or before March 31, 2026;
- (b) inclusion in this prospectus a profit estimate for the financial year ended December 31, 2025 in compliance with Rules 11.17 to 11.19 of the Listing Rules and a Directors' statement that there is no material and adverse change to the financial and trading positions or prospects of our Company, with specific reference to the trading results from October 1, 2025 to December 31, 2025; and
- (c) our Company obtains a certificate of exemption from the SFC on strict compliance with paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

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

The applications to the Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules and to the SFC for a certificate of exemption from strict compliance with the requirements under paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance have been made on the grounds, among others, that strict compliance with the above requirements would be unduly

---

## WAIVERS AND EXEMPTIONS

---

burdensome and the waiver and exemption would not prejudice the interests of the investing public as:

- (a) there would not be sufficient time for our Company and the reporting accountants of our Company to finalize the audited financial statements for the year ended December 31, 2025 for inclusion in this prospectus. If the financial information for the year ended December 31, 2025 is required to be audited, our Company and the reporting accountants would have to carry out substantial volume of work to prepare, update and finalize the Accountants' Report and the prospectus, and the relevant sections of the prospectus will need to be updated to cover such additional period. This would involve additional time and costs since substantial work is required to be carried out for audit purposes. It would be unduly burdensome for the audited results for the year ended December 31, 2025 to be finalized in a short period of time. Our Directors consider that the benefits of such work to the existing and prospective Shareholders of our Company may not justify the additional work and expenses involved and the delay of the Listing timetable;
- (b) the Accountants' Report for the three years ended December 31, 2024 and the nine months ended September 30, 2025 has been prepared and is set out in Appendix I to this prospectus;
- (c) our Directors and the Sole Sponsor herein confirm that, after performing all reasonable due diligence work which they consider appropriate up to the date of this prospectus, there has been no material adverse change to the financial and trading positions or prospects of our Group since October 1, 2025 (immediately following the date of the latest audited statement of financial position in the Accountants' Report set out in Appendix I to this prospectus) up to the date of this prospectus and there has been no event which would materially affect the information shown in the Accountants' Report as set out in Appendix I to this prospectus, the financial information section, and the profit estimate as set out in Appendix IIB to this prospectus and information regarding our Company's recent development subsequent to the Track Record Period and up to the date of this prospectus, since October 1, 2025;
- (d) our Company is of the view that the Accountants' Report covering the three years ended December 31, 2024 and the nine months ended September 30, 2025, together with the profit estimate for the year ended December 31, 2025 (in compliance with Rules 11.17 to 11.19 of the Listing Rules) included in this prospectus have already provided the potential investors with adequate and reasonably necessary information in the circumstances to form a view on the track record and earnings trend of our Company. Our Directors confirm that all information which is necessary for the investing public to



We have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of Rule 10.04 and paragraph 1C of Appendix F1 to the Listing Rules in respect of the restrictions on certain existing minority Shareholders who (i) hold less than 5% of the total number of A Shares in issue of our Company prior to the completion of the Global Offering; and (ii) are not and will not become (upon the completion of the Global Offering) core connected persons of our Company or the close associates of any such core connected person (together, the “**Existing Minority Shareholders**”), to subscribe for or purchase Shares in the Global Offering, subject to the following conditions:

- (i) the Sole Sponsor confirms that each Existing Minority Shareholder to whom our Company may allocate the H Shares in the Global Offering is interested in less than 5% of the Company’s total number of A Shares in issue before the Listing;
- (ii) the Sole Sponsor confirms that each Existing Minority Shareholder is not, and will not be, a core connected person of the Company or any close associate of any such core connected person immediately prior to or following the Global Offering;
- (iii) the Sole Sponsor confirms that none of the Existing Minority Shareholders has the right to appoint a Director and/or have any other special rights;
- (iv) the Sole Sponsor confirms that allocation to the Existing Minority Shareholders and/or their close associates will not affect the ability of the Company to satisfy the public float requirement as prescribed by the Stock Exchange under Rule 8.08 (as amended and replaced by Rule 19A.13A) of the Listing Rules or otherwise approved by the Stock Exchange;
- (v) to the best knowledge and belief of our Company and the Sole Sponsor, and based on discussions between our Company and the Overall Coordinators and confirmations required to be submitted to the Stock Exchange by the Sole Sponsor, we will confirm to the Stock Exchange that:

Existing Minority Shareholders' cornerstone investment agreements do not contain any material terms which are more favorable to the Existing Minority Shareholders than those in other cornerstone investment agreements; or

- (b) in case of participation as placees, no preferential treatment has been, nor will be given to the Existing Minority Shareholders and/or their close associates nor is the Existing Minority Shareholder in a position to exert influence on the Company to obtain actual or perceived preferential treatment, in the allocation process by virtue of their relationship with our Company;
- (vi) in the case of participation as placees, the Overall Coordinators will confirm to the Stock Exchange that, to the best of its knowledge and belief, no preferential treatment has been, nor will be, given to any of the Existing Minority Shareholders and/or their close associates by virtue of their relationship with our Company in any allocation in the International Offering; and
- (vii) the Sole Sponsor will confirm to the Stock Exchange that based on (a) its discussions with our Company and the Overall Coordinators; and (b) the confirmations provided to the Stock Exchange by our Company and the Overall Coordinators, and to the best of its knowledge and belief, it has no reason to believe that the Existing Minority Shareholders and/or their close associates received any preferential treatment in the allocation process either as cornerstone investors or as placees by virtue of their relationship with our Company, other than, in the case of participation as cornerstone investors, the preferential treatment of assured entitlement under a cornerstone investment following the principles set out in Chapter 4.15 of the Guide for New Listing Applicants and details of allocation to the Existing Minority Shareholders and/or their close associates holding more than 1% of the issued share capital of our Company immediately prior to the completion of the Global Offering will be disclosed in this prospectus (for cornerstone investors) and/or allotment results announcement (for both cornerstone investors and placees) of our Company.

## **DISCLOSURE OF OFFER PRICE**

Paragraph 15(2)(c) of Appendix D1A to the Listing Rules provides that the i04764t 9e2)(c)or

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

- (a) the Offer Price will be determined with reference to, among other factors, the closing price of the Company's A Shares on the Shenzhen Stock Exchange on the last trading day on or before the Price Determination Date. Our Company is unable to control the trading price of our A Shares on the Shenzhen Stock Exchange;
- (b) setting a fixed offer price or an offer price range with a low-end may adversely affect our ability to price our H Shares in the best interests of our Shareholders and the market price of the A Shares and the Hong Kong Offer Shares;
- (c) pursuant to paragraphs 9 and 10(b) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the amount payable on application and allotment on each share, and the price to be paid for shares subscribed for, shall be specified in the Prospectus, respectively. Disclosure of a maximum offer price complies with the requirements prescribed under paragraphs 9 and 10(b) of Part A the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance by providing a clear indication of the maximum subscription consideration a potential investor shall pay for the Offer Shares; and
- (d) a maximum Offer Price will be disclosed in this prospectus. This alternative disclosure approach would not prejudice the interests of the investing public in Hong Kong.

The Stock Exchange has granted to us a waiver from strict compliance with paragraph 15(2)(c) of Appendix D1A to the Listing Rules on the conditions that (1) in

## **DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS**

This prospectus, for which our Directors (including any proposed Director who is named as such in this prospectus) collectively and individually accept full responsibility, includes particulars

---

## **INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING**

---

underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement, which is expected to be entered into on or around the Price Determination Date.

If, for any reason, the Offer Price is not agreed among our Company and the Overall Coordinators (for themselves and on behalf of the Underwriters), the Global Offering will not proceed and will lapse. For full information about the Underwriters and the underwriting arrangements, please see “Underwriting” in this prospectus.

Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the H Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

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 the Hong Kong Offer Shares are set out in “How to Apply for Hong Kong Offer Shares” in this prospectus.

### **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 or her acquisition of Hong Kong Offer Shares to, confirm that he or she is aware of the restrictions on the offer and sales of the Hong Kong Offer Shares described in this prospectus.

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

---

## **INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING**

---

### **APPLICATION FOR LISTING ON THE STOCK EXCHANGE**

We have applied to the Listing Committee for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering. Dealings in the H Shares on the Stock Exchange are expected to commence on Tuesday, March 10, 2026. Other than our A Shares, which are currently listed on and dealt in on the Shenzhen Stock Exchange, no part of our equity or debt securities is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the H Shares on the Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Stock Exchange.

### **H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS**

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional advisors for details of the settlement arrangement as such arrangements may affect their rights and interests. All necessary arrangements have been made to enable the H Shares to be admitted into CCASS.

### **H SHARE REGISTER AND STAMP DUTY**

All Offer Shares issued pursuant to applications made in the Global Offering will be registered on our H Share register to be maintained by our H Share Registrar, Computershare Hong Kong Investor Services Limited, in Hong Kong. Our principal register of members will be maintained by us at our headquarters in China.

---

## **INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING**

---

Dealings in the H Shares registered in our H Share Register will be subject to Hong Kong stamp duty. For further details of Hong Kong stamp duty, please seek professional tax advice.

### **PROFESSIONAL TAX ADVICE RECOMMENDED**

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

### **EXCHANGE RATE CONVERSION**

Unless otherwise specified, amounts denominated in Renminbi or U.S. dollars have been translated, for the purpose of illustration only, into Hong Kong dollars in this prospectus at the following exchange rates: RMB into U.S. dollars at the rate of US\$1.00 to RMB6.9398 and Hong Kong dollars into RMB at the rate of HK\$1.00 to RMB0.8879.

No representation is made that any amounts in Renminbi or U.S. dollars were or could have been or could be converted into Hong Kong dollars at such rates or any other exchange rates on such date or any other date.

### **ROUNDING**

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

### **LANGUAGE**

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. In the event of inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

---

## DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

---

### DIRECTORS

Name	Residential Address	Nationality
Executive Director		
Mr. WANG Ping (王平)	Room 29A, Building 3 Yongshan Mingyuan, Longwei Road Meilin Street, Futian District Shenzhen Guangdong PRC	Chinese
Mr. DU Guobin (杜國彬)	Room 904, No. 9, Lane 177 Qiheng Road Pudong New Area Shanghai PRC	Chinese
Mr. XIA Youqing (夏有慶)	Room 2204, Xinhaige Xin'anhu Garden Xin'an Street, Bao'an District Shenzhen Guangdong PRC	Chinese
Mr. HUANG Min (黃敏)	Room 603, Unit 1, Building 1, Cuijing Yuan No. 18 Shangbao Road Lianhua Street, Futian District Shenzhen Guangdong PRC	Chinese

---

## DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

---

Name	Residential Address	Nationality
Independent Non-Executive Director		
Dr. MA Lijun (馬利軍)	Room 1405, Building 5 Penghua Xiangyu Garden No. 1001, Longhua New Area Avenue Shenzhen Guangdong PRC	Chinese
Mr. YANG Zheng (楊政)	Room 1202, Unit 1, Building 11 Poly Champagne International No. 89 Jinshajiang East Street Jianye District Nanjing Jiangsu, PRC	Chinese
Ms. LIU Jia (劉佳)	Flat 26B, Tower 1, One Silversea 18 Hoi Fai Road Kowloon Hong Kong	Chinese (Hong Kong)

Further information about our Directors are set out in “Directors and Senior Management” in this prospectus.

---

## DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

---

### PARTIES INVOLVED IN THE GLOBAL OFFERING

She Sui

China International Capital Corporation  
Hong Kong Securities Limited  
29/F, One International Finance Centre  
1 Harbour View Street  
Central  
Hong Kong

She Sui Oei

China International Capital Corporation  
Hong Kong Securities Limited  
29/F, One International Finance Centre  
1 Harbour View Street  
Central  
Hong Kong

Oei

China International Capital Corporation  
Hong Kong Securities Limited  
29/F, One International Finance Centre  
1 Harbour View Street  
Central  
Hong Kong

BNP Paribas Securities (Asia) Limited  
60/F. and 63/F., Two International Finance Centre  
8 Finance Street  
Central  
Hong Kong

Jean Gaba

China International Capital Corporation  
Hong Kong Securities Limited  
29/F, One International Finance Centre  
1 Harbour View Street  
Central  
Hong Kong

BNP Paribas Securities (Asia) Limited  
60/F. and 63/F., Two International Finance Centre  
8 Finance Street  
Central  
Hong Kong

---

**DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING**

---

**Charisma Securities International Company Limited**  
32/F, Infinitus Plaza  
199 Des Voeux Road Central  
Sheung Wan  
Hong Kong

**First Securities International (H.K.) Limited**  
34/F, United Centre  
No. 95 Queensway  
Admiralty  
Hong Kong

**T.B.B. Securities (HK) Global Limited**  
23/F, Li Po Chun Chambers  
189 Des Voeux Road Central  
Hong Kong

**Opie Securities Limited**  
Room 3208-09, 32/F, Tower 6, The Gateway  
9 Canton Road, Tsim Sha Tsui  
Kowloon  
Hong Kong

**James Baker**

**Charisma Company Limited**  
**Charisma (H.K.) Securities Limited**  
29/F, One International Finance Centre  
1 Harbour View Street  
Central  
Hong Kong

**BNP Paribas Securities (Asia) Limited**  
60/F. and 63/F., Two International Finance Centre  
8 Finance Street  
Central  
Hong Kong

---

## DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

---

**China International Securities Corporation Limited**  
32/F, Infinitus Plaza  
199 Des Voeux Road Central  
Sheung Wan  
Hong Kong

**First Securities International (H.K.) Limited**  
34/F, United Centre  
No. 95 Queensway  
Admiralty  
Hong Kong

**Tse-Bor Securities (HK) Global Limited**  
23/F, Li Po Chun Chambers  
189 Des Voeux Road Central  
Hong Kong

**Opie Securities Limited**  
Room 3208-09, 32/F, Tower 6, The Gateway  
9 Canton Road, Tsim Sha Tsui  
Kowloon  
Hong Kong

**James Leadman Securities**

**China International Securities Corporation Limited  
Hong Kong Securities Limited**  
29/F, One International Finance Centre  
1 Harbour View Street  
Central  
Hong Kong

**BNP Paribas Securities (Asia) Limited**  
60/F. and 63/F., Two International Finance Centre  
8 Finance Street  
Central  
Hong Kong

---

**DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING**

---

**China International Securities Corporation Limited**

32/F, Infinitus Plaza  
199 Des Voeux Road Central  
Sheung Wan  
Hong Kong

**First Securities International (H.K.) Limited**

34/F, United Centre  
No. 95 Queensway  
Admiralty  
Hong Kong

**T.B. Securities (HK) Global Limited**

23/F, Li Po Chun Chambers  
189 Des Voeux Road Central  
Hong Kong

**Opie Securities Limited**

Room 3208-09, 32/F, Tower 6, The Gateway  
9 Canton Road, Tsim Sha Tsui  
Kowloon  
Hong Kong

**Capital Markets International**

**China International Capital Corporation Limited**

29/F, One International Finance Centre  
1 Harbour View Street  
Central  
Hong Kong

**BNP Paribas Securities (Asia) Limited**

60/F. and 63/F., Two International Finance Centre  
8 Finance Street  
Central  
Hong Kong

---

**DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING**

---

**China International Securities Corporation Limited**

32/F, Infinitus Plaza  
199 Des Voeux Road Central  
Sheung Wan  
Hong Kong

**Frost Securities International (Hong Kong) Limited**

34/F, United Centre  
No. 95 Queensway  
Admiralty  
Hong Kong

**T.B. B. (HK) Global Limited**

23/F, Li Po Chun Chambers  
189 Des Voeux Road Central  
Hong Kong

**Opie Securities Limited**

Room 3208-09, 32/F, Tower 6, The Gateway  
9 Canton Road, Tsim Sha Tsui  
Kowloon  
Hong Kong

**Legal Advisors**

*As to Hong Kong and U.S. laws:*

**Parham (HK) LLP**

22/F, Bank of China Tower  
1 Garden Road  
Hong Kong

*As to PRC law:*

**Hank Law Office**

9/F, Office Tower C1  
Oriental Plaza  
1 East Chang An Ave  
Dongcheng District  
Beijing  
PRC

---

**DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING**

---

**Legal Advisors**  
in the U.S.

*As to Hong Kong and U.S. laws:*

**John Day**  
31/F, Edinburgh Tower  
The Landmark  
15 Queen's Road Central  
Hong Kong

*As to PRC law:*

**K&W Ma**  
28/F, China Resources Tower  
2666 Keyuan South Road  
Nanshan District, Shenzhen  
Guangdong  
PRC

**Independent Registered Accountants**

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

**Independent Counsel**

**F & S (Beijing) Inc., Shanghai**  
**Bac**  
2504 Wheelock Square  
1717 Nanjing West Road  
Shanghai 200040, China

**Receiving Bank**

**CMB WLL Bank Limited**  
45 Des Voeux Road Central  
Hong Kong

---

## CORPORATE INFORMATION

---

Registered Office

2/F, No. 5 Lingxia Road  
Fenghuang Community  
Fuyong Street  
Bao'an District, Shenzhen  
Guangdong  
PRC

Headquarters and Principal Place of  
Business in the PRC

32/F, Building B  
Shenzhen International Innovation Center  
Futian Technology Plaza  
No. 1006 Shennan Avenue  
Xintian Community, Huaifu Street  
Futian District, Shenzhen  
Guangdong  
PRC

Place of Business in HK

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

Company's Website

[www.eba.com](http://www.eba.com)

*(The information on the website does not form part  
of this prospectus)*

Joint Company Secretary

M. HUANG M. (黃敏)  
32/F, Building B  
Shenzhen International Innovation Center  
Futian Technology Plaza  
No. 1006 Shennan Avenue  
Xintian Community, Huaifu Street  
Futian District, Shenzhen  
Guangdong  
PRC

---

## CORPORATE INFORMATION

---

**M. A Ka Y.** (歐啟賢)

*(an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)*

40/F, Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai

Hong Kong

**Audited Representative**

**M. WANG P.** (王平)

Room 29A, Building 3

Yujing Pavilion Yongshan Mingyuan

Longwei Road

Futian District

Shenzhen

Guangdong

PRC

**M. A Ka Y.** (歐啟賢)

40/F, Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai

Hong Kong

**Advisory Committee**

Mr. YANG Zheng (楊政) (*Chairperson*)

Dr. MA Lijun (馬利軍)

Ms. LIU Jia (劉佳)

**Responsible and Appointed  
Committee**

Dr. MA Lijun (馬利軍) (*Chairperson*)

Mr. WANG Ping (王平)

Mr. YANG Zheng (楊政)

**Nominating Committee**

Dr. MA Lijun (馬利軍) (*Chairperson*)

Mr. YANG Zheng (楊政)

Ms. LIU Jia (劉佳)

**Supervisory Committee**

Mr. WANG Ping (王平) (*Chairperson*)

Dr. MA Lijun (馬利軍)

Mr. YANG Zheng (楊政)

---

## CORPORATE INFORMATION

---

**H S a e ReB .a .**

**C . p e . a e H . BK . BI . e . . .**

**Se . ce L . ed**

Shop 1712–1716, 17th Floor

Hopewell Centre

183 Queen's Road East

Wan Chai

Hong Kong

**C . p . a . ce Ad . . . .**

**S . e . Y Ca . a L . ed**

20/F, China Building

29 Queen's Road Central

Hong Kong

**P . . c . a Ba .**

**C . ba**

34/F, Citigroup Tower

No. 33 Huayuan Shiqiao Road

Lujiazui Financial and Trade Zone

Pudong

Shanghai

PRC

**H a . a Ba .**

Huaxia Bank Building

No. 22 Jianguomennei Street

Dongcheng District

Beijing

PRC

**C . . a E . e . b . Ba .**

China Everbright Center

No. 25 Taipingqiao Street

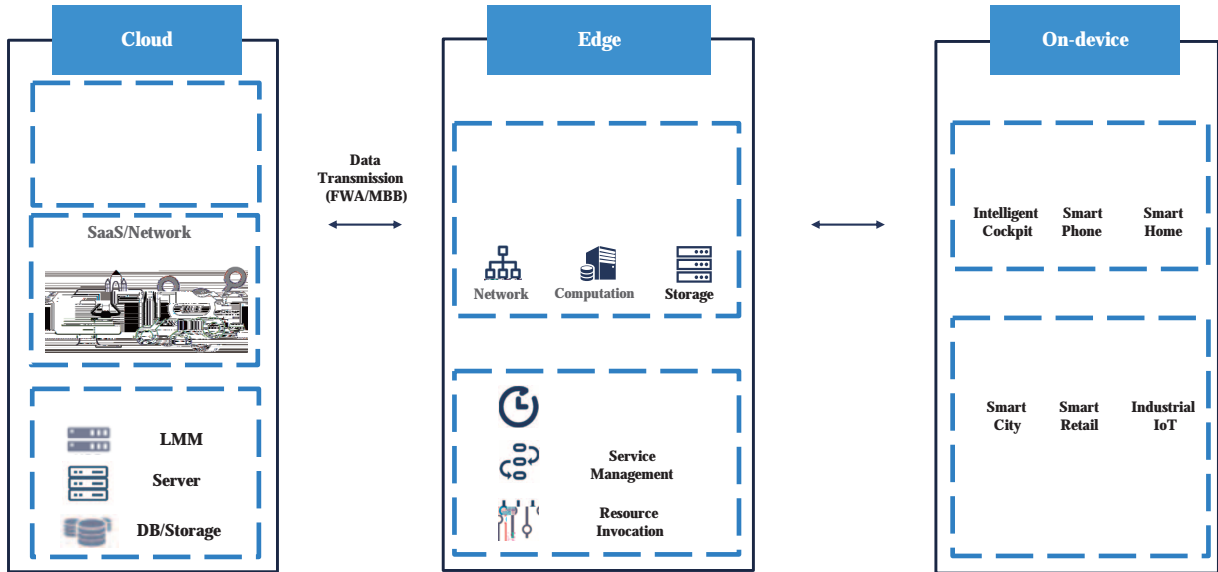
Xicheng District

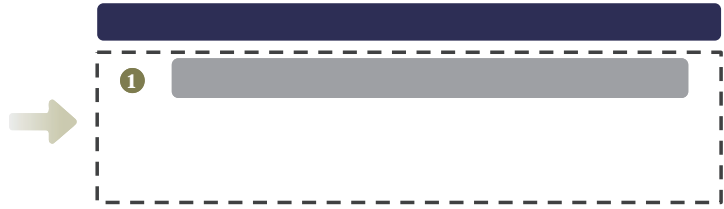
Beijing

PRC

*The data and statistics provided in this section and other sections of the prospectus are extracted from the report prepared by Frost & Sullivan, which was commissioned by us, as well as various government publications and other publicly available sources. We engaged Frost & Sullivan to prepare an independent industry report related to the Global Offering, known as the Frost & Sullivan Report. We believe that the sources of information contained in this Industry Overview are appropriate sources for such information and have taken reasonable care in reproducing such information. We have no reason to believe that such information is false or*





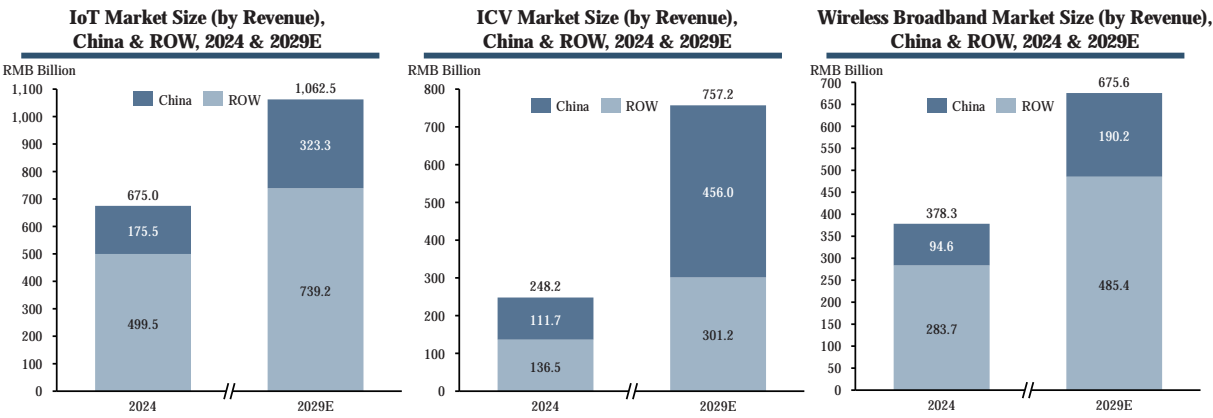




# INDUSTRY OVERVIEW

- Wire Broadband (FWA/MBB):** The communication capabilities of wireless broadband have become foundational for intelligent scenario upgrades, serving as a key enabler for connecting terminal intelligence and system collaboration. FWA/MBB are gradually replacing traditional wired broadband access, with rapid growth in demand for high data rates, multi-user concurrency, and remote management capabilities in households and enterprises. Wireless communication modules not only need to support multi-mode fusion communication such as 5G and Wi-Fi 6 but also need to undertake intelligent functions like user behavior analysis and local data scheduling, driving modules to evolve towards the “communication + edge intelligence” direction. The ROW markets, particularly in emerging regions like Southeast Asia and Africa, are seeing faster growth than China due to limited fixed-line infrastructure and surging demand for cost-effective broadband alternatives.

The following figure shows the market size of the main downstream industries of communication modules in the on-device AI field:



Source: Frost & Sullivan

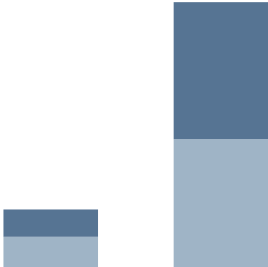
### Future high-potential driving scenarios

- Robotics:** As AI evolves from perception and understanding to autonomous decision-making and physical interaction, robots have become the most direct embodiment of AI modules and edge computing capabilities, widely applied in various operational scenarios. The demand for real-time and stable local AI inference and command control in robot terminals drives module products to develop towards integrating AI computing-power, sensor interfaces, and control scheduling capabilities. In China, the robotics market is undergoing rapid expansion beyond industrial applications, with strong policy support and demand surges in service, logistics, and



The following figure shows the market size of future core driving scenarios:

**Robotics Market Size (by Revenue),  
China & ROW, 2024 & 2029E**



## *Smart Modules*

## INDUSTRY OVERVIEW

The following table sets out the categories and characteristics of wireless communication modules:

	Data processing module	Standard module	High-performance module
<b>Components</b>	Baseband chips, memory chips, RF chips	SoC (integrated CPU, GPU), supporting memory chips, RF chips, PCBs, power management chips	High-performance SoC (integrated NPU or AI accelerator), supporting large-capacity memory chips, RF chips, PCBs, power management chips
<b>Local processing capability</b>	Weak	Equipped with a general-purpose CPU, it supports basic applications such as multimedia, multiple cameras, and multi-screen display	Integrated with high-performance heterogeneous computing units, it supports on-device complex AI model inference and features edge intelligence capabilities such as high-density data processing and image recognition
<b>Smart application capability</b>	Weak	It can run smart functions, such as simple recognition and basic speech processing	It can deploy complex AI models locally, including tasks such as multi-stream video analysis, target detection, multimodal perception fusion
<b>Computing power</b>		<8 TOPs	≥8 TOPs

Source: Frost & Sullivan

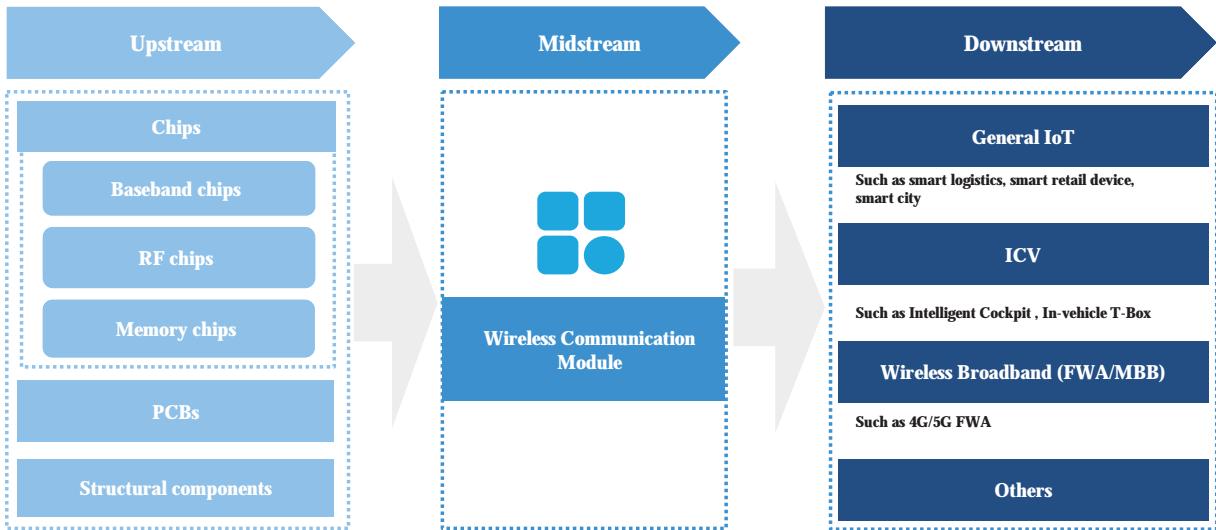
### 2.2 Wireless Communication Module Industry Value Chain

The wireless communication module industry chain comprises three segments: upstream dominated by core components such as baseband chips and RF chips, primarily supplied by chipmakers and component vendors; midstream providing standardized module designs and customized solutions, led by module suppliers specializing in hardware and software integration; downstream connecting to end-application scenarios including general IoT, ICV, wireless broadband, and robotics.

# INDUSTRY OVERVIEW

Positioned in the midstream of the value chain, wireless communication modules serve as the vital link between upstream chips and downstream application scenarios. Their core function is to integrate various key components, such as baseband chips, RF devices, antennas, and memory, through hardware and software integration, and encapsulate them into standardized or customized module products that deliver stable and high-performance wireless communication capabilities, making it easier for downstream terminal manufacturers to quickly deploy them in various smart devices. Wireless communication modules not only perform the important functions of technical integration and system adaptation, but also serve as a critical enabler for the large-scale deployment of advanced communication technologies such as 5G and IoT.

As downstream customers' requirements for product intelligence, customization, and integration continue to rise, wireless communication module enterprises not only need to provide connectivity capabilities but also possess comprehensive technical capabilities such as system integration, heterogeneous computing power deployment, and software adaptation. The locus of value creation is gradually shifting from upstream standard chip suppliers to midstream module manufacturers, with modules becoming a key hub for facilitating collaborative innovation between upstream and downstream players and driving application implementation.

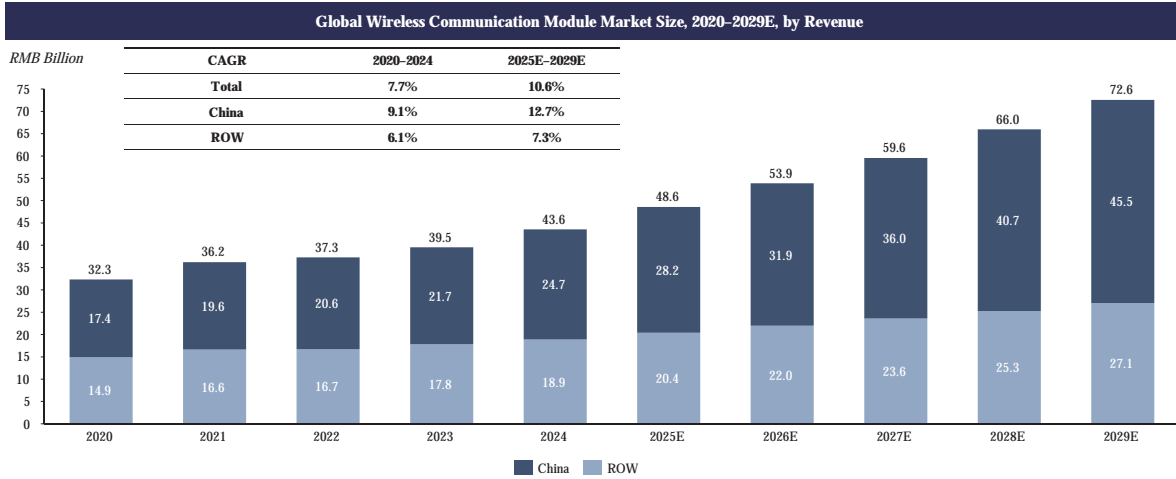


Source: Frost & Sullivan

# INDUSTRY OVERVIEW

## 2.3 Global Wireless Communication Module Market Size, by Region, 2020-2029E

The global wireless communication module market has witnessed rapid growth, expanding from RMB32.3 billion in 2020 to RMB43.6 billion in 2024, with a CAGR of 7.7%. From a regional perspective, China’s market size has surpassed that of the rest of the world, growing from RMB17.4 billion in 2020 to RMB24.7 billion in 2024, achieving a CAGR of 9.1% during the period. The global high-tech industry’s accelerated growth has driven the wireless communication module market to expand continuously. Rising customer demand for highly customized and higher-value-added solutions has pushed wireless communication module companies to develop more technology-intensive products for higher profits. The global market is expected to experience accelerated growth. From 2025 to 2029, it is expected to grow at a CAGR of 10.6%, reaching RMB72.6 billion by 2029, exceeding its historical growth rate. Meanwhile, Chinese enterprises’ leading position in manufacturing has resulted in China’s demand for wireless communication modules to exceed the global average. China is projected to achieve a CAGR of 12.7% during the same period, surpassing other regions. By 2029, its market size is expected to reach RMB45.5 billion.



Source: Frost & Sullivan

## 2.4 Global and China's Wireless Communication Module Market Size by Type, 2020-2029E

By wireless communication module type, the market size for data transmission modules increased from RMB26.6 billion in 2020 to RMB34.6 billion in 2024, representing a CAGR of 6.7%. Given the anticipated growth in downstream demand, the data transmission module market is projected to accelerate, growing from RMB37.4 billion in 2025 to RMB50 billion in 2029, representing a CAGR of 7.5%. Driven by the rapid adoption of lightweight smart module applications like digital payment and smart home, the global regular smart modules market is expected to increase from RMB6.3 billion in 2025 to RMB11.1 billion in 2029, representing a CAGR of 15.1%. However, with the rapid deployment of high-complexity AI tasks such as large models, video structuring and local generation at the edge, industry demands for module computing-power have significantly increased. This has led to a shift of some applications from regular smart modules to high-computing-power smart modules, leading to a migration of the growth potential of smart modules more towards high-computing-power smart modules. For instance, in the field of ICVs, T-Box units that previously required only basic connectivity are now expected to support advanced functions such as real-time voice interaction, high-definition streaming, pushing automakers to replace regular smart modules with high-computing power smart modules. In comparison, the high-computing-power smart module market increased from RMB1.4 billion in 2020 to RMB3.5 billion in 2024, representing a CAGR of 29.2%. It is projected to expand from RMB4.9 billion in 2025 to RMB11.5 billion in 2029, representing a CAGR of 23.9%, due to the surge in high-computing-power applications in the AI field.

In line with the global trend, China’s wireless communication modules market has grown steadily across data transmission, regular smart modules and high-computing-power smart modules, supported by the migration from 4G to 5G, the adoption of RedCap, the rise of AI-enabled applications, as well as favorable policies, a complete industry chain.

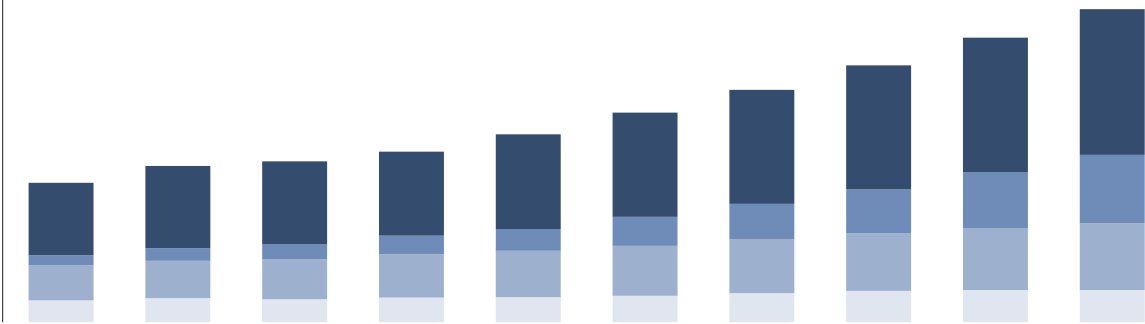
By segment, the market size for data transmission modules increased from RMB14.4 billion in 2020 to RMB19.3 billion in 2024, representing a CAGR of 7.7% during 2020 to 2024, and is expected to further expand to RMB28.7 billion by 2029 with a CAGR of 8.1% during 2025 to 2029. The market for regular smart modules grew from RMB2.5 billion in 2020 to RMB3.2 billion in 2024, recording a CAGR of 6.3% during 2020 to 2024, and is forecasted to reach RMB8.3 billion by 2029 with a CAGR of 19.6% during 2025 to 2029. The high-computing-power smart modules market expanded rapidly from RMB0.5 billion in 2020 to RMB2.2 billion in 2024, achieving a CAGR of 38.1% during 2020 to 2024, and is projected to reach RMB8.5 billion by 2029 with a CAGR of 28.9% during 2025 to 2029.

China’s Wireless Communication Modules Market Size (by Module Type), 2020–2029E, by Revenue

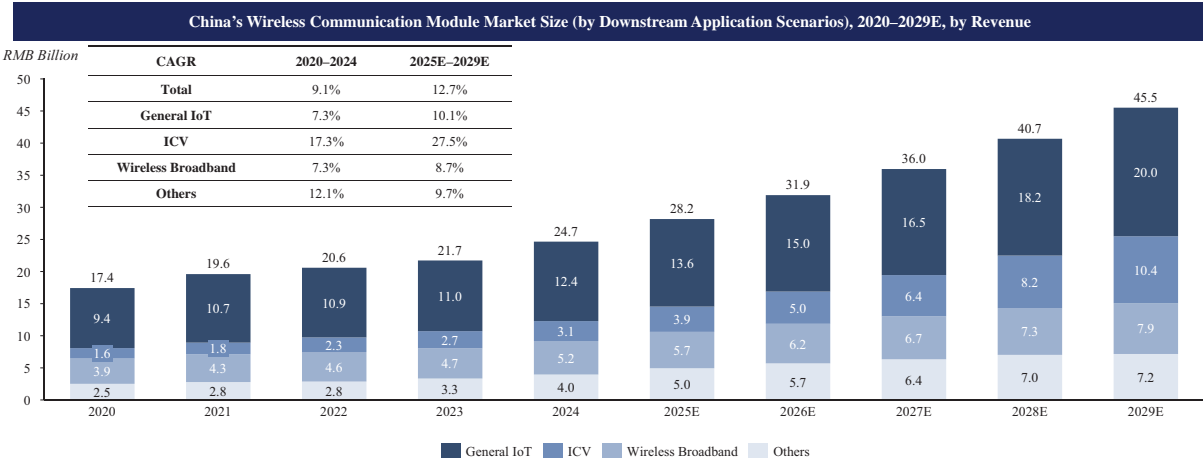


technologies, particularly the proliferation of in-vehicle infotainment, demand for wireless communication modules will surge significantly to support high-speed data transmission, low-latency communication, and multi-device coordination. The market size for wireless communication modules in intelligent connected vehicle scenarios grew from RMB2.3 billion in 2020 to RMB5.0 billion in 2024, representing a CAGR of 21.3%. As the penetration rate of ICV in the existing vehicle market continues to rise, the demand for wireless communication modules in ICV will expand simultaneously. It is expected that market growth in the ICV sector will continue to accelerate, increasing from RMB6.7 billion in 2025 to RMB15.9 billion in 2029, representing a CAGR of 24.0%. Meanwhile, with the accelerated deployment of FWA/MBB in household broadband substitution and enterprise wireless access, the demand for high-performance, multi-standard integrated wireless communication modules in wireless broadband continues to grow. It is expected that the market size of the wireless broadband sector will grow from RMB11.6 billion in 2025 to RMB15.5 billion in 2029, representing a CAGR of 7.5%.

Global Wireless Communication Module Market Size (by Downstream Application Scenarios), 2020–2029E, by Revenue



2020 to RMB5.2 billion in 2024, representing a CAGR of 7.3% during 2020 to 2024, and is forecasted to reach RMB7.9 billion by 2029 with a CAGR of 8.7% during 2025 to 2029, with the overall growth trend being consistent with the global market.



Source: Frost & Sullivan

## 2.6 Price and supply chain of wireless communication module

The key cost components of wireless communication modules mainly include memory chips, SoCs, RF chips, PCBs and PMICs.

- Memory chip**: The market for memory chips is known for its cyclical and often sharp price fluctuations. For example, price of memory chips experienced a period of price declines in 2022 and 2023 due to market overcapacity and weak consumer demand, and began to rebound in 2024 and 2025, driven by factors including surging demand for AI servers and production cuts by major manufacturers. Prices are expected to trend upward in the near term on tight supply for mainstream products.
- SoC**: Adjusted downward in 2023 but remained at a relatively high level through 2024.

- **PMIC** : Prices normalized in 2023 and stabilized in 2024. Prices are expected to remain broadly stable, underpinned by structural demand from automotive and industrial applications.

## 2.7 Deployment of 5G-A and 5G RedCap

**5G RedCap and 5G-A** are driving acceleration in the deployment of wireless communication modules. 5G RedCap is a lightweight 5G standard designed for medium-speed IoT scenarios. By addressing the high power consumption, cost, and size of traditional 5G modules, RedCap lowers deployment barriers and accelerates the shift from 4G to 5G in cost-sensitive applications. Compared with conventional 5G modules, RedCap retains essential performance while streamlining RF and protocol design, enhancing cost-efficiency. It is now widely adopted in use cases such as logistics tracking and smart wearables, supporting broader 5G-A adoption across the IoT ecosystem. 5G-A drives the performance frontier of 5G networks and paves the way toward 6G. In parallel, 5G RedCap offers a cost-effective, lightweight 5G option for medium-speed IoT applications. By simplifying hardware and reducing power consumption, RedCap lowers the barriers to 5G adoption in scenarios like logistics tracking and smart wearables. 5G-A and RedCap enable wireless modules to meet diverse performance and cost requirements, speeding up the industry-wide shift from 4G to 5G.

**ICV** has become a key application scenario for 5G communication modules. The sector of ICV is one of the application scenarios with the fastest penetration and best development of 5G communication modules. In 2024, the shipment volume of 5G in-vehicle modules in the ICV related sector reached approximately 2.51 million units. With the continuous evolution of the increasing demand for low-latency and high-bandwidth communication capabilities, the shipment volume of this market is expected to reach approximately 5.27 million units by 2029, representing a CAGR of 16%.

**Module** is evolving toward a more integrated architecture: Wireless communication modules are shifting from traditional connectivity — focused components to integrated intelligent components that combine communication, computing, and management. On one hand, module products are gradually introducing capabilities such as local processing, data

### **3 GLOBAL DATA TRANSMISSION MODULE, SMART MODULE AND HIGH-COMPUTING-POWER MODULE MARKET OVERVIEW**

#### **3.1 An Overview of Data Transmission Module**

Data transmission modules primarily provide stable connectivity for terminal devices across

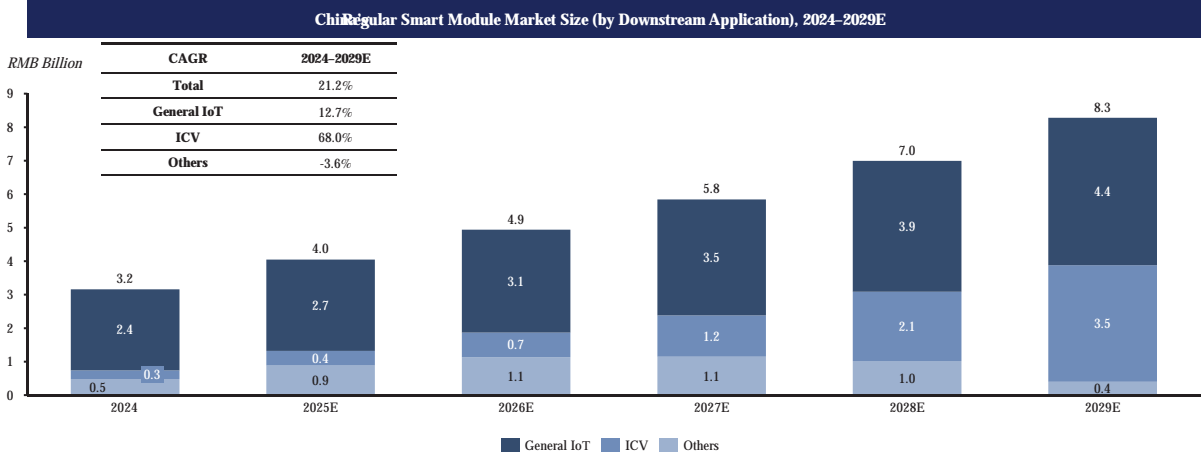


### 3.3 A Family of Real-time Smart Module

With the rapid expansion of general IoT device deployment, regular smart module has been widely adopted in real-time and cost-sensitive scenarios such as smart gateways and wearable devices, leveraging their balance of connectivity and edge processing capabilities. Their openness and customizability make them the first-order module devices

# INDUSTRY OVERVIEW

In line with global trends, General IoT and ICV are also the primary drivers of the regular smart module market in China. The General IoT segment is expected to grow from RMB2.4 billion in 2024 to RMB4.4 billion in 2029, representing a CAGR of 12.7%, supported by the continuous expansion of China’s IoT industry and large-scale deployment of diversified application scenarios. The ICV segment is projected to expand from RMB0.3 billion in 2024 to RMB3.5 billion in 2029, representing a CAGR of 68.0%, reflecting the rapid adoption of intelligent cockpit functions and edge-computing modules.



Source: Frost & Sullivan

### 3.5 A <sup>y</sup> . . . f H<sub>B</sub> -C. . . B-P we S a M d e Ma e

Facing complex AI application requirements such as semantic understanding, image structuring, and natural language processing, high-computing-power smart modules, relying on AI computing power exceeding or equal to 8 TOPS, have become key carriers for realizing terminal side intelligence in emerging scenarios like in-vehicle terminals and robots. As technologies such as generative AI and edge large models further drive the sinking of computing power, high-computing-power smart module are driving the smart module market to expand into more cutting-edge fields.

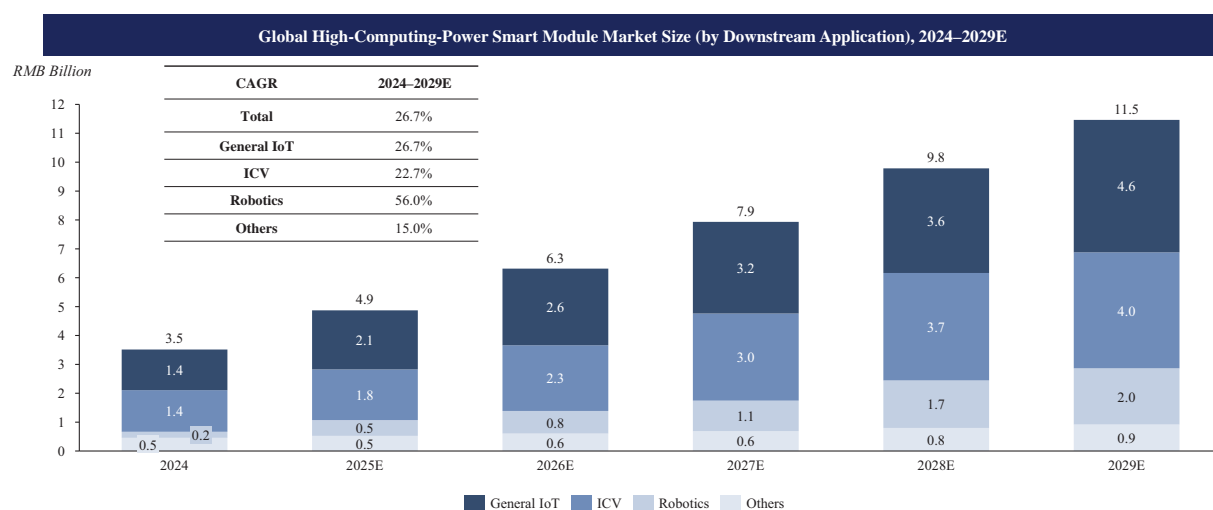
### 3.6 G ba a d C . . a’ Ma e S e A <sup>y</sup> . . . f H<sub>B</sub> -C. . . B-P we S a M d e b<sup>y</sup> D w . ea A<sub>pp</sub> ca . . , 2024-2029E

From the perspective of the downstream application structure of high-computing-power smart modules, general IoT and intelligent connected vehicles currently serve as the primary application domains and contribute the most to the high-computing-power smart module market. Specifically, benefiting from the accelerated advancement of edge intelligence and terminal device upgrades, the market for high-computing-power smart module applied in the general IoT industry is expected

## INDUSTRY OVERVIEW

to grow from RMB1.4 billion in 2024 to RMB4.6 billion in 2029, representing a CAGR of 26.7%. The market size of high-computing-power smart modules for this sector will increase from RMB1.4 billion in 2024 to RMB4.0 billion in 2029, representing a CAGR of 22.7%.

In addition, as emerging application directions with long-term growth potential, robotics are expected to achieve rapid development with the release of demands for smart unmanned systems and multi-modal perception. The market size of high-computing-power smart module for robotics is expected to increase from RMB0.2 billion in 2024 to RMB2.0 billion in 2029, representing a CAGR of 56.0%.



\* Driven by the rapid development of embodied intelligence, robotics has become a key application scenario for high-computing-power smart modules

Source: Frost & Sullivan

In line with global trends, General IoT, ICV and robotics are the primary application domains for high-computing-power smart modules in China. The General IoT segment is expected to grow from RMB0.9 billion in 2024 to RMB3.4 billion in 2029, representing a CAGR of 31.1%, driven by the large-scale deployment of IoT devices in China and the increasing demand for computing power arising from the integration of AI into IoT applications. The ICV segment is projected to expand from RMB0.9 billion in 2024 to RMB3.1 billion in 2029, representing a CAGR of 27.8%. The robotics segment is forecasted to grow from RMB0.2 billion in 2024 to RMB1.3 billion in 2029, representing a CAGR of 52.5%, reflecting robust momentum as China accelerates the adoption of unmanned systems and robots.

China's High-Computing-Power Smart Module Market Size (by Downstream Application), 2024-2029E

RMB Billion



**4 MARKET COMPETITION ANALYSIS**

**4.1 Summary of the Global Wireless Communication Module Competitive Landscape**

The global wireless communication module industry is relatively concentrated in terms of market share. Although leading enterprises dominate in terms of scale and revenue, the diversity of enterprises at various levels ensures continuous technological progress and a vibrant competitive environment. In 2024, the competitive landscape in global wireless communication module market was relatively concentrated, with the five largest manufacturers accounting for 76.8% of the market share in total.

**4.2 Ranking of Global Wireless Communication Module Major**

The wireless communication module industry has high requirements for modular design, software-hardware collaborative development, and large-scale manufacturing capabilities, resulting in a high degree of market concentration. In terms of 2024 global revenue of wireless communication module business, our Company ranks fourth, accounting for 6.4% of the global market share. The following table sets forth the 2024 global ranking of wireless communication module providers by revenue from wireless communication module:

Ranking	Company	Revenue (RMB Billion)	
1	Company A	18.6	42.7%
2	Company B	7.0	16.1%
3	Company C	3.0	6.9%
4	The Company	2.8	6.4%
5	Company D	2.1	4.8%
	Others	10.1	23.1%
	Total	43.6	100%

### 4.3 **Ra... G... ba 5G I... e... e M... d... e M... e**

ICV have emerged as one of the representative scenarios driving the accelerated

#### 4.4 Research on High-Computing-Power Smart Modules

High-computing-power smart modules, as a key carrier for the deployment of AI at the edge, are emerging as the core bridge connecting computing-power, algorithms, and industrial applications, characterized by both advanced technological sophistication and high commercial value. High-computing-power smart modules have stringent requirements for heterogeneous computing architecture design, software-hardware collaborative optimization, and system-level integration capabilities. They also require deep adaptation and algorithm co-debugging for diverse industry-power in

Ranking in Global Wireless Module Market, by Revenue from Data Transmission Module Business, 2024			
Ranking	Company	Revenue (RMB100 Million)	Market Share (%)
1	Company A	165.0	47.7%
2	Company B	30.5	8.8%
3	Company C	19.5	5.6%
4	Company D	15.0	4.3%
5	<b>The Company</b>	9.6	2.8%
	<b>Others</b>	106.4	30.8%
	<b>Total</b>	346.0	100.0%

#### 4.6 Ranking in Global Regular Smart Module Market

In terms of revenue from the regular smart module business, our Company ranks third globally, with revenue of RMB830 million, accounting for 15.1% of the global market share. The following table sets forth the 2024 global ranking of regular smart module providers in terms of revenue from the regular smart module business.

Ranking	Company	Revenue (RMB100 Million)	Market Share (%)
1	Company A	30.9	56.2%
2	Company B	9.8	17.8%
3	<b>The Company</b>	8.3	15.1%
4	Company C	6.0	10.9%
	<b>Total</b>	55.0	100.0%

- (2) Company B is a listed company, founded in 1999 and headquartered in Shenzhen, China. It is a specialized provider of IoT communication solutions and wireless communication modules, delivering modules and solutions across multiple sectors, including connected vehicle intelligent security, smart cities, and smart homes.
- (3) Company C is a private company, founded in 2005 and headquartered in Beijing, China. It operates in the telecommunications sector, focusing on the development and provision of communication technologies and solutions.
- (4) Company D is a listed company, founded in 1997 and headquartered in Beijing, China. It is one of the world's largest mobile network operator, providing mobile voice and multimedia services through its nationwide mobile telecommunications network across China.

**4.5 Major Entry Barriers**

**Customer Stickiness** High-computing-power smart module are often deeply embedded in the whole machine systems of downstream customers and are highly integrated with operating systems, application layers, peripheral components. In the initial development stage, multiple processes such as communication protocol adaptation, software-hardware joint debugging, and scenario-based deployment is required to be completed. Once a cooperation is established, subsequent updates and iterations are mostly carried out on the original platform. The replacement cost is high, resulting in strong customer stickiness. Therefore, module manufacturers with the ability of software-hardware collaborative development and a rapid customized response mechanism are more likely to provide customized services to downstream customers and establish stable cooperative relationships in different scenarios, thus having a greater advantage in continuously acquiring customers.

**Technical Barriers** High-computing-power smart module involves complex technical systems such as SoC platform development, heterogeneous computing scheduling, in-depth customization of Android/Linux, AI engine integration, and power consumption control, which is required to have the ability of hardware structure design, system-level optimization, and AI algorithm adaptation simultaneously. Technical capabilities are not limited to hardware but are reflected in the ability to provide overall solutions across chip platforms, operating systems, and industry requirements.

**Capital Barriers** The research and development of smart module, especially high-computing-power products, highly depends on long-term and stable capital investment. It covers multiple high-cost aspects such as chip platform connection,

## APPLICABLE LAWS AND REGULATIONS TO OUR BUSINESS IN THE PRC

### Regulations on Telecommunications Equipment Access to the Network

According to Measures for the Administration of Telecommunications Equipment Access to the Network (《電信設備進網管理辦法》), which was last amended by Ministry of Industry and Information Technology (the “MIIT

.”

Regulation No. 344.9(T)73.9. a. Ed. 2013.

According to the Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) issued by the State Council on September 25, 2000, revised on February 6, 2016, and effective on the same day, the State shall implement a network connection licensing system for telecommunications terminal equipment, radio telecommunications equipment, and interconnection-related equipment. Telecommunications terminal equipment, radio telecommunications equipment, and interconnection-related equipment accessing a public telecommunications network shall comply with the standards stipulated by the State and obtain a network connection permit. Telecommunications equipment manufacturing enterprises shall guarantee the quality and reliability of telecommunications equipment which has obtained a network connection permit and shall not lower product quality or performance. Selling telecommunications terminal equipment which does not carry a network connection permit shall be ordered by the telecommunications administration authority.



---

## REGULATORY OVERVIEW

---

Subcommittee and relevant organizations to intensify their efforts in developing standards in key areas such as functional safety, cybersecurity, operating systems, and promote the dissemination and implementation of critical standards.

The “On-board Wireless Communication Terminal” (《車載無線通訊終端》) (GB/T43187-2023) is a national recommended standard that stipulates the technical requirements for on-board wireless communication terminals. It also outlines the testing methods and inspection rules for these terminals, providing detailed specifications for various aspects such as communication performance, electromagnetic compatibility (EMC), environmental adaptability, and durability.

Additionally, on August 23, 2024, the state also released national recommended standards such as “Terminology and Definitions for Intelligent and Connected Vehicles” (《智慧網聯汽車術語和定義》) (GB/T 44373-2024) with the aim of defining the terminology and definitions related to the basic fundamentals, key technologies, system components, and functional applications of intelligent and connected vehicles.

### ReB a ... Re a ... B . C . p . a ... a d F . e B I . e e

The establishment, operation and management of corporate entities in the PRC is governed by the Company Law of the PRC (《中華人民共和國公司法》), which was promulgated by the Standing Committee of the National People’s Congress of the PRC (the “SCNPC”) on December 29, 1993 and came into effect on July 1, 1994, and was last amended on December 29, 2023 and became effect on July 1, 2024. The Company Law of the PRC generally governs two types of companies, namely limited liability companies and joint stock limited companies. Both types of companies have the status of legal persons, and the liability of shareholders of a limited liability company or a joint stock limited company is limited to the amount of registered capital they have contributed. The Company Law of the PRC shall also apply to foreign invested companies in form of limited liability company or joint stock limited company. Where laws on foreign investment have other stipulations, such stipulations shall prevail.

On January 1, 2020, the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “FIL”) and the Regulations on the Implementation of the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) became effective and simultaneously replaced the trio of prior laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合資經營企業法》), the Sino-foreign Cooperative Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合作經營企業法》) and the Wholly Foreign-invested Enterprise Law of the PRC (《中華人民共和國外資企業法》), together with their implementation rules and ancillary regulations. The FIL defines foreign investment and establishes the framework for promotion, protection and administration of foreign

investment activities. On December 30, 2019, the Ministry of Commerce of the PRC (the “**MOFCOM**”) and the State Administration for Market Regulation (the “**SAMR**”) jointly promulgated the Measures for Reporting of Information on Foreign Investment (《外商投資信息報告辦法》), which came into effect on January 1, 2020 and pursuant to which, foreign investors shall submit an initial or change report through the Enterprise Registration System when establishing foreign-invested enterprises or acquiring equity in non-foreign-invested enterprises and for any subsequent changes.

Pursuant to the FIL, China has adopted a system of national treatment which includes a negative list with respect to foreign investment administration. The negative list will be issued by, amended or released upon approval by the State Council, from time to time. The negative list will set forth industries in which foreign investments are prohibited and industries in which foreign investments are restricted. Foreign investment in prohibited industries is not allowed, while foreign investment in restricted industries must satisfy certain conditions stipulated in the negative list. Foreign investments and domestic investments in industries outside the scope of the prohibited industries and restricted industries stipulated in the negative list will be treated equally. The Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》)(the “**Negative List**”), which were promulgated by the National Development and Reform Commission (the “**NDRC**”) and the MOFCOM on September 6, 2024 and became effective on November 1, 2024 and the Catalog of Industries for Encouraging Foreign Investment (2025 Version) (《鼓勵外商投資產業目錄(2025年版)》) (the “**Encouraging Catalog**”), which was promulgated by the NDRC and the MOFCOM on December 15, 2025 and became effective on February 1, 2026, listed the categories of encouraged,

---

## REGULATORY OVERVIEW

---

According to the Administrative Provisions of the Customs of the PRC on Record-Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) issued by the General Administration of Customs of the PRC (the “GACC”) on November 19, 2021 and effective from January 1, 2022, the consignees or consignors of imported and exported goods and the customs clearing enterprise that apply for the filing of records with the customs shall obtain the status of a market entity; where the consignees or consignors of imported and exported goods apply for the filing of records with the customs, the filing of foreign trade dealers shall also be completed.

According to the Announcement on Fully Including the Filing of Customs Declaration Entities in the Reform of “Integrating Multiple Certificates into One” (《關於報關單位備案全面納入“多證合一”改革的公告》) jointly issued by the GACC and the SAMR on December 20, 2021 and effective from January 1, 2022, where an applicant intends to be filed as a customs declaration entity when undergoing the registration formalities as a market entity with the market regulation authorities, it shall tick the box of filing as a customs declaration entity as required and fill in the relevant information for filing. The market regulation authorities will then complete the registration pursuant to procedures of “Integrating Multiple Certificates into One” and share the relevant information with the GACC on the SAMR level. Such applicants are no longer required to submit applications for filing as a customs declaration entity to the customs. In addition, the Decision of the SCNPC on revising the Foreign Trade Law of the PRC (全國人民代表大會常務委員會關於修改《中華人民共和國對外貿易法》的決定) issued by the SCNPC on December 30, 2022 deleted the requirements on the foreign trade dealers engaged in the import and export of goods or technologies to be registered with the competent administrative departments of foreign trade of the State Council or any institutions authorized thereby, namely the filing of foreign trade dealers.

Pursuant to the Regulations on the Administration of Import and Export of Goods of the PRC (《中華人民共和國貨物進出口管理條例》) promulgated by the State Council on December 10, 2001 and last amended on March 10, 2024, which came into effect on May 1, 2024, enterprises engaged in the trade activities of importing goods into the territory of the PRC or exporting goods outside of the PRC must comply with the Regulations on the Administration of Import and Export of Goods. Goods whose import or export is prohibited shall not be imported or exported; goods whose import or export is restricted shall be subject to a licensing or quota system; and goods whose import or export is free shall not be subject to restriction. The consignee of imported goods or the consignor of exported goods shall submit an automatic import and export license, an import and export license or a quota certificate to the customs for customs clearance.

---

## REGULATORY OVERVIEW

---

### Regulation on Production Safety

Pursuant to the Production Safety Law of the PRC (《中華人民共和國安全生產法》), or the Production Safety Law, promulgated by the SCNPC on June 29, 2002 and implemented on November 1, 2002, and last revised on June 10, 2021, entities engaged in production and business activities in Chinese mainland shall comply with the Production Safety Law and other laws and regulations related to production safety. Entities shall strengthen the management, establish and improve responsibility systems and polices, improve conditions, strengthen the standardized and information technology development of work safety and improve the production level to ensure their production safety. The primary persons in charge of the production and operation entities are fully responsible for the production safety of their entities. Violation of the Production Safety Law may result in imposition of fines and penalties, suspension of operation, an order to cease operation, or even criminal liability in severe cases.

### Regulation on Product Quality

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) enacted by the SCNPC on February 22, 1993, and most recently amended and implemented on December 29, 2018, producers shall be responsible for the quality of their products. The product quality shall meet the following requirements: (i) no unreasonable dangers endangering the safety of persons and property; where there are national or industry standards ensuring the health and safety of persons and property, such standards must be complied with; (ii) the product shall possess the properties it is supposed to possess, except where the product's flaws in their properties are explicitly stated; and (iii) the product shall comply with the product standards stated on the product or its packaging, and meet the quality conditions as represented in product descriptions, physical samples, etc.

### Regulation on Compulsory Product Certification

According to the Administrative Regulations on Compulsory Product Certification (《強制性產品認證管理規定》) as promulgated by the General Administration of Quality Supervision, Inspection and Quarantine of the PRC (the "QSIQ"), which has been merged into the SAMR afterwards, on July 3, 2009 and became effective on September 1, 2009 and was recently amended on September 29, 2022 and became effective on November 1, 2022 and the List of the First Batch of Products Subject to Compulsory Product Certification (《第一批實施強制性產品認證的產品目錄》) as promulgated by the QSIQ in association with the State Certification and Accreditation Administration Committee, on December 3, 2001, the SAMR is responsible for the regulation and quality certification. Telecommunication terminal equipment and information technology



---

## REGULATORY OVERVIEW

---

### PRC Law and Regulations on 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, implemented on April 1, 1985, and most recently revised on October 17, 2020, with implementation from June 1, 2021. The Detailed Rules for the Implementation of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) were issued by the State Council on June 15, 2001, implemented on July 1, 2001, and most recently revised on December 11, 2023, with implementation from January 20, 2024. According to these laws, regulations and detailed rules, patents in China are categorized into three types: invention patents, utility model patents and design patents. The term of an invention patent right is 20 years, the term of a utility model patent is 10 years, and the term of a design patent is 15 years, all of which are calculated from the filing date. Any entity or individual that exploits another's patent must conclude a licensing agreement with the patent holder and pay royalties. Exploiting a patent without the permission of the patent holder constitutes an infringement of their patent rights.

#### *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, implemented on March 1, 1983, and most recently revised on April 23, 2019, with implementation from November 1, 2019. The Regulations for the Implementation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) were issued by the State Council on August 3, 2002, implemented on September 15, 2002, and most recently revised on April 29, 2014, with implementation from May 1, 2014. According to these laws and regulations, the validity period of a registered trademark is 10 years from the date of approval. To continue using a trademark upon the expiry of its validity, renewal procedures must be completed in accordance with the provisions within the 12 months preceding expiration. If renewal procedures are not completed within this period, a six-month extension is allowed. Each renewal extends the validity period for 10 years, starting from the day following the expiration of the last validity period. Trademark registrants may authorize others to use their registered trademarks by signing trademark licensing agreements.

#### *Layout-Designs of Integrated Circuits*

The Regulations on the Protection of Layout-Designs of Integrated Circuits (《集成電路佈圖設計保護條例》) were issued by the State Council on April 2, 2001, and implemented on October 1, 2001. According to these regulations, natural persons, legal persons or other organizations in China who create layout-designs have exclusive rights to their designs. Foreign persons whose layout-designs are first commercially exploited within the territory of China are also entitled to

exclusive rights to their designs. The protection term for the exclusive right of a layout-design is 10 years, calculated from the date of the design registration application or the first date of commercial use anywhere in the world, whichever is earlier. However, a layout-design is no longer protected under these regulations 15 years after its creation, regardless of registration or commercial use.

employment, labor contracts, working hours, rest and leave, wages, labor safety and hygiene, special protection for female and minor workers, vocational training, social insurance and welfare, labor disputes, supervision and inspection, as well as legal liabilities.

The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) was issued by the SCNPC on June 29, 2007, implemented on January 1, 2008, and most recently revised on December 28, 2012, with the revision taking effect on July 1, 2013. The Implementation Regulation of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) were issued and implemented by the State Council on September 18, 2008. According to the aforementioned law and regulation, a written labor contract shall be established when forming a labor relationship. Employers shall not force employees to work overtime and must pay overtime wages according to national regulations if overtime is arranged. Wages must not be lower than the

### *Housing Provident Fund*

Pursuant to the Regulations on Administration of Housing Provident Fund (《住房公積金管理條例》), which was promulgated on April 3, 1999 and last revised on March 24, 2019, employers in Chinese mainland shall provide their employees with housing provident fund. Employers who fail to contribute to the above housing provident funds may be ordered to make full payment within a prescribed time period by the housing provident fund management center. If an employer fails to make the payment towards the housing provident funds within a prescribed time limit, an application may be made to a people's court for enforcement.

### *Regulations on Overseas Investment*

According to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and implemented on March 1, 2018, investors engaging in overseas investment are required to complete formalities for the confirmation or recordation, among others, of an overseas investment project, report the relevant information, and cooperate in supervisory inspection.

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) promulgated by the MOFCOM on March 16, 2009, lastly amended on September 6, 2014 and implemented on October 6, 2014, “overseas investment” means the acts of an enterprise legally formed in China to own a non-financial enterprise or obtain the ownership, control, or right of business management of or any other interest in an existing non-financial enterprise outside of China by formation, acquisition or merger, or other means. The MOFCOM and the provincial counterparts promulgate regulations providing that overseas investment of enterprises to be subject to recordation or confirmation management, depending on the actual circumstances of investment. Overseas investment involving any sensitive country or region

partially repealed on December 30, 2019, stipulates that, upon obtaining the approval for overseas investment, the overseas direct investment of PRC enterprises shall apply for foreign exchange registration to the banks at their places of registration.

#### **Repealed Foreign Exchange**

Pursuant to the Foreign Exchange Administrative 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, effective on April 1, 1996

---

## REGULATORY OVERVIEW

---

December 4, 2023, the foreign exchange receipts under capital accounts of domestic institutions are subject to discretionary settlement policies. The foreign exchange receipts under capital accounts (including foreign exchange capital, foreign debts, and repatriated funds raised through overseas listing) subject to discretionary settlement as expressly prescribed in the relevant policies may be settled with banks according to the actual need of the domestic institutions for business operation. Domestic institutions may, at their discretion, settle up to 100% of foreign exchange receipts under capital accounts for the time being. SAFE may adjust the above proportion in due time according to the balance of payments. While eligible for the discretionary settlement of foreign exchange receipts under capital accounts, domestic institutions may also opt to use their foreign exchange receipts according to the payment-based settlement system. A bank shall, in handling each transaction of foreign exchange settlement for a domestic institution according to the principle of payment-based settlement, review the authenticity and compliance of the use of the funds settled in the previous foreign exchange settlement (including discretionary settlement and payment-based settlement) of such domestic institution. Domestic institutions' foreign exchange receipts under the capital account and the Renminbi funds obtained from the settlement thereof shall not, directly or indirectly, be used for expenditure beyond the enterprise's business scope or expenditure prohibited by laws and regulations of the state. Unless otherwise specified, the funds shall not, directly or indirectly, be used for investments in securities or other investments or wealth management other than banks' principal-secured products. The funds shall not be used for the granting of loans to non-affiliated enterprises, except where it is expressly permitted in the business scope. The funds shall not be used for the construction or purchase of real estate for purposes other than self-use (except for real estate enterprises).

According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business by the State Administration of Foreign Exchange (《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》) issued by SAFE on April 10, 2020, eligible enterprises are allowed to make domestic payments by using receipts under capital accounts, such as their capital funds, foreign credits and the income from overseas listing, with no need to provide the evidentiary materials concerning authenticity on a transaction-by-transaction basis to banks in advance, provided that their capital use shall be authentic and in line with provisions, and conform to the prevailing administrative regulations on the use of receipts under capital accounts. Local foreign exchange authorities shall strengthen monitoring analysis and interim and post regulation.

*Enterprise Income Tax*

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “EIT Law”) which was promulgated on March 16, 2007 and amended on February 24, 2017 and December 29, 2018, a unified income tax rate of 25% will be applied towards foreign investment and foreign enterprises which have set up institutions or facilities in the PRC as well as PRC enterprises. Under the EIT Law, enterprises established outside of China whose “de facto management bodies” are located in China are considered “resident enterprises” and will generally be subject to the unified 25% enterprise income tax rate as to their global income.

Enterprises that are recognized as high and new technology enterprises in accordance with the Administrative Measures for the Determination of High and New Tech Enterprises (《高新技術企業認定管理辦法》) issued by the Ministry of Science, the Ministry of Finance (the “MOF”) and the State Administration of Taxation are entitled to enjoy a preferential enterprise income tax rate of 15%, under which the validity period of the high and new technology enterprise qualification shall be three years from the date of issuance of the certificate. An enterprise can re-apply for such recognition as a high and new technology enterprise before or after the previous certificate expires.

*Value-added Tax*

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) amended by the State Council and became effective on November 19, 2017 and the Detailed Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》) issued by the State Administration of Taxation and became effective on November 19, 2017, the

Administration of Taxation and the GACC on March 20, 2019 and became effective on April 1, 2019, the value-added tax rates of 16% and 10% applicable to the taxpayers who have value-added tax taxable sales activities or imported goods are adjusted to 13% and 9%, respectively.

On December 25, 2024, the SCNPC promulgated the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》), which will come into effective on January 1, 2026, and replace the Provisional Regulations on Value-added Tax of the PRC. The new law reaffirms the provisions of the Provisional Regulations on Value-added Tax of the PRC and make changes in the areas of taxable acts, tax jurisdiction, deemed sales, non-taxable items, simplified taxation, withholding agents, input taxes, non-creditable input taxes, mixed sales, and input credit carry-forward and refund.

### ***Tax on Dividends***

#### *For Individual Investors*

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), or the Individual Income Tax Law, amended by the SCNPC on August 31, 2018 and effective on January 1, 2019, and the Implementation Rules of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》) amended by the State Council on December 18, 2018 and effective on January 1, 2019, dividends paid by 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 Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通告》) issued by the Ministry of Finance, the State Administration of Taxation and the China Securities Regulatory Commission (the “CSRC”) on September 7, 2015 and effective on September 8, 2015, where an individual holds the shares of a listed company obtained from the public offering for more than one year and transfers the stock of the listed company on the stock market, the dividend and bonus income shall be temporarily exempted from individual income tax. Where an individual acquires shares of a listed company from the public offering and transfers the stock of the listed company on the stock market, if the holding period is within one month (inclusive), the dividend income shall be included in the taxable income in full; if.4(t).1(axable)-4837n1lu.4(1

---

## REGULATORY OVERVIEW

---

Evasion with respect to Taxes on Income, executed 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 Fifth Protocol to the Arrangement between the Chinese mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷稅漏稅的安排》第五議定書), or the Fifth Protocol, issued by The State Administration of Taxation 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.

### *For Enterprise Investors*

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), or the EIT Law, amended by the SCNPC and effective on December 29, 2018, and the Implementation Rules of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), or the Implementation Rules of the EIT Law, last amended by the State Council on December 6, 2024 and effective on January 20, 2025, a non-resident enterprise is subject to a reduced rate of 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 in the PRC 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.

Pursuant to the Notice 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 (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the State Administration of Taxation and effective 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. The Reply on the Collection of Enterprise Income Tax on Dividends Received by Non-resident Enterprises from Holding B Shares and Other Shares (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》) promulgated by the State Administration of Taxation and effective on July 24, 2009 further provides that PRC-resident

enterprises listed on Chinese and overseas stock exchanges by issuing stocks (including A shares, B shares and overseas shares) must withhold enterprise income tax at a flat rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprise shareholders. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has concluded

### *For Enterprise Investors*

Under the EIT Law and its implementation rules, a non-PRC resident enterprise is subject to enterprise income tax at the rate of 10% with respect to PRC-sourced income, including gains derived from the disposal of shares in a PRC resident enterprise, if it does not have an establishment or premises in the PRC or has an establishment or premises in the PRC but the PRC-sourced income is not actually connected with such establishment or premises in the PRC. The aforementioned income tax payable by non-PRC resident enterprises is subject to source withholding, and the payer is the withholding agent. 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 under applicable tax treaties or arrangements.

### ***Stamp Duty***

According to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》), which was promulgated on June 10, 2021 and came into effect on July 1, 2022, all entities and individuals who make taxable documents and conduct securities transactions within the territory of the PRC are the taxpayers of stamp duty and shall pay stamp duty. All entities and individuals who make taxable documents outside the territory of the PRC to be used within the territory of the PRC shall pay stamp duty. The disposal of H Shares by non-Chinese mainland investors outside of the Chinese mainland is not subject to the requirements of the Stamp Duty Law of the PRC.

### **Re: Data Security Law and Personal Information Protection Law**

On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) (the “Data Security Law”) which became effective on September 1, 2021. The Data Security Law mainly sets forth specific provisions regarding establishing basic systems for data security management, including data classification and hierarchical protection system, risk assessment system, monitoring and early warning system and emergency disposal system. In addition, it clarifies the data security protection obligations of individual carry1(i).143storits

online platform operators which affects or may affect national security, shall be subject to the cybersecurity review by the Cybersecurity Review Office, the department which is responsible for the implementation of cybersecurity review under the CAC; (ii) network platform operators with personal information of more than one million users that seek for listing in a foreign country are obliged to apply for a cybersecurity review by the Cybersecurity Review Office; and (iii) the relevant regulatory authorities may initiate cybersecurity review if such regulatory authorities determine that the issuer's network products or services, or data processing activities affect or may affect national security.

On September 30, 2024, the State Council published the Administration Regulations on Network Data Security (《網絡數據安全管理條例》) (“Data Security Regulations”), which became effective on January 1, 2025. The Data Security Regulations provides that network data processors conduct network data processing activities that affects or may possibly affect national security must conduct national security review in accordance with relevant laws and regulations. It also imposes specific requirements for network data processors that process important data. The Data Security Regulations define “important data” as “data in specific fields, specific groups, specific regions or reaching certain accuracy and scale, which if tampered with, destroyed, leaked or illegally obtained or used may directly endanger national security, economic operation, social

data, important data or a significant volume of personal information; (iii) we have not received any inquiries, notices, warnings from PRC government authorities, nor have we been subject to any investigations, sanctions or penalties made by any PRC government authorities related to national security risks caused by our business operations or the proposed Listing; and (iv) we have not been involved in any services, products or data processing activities that might pose national security risks as set forth in Article 10 of the Measures for Cybersecurity Review, and we have not been inquired about, investigated, warned or penalized by any PRC government authorities in this respect. Based on foregoing, our PRC Legal Advisor is of the view that, as of the Latest Practicable Date, the likelihood that our business operations and/or the Listing give rise to national security risks which subject us to cybersecurity review under the Measures for Cybersecurity Review is relatively low.

According to the Civil Code, personal information of an individual shall be protected by the law. Any organization or individual that needs to obtain personal information of others shall obtain such information legally and ensure the safety of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase or sell, provide or publish personal information of others. In addition, the pro(In)-458(addithacf58(personal)-458(information)-458(

---

## REGULATORY OVERVIEW

---

obligations to protect users' input information and usage records in accordance with the law, and shall not collect unnecessary personal information, or illegally retain input information or usage records that can identify a user or illegally provide users' input information or usage records to others.

On March 7, 2025, the CAC, the MIIT, the Ministry of Public Security and the National Radio and Television Administration jointly promulgated the Measures for the Labeling of AI-Generated Synthetic Content (《人工智能生成合成内容标识办法》, the “AIGC Measures”), which became effective on September 1, 2025. The AIGC Measures target Internet information service providers that utilize generative AI technologies to provide services or produce information for public dissemination, and require that all AI-generated text, images, audio, video and virtual scenes and other information be clearly identified with both explicit and implicit markings.

The Company neither provides Internet information services nor utilizes generative AI technologies to offer content generation services (such as text, images, audio, or video) to the public. Consequently, as advised by our PRC Legal Advisors, neither the Generative AI Measures nor the AIGC Measures apply to the Company's operations or products.

### Regulation of Overseas Offerings and Listing

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Enterprises (《境内企业境外发行证券和上市管理试行办法》) and relevant five guidelines (the “Overseas Listing Trial Measures”), which came into effect on March 31, 2023. According to the Overseas Listing Trial Measures, PRC domestic enterprises that seek to offer and list securities in overseas markets, either in direct or indirect means (the “Overseas Offerings and Listing”), are required to fulfill the filing procedure with the CSRC and submit filing reports, legal opinions, and other relevant documents. Subject to specific circumstances, the Overseas Listing Trial Measures require that, among other things, (i) initial public offerings or listings on overseas markets shall be filed with the CSRC within three working days after the relevant application is submitted overseas, (ii) subsequent securities offerings of an issuer on the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three working days after the offering is completed, and (iii) subsequent securities offerings or listings of an issuer on other overseas markets other than where it has offered and listed securities shall be filed with the CSRC within three working days after the relevant application is submitted overseas. If a PRC company fails to complete the filing procedure or the filing documents submitted by a PRC company contain misrepresentation, misleading statement or material omission, such PRC company may be subject to order to rectify, warnings and fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly responsible persons may also be subject to fines.

The Overseas Listing Trial Measures also set forth the issuer's reporting obligations in the event of occurrence of material events (the "Material Events") after the Overseas Offering and Listing. Upon the occurrence of any of the Material Events specified below after the Overseas Offering and Listing, the issuer shall make a detailed report to the CSRC within 3 working days after the occurrence and public announcement of the relevant event: (i) change in controlling

---

## REGULATORY OVERVIEW

---

On February 24, 2023, the CSRC together with Ministry of Finance of the PRC and National Administration of State Secrets Protection and National Archives Administration of China have promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Concerning the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), according to which, during the overseas offering and listing activities of domestic enterprises, domestic enterprises, securities companies and securities service providers providing corresponding services shall strictly abide by the relevant PRC laws and regulation as well as the requirements of the provisions, enhance legal awareness of guarding state secrets and strengthening the management of archives, establish and complete systems for confidentiality and archives work, employ necessary measures to implement the responsibility for confidentiality and archives management, and shall not divulge state secrets and work secrets of state organs, and shall not harm the interests of state and the public. If domestic enterprises provide or publicly disclose to relevant securities companies, securities service institutions, overseas regulatory agencies and other parties, or provide or publicly disclose documents and materials involving state secrets or state organ work secrets through the issuer, they shall report the matters to the competent authorities for examination and approval, and file them with the department for the administration and management of state secrets at the same level for the record.

Pursuant to the Notice on Issues Concerning the Administration of Funds for Overseas Listings of Domestic Enterprises (Draft for Comments) (《關於境內企業境外上市資金管理有關問題的通知(徵求意見稿)》) issued by the People's Bank of China and the SAFE on May 23, 2025 for public comments, domestic joint-stock limited companies that have completed the relevant filings with the CSRC and have directly issued shares overseas or issued overseas depository receipts (overseas listings) shall be subject to the provisions of this Notice. In addition to other requirements, such domestic joint-stock limited companies shall, within 30 working days after the completion of the overseas listing issuance or the over-allotment option exercise, submit relevant documents to the local bank to apply for the registration for overseas listing. In the event of any changes (such as changes in corporate information or adjustments to the equity structure), the company shall apply for the registration for changes accordingly. In addition, the funds raised by such domestic joint-stock limited companies through overseas listings shall, in principle, be repatriated to the domestic jurisdiction in a timely manner. If such funds are to be retained overseas for the purpose of engaging in overseas direct investment, overseas securities investment, overseas lending or other similar activities, the relevant business authorities' approval or filing documents shall be obtained prior to the completion of the overseas listing issuance or the over-allotment option exercise, and such activities shall comply with the relevant cross-border capital management regulations. As of the Latest Practicable Date, such Notice is released for public comments only and has not yet been finalized or implemented, and we cannot predict when or in what form it may ultimately be adopted.

---

## REGULATORY OVERVIEW

---

### 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. The Final Rule became effective on January 2, 2025.

The Final Rule applies to investments by U.S. person as to “covered transactions” involving “covered foreign person” associated with a “country of concern” in “covered activities” in three sectors pertaining to national security technologies and products: (1) semiconductors and microelectronics, (2) quantum information technologies and (3) artificial intelligence. Covered transactions under the Final Rule include a range of investment activities, such as equity acquisitions, debt financing, and joint ventures, with some transactions outright prohibited and others subject to notification requirements. Exceptions are available for specific categories of transactions, including investments in publicly traded securities under certain conditions.

We are a “person of a country of concern” as defined in the Final Rule since we are registered in China. However, After consultation with our legal advisor as to U.S. sanctions, our Directors understand that the impact of the Final Rule is generally limited and manageable because our business activities do not constitute “covered activities” in the Final Rule, as we are primarily engaged in the production of wireless communication modules, which are not covered under the specified sectors under the Final Rule.

---

## HISTORY AND CORPORATE STRUCTURE

---

### OVERVIEW

Our history can be traced back to April 2007, when our predecessor, Shenzhen Forge Electronics Co. Ltd. (深圳市方格電子有限公司), was established in the PRC. From 2007 to 2011, our Company was in its early stage of development, focusing on, among others, our research and development of precision components, expanding our sales network and enhancing our market recognition. In January 2011, we changed our name to Shenzhen Forge Precision Components Co., Ltd. (深圳市方格精密器件有限公司). In May 2015, we were converted from a limited liability company into a joint stock limited company and renamed as Shenzhen MeiG Smart Technology Co., Ltd. (深圳市美格智能技術股份有限公司). In June 2017, our A Shares were listed on the Shenzhen Stock Exchange under the stock code 002881 and our name was changed into MeiG Smart Technology Co., Ltd. (美格智能技術股份有限公司) in December 2017.

Over years, we have evolved into a globally leading provider of wireless communication modules and solutions, with a focus on smart modules, particularly high-computing-power smart modules. Mr. WANG Ping is our chairman of the Board, executive Director and our Controlling Shareholder. For details of his background and industry experience, please refer to “Directors and Senior Management” in this prospectus.

### BUSINESS MILESTONES

The following is a summary of our key business development milestones.

Year	Event
2007	We were established in Shenzhen, focusing on the research and development, production, and sales of precision components for terminal products, primarily for smartphones.
2012	We established our research and development center in Shanghai and commenced our product design and development in the field of 4G wireless communications.
2013	Our 4G wireless data terminals became one of the first to achieve mass production.
2014	We increased our investment in the research and development for 4G technology, and subsequently established R&D centers in Xi’an and Wuhan.  We launched our first-generation smart module product.
2015	We were converted into a joint stock limited company.

## HISTORY AND CORPORATE STRUCTURE

Year	Event
2017	Our A Shares were listed on Shenzhen Stock Exchange (stock code: 002881).
2019	We placed greater emphasis on our wireless communication and IoT operations and launched our 5G data transmission modules, heralding the transition from 4G to 5G technology.
2020	We launched our 5G smart module products and began the research and designing of these products for the smart cockpit sector.
2021	Our 5G smart module products have achieved mass production and became deployed in new energy vehicles for leading industry clients.
2023	We completed a private placement in the A-share market.  We launched high-computing-power smart modules with AI computing power reaching 48 TOPS and began our research on deploying large models on high-computing-power smart modules.
2024	We established a research and development center in Nantong to further strengthen our R&D resource allocation.
2025	The application of our high-computing-power smart module products expanded into emerging fields such as robotics.

### OUR MAJOR SUBSIDIARIES

The following sets out the principal business activities, place of establishment, date of establishment and commencement of business of our subsidiaries that made a material contribution to our results of operations during the Track Record Period.

Name of subsidiary	Place of establishment	Date of establishment	Equity ownership	Principal business
MeiG Zhilian . . . . .	PRC	October 15, 2018	100%	R&D and design
ZhongGe Shanghai . . . . .	PRC	March 23, 2018	100%	R&D and design
Xi'an ZhaoGe . . . . .	PRC	October 23, 2014	100%	R&D and design

## HISTORY AND CORPORATE STRUCTURE

Name of subsidiary	Place of incorporation	Date of incorporation	Equity ownership	Principal business
MeiG Investment . . . . .	PRC	December 31, 2019	100%	Investment
Forge International. . . . .	Hong Kong	December 16, 2014	100%	Sales and supply chain

As of the date of this prospectus, our Company had nine subsidiaries, all of which were wholly owned by us. For further details of these subsidiaries, please see “Corporate Structure” in this section. For changes in the registered capital of our subsidiaries, please see “Statutory and General Information — A. Further Information about Our Group — 3. Changes in the Share Capital of Our Subsidiaries” in Appendix VI to this prospectus.

### MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

#### Equity Deed and Certificate of Incorporation of a Joint Stock Company

Our Company was established on April 5, 2007, under the laws of the PRC as a limited liability company with an initial registered capital of RMB1 million, which was contributed as to 99% by Mr. WANG Guojun (王国军), the father of Mr. WANG Ping and Mr. WANG Cheng (王成) and an financial investor in the precision components industry, and 1% by Ms. CHEN Jianqi (陈建琦), a former employee. Since its inception, through years of experience in the precision components industry, the Company marched into wireless communications sector from precision components industry.

In November 2008, Ms. CHEN Jianqi transferred all of her equity interests in the Company at nominal value to Mr. ZHAO Haifeng (赵海峰), a former employee. In January 2011, the equity interests of our Company were all transferred to Mr. WANG Ping and Mr. WANG Cheng from Mr. WANG Guojun and Mr. ZHAO Haifeng, respectively. Upon the completion of the share transfer, Mr. WANG Ping and Mr. WANG Cheng held interests in our Company as to 99% and 1%, respectively.

Between May 2011 and July 2014, our Company underwent several rounds of capital increases and transfers contributed by Mr. WANG Ping and Mr. WANG Cheng either themselves directly or through ZhaoGe Investment. Upon completion, our registered capital increased to RMB70,000,000.

## HISTORY AND CORPORATE STRUCTURE

On August 19, 2014, our Company entered into a capital increase agreement with Fenghuangshan Investment, pursuant to which Fenghuangshan Investment agreed to subscribe for RMB7,348,000 of the registered capital at a consideration of RMB19 million. Fenghuangshan Investment decided to invest in our Company as it recognized our corporate value and business prospects. The consideration was determined after arm's length negotiations with reference to our net profits and net assets as of December 31, 2013. Upon completion of the capital subscription, our registered capital increased to RMB77,348,000.

On May 14, 2015, our Company was converted into a joint stock limited company. Upon completion of the conversion, our Company had a total share capital of RMB80,000,000, divided into 80,000,000 Shares. The shareholding structure of our Company immediately following our conversion into a joint stock limited company was as follows:

Shareholder	Number of Shares	Percentage
Mr. WANG Ping .....	46,336,000	57.92%
ZhaoGe Investment .....	14,480,000	18.10%
Mr. WANG Cheng .....	11,584,000	14.48%
Shenzhen Fenghuangshan Cultural Tourism Investment Co., Ltd. (深圳市鳳凰山文化旅遊投資有限公司) ("Fenghuangshan Investment") <sup>(1)</sup> .....	7,600,000	9.50%
<b>Total</b> .....	<b>80,000,000</b>	<b>100.00%</b>

*Note:*

- (1) As of the Latest Practicable Date, Fenghuangshan Investment was wholly owned by Shenzhen Fenghuang Joint-Stock Cooperative Company (深圳市鳳凰股份合作公司), a joint-stock enterprise jointly funded and operated by rural collective economic organizations or their members. To the best knowledge of the Company, each of Fenghuangshan Investment and its ultimate beneficial owners was an Independent Third Party.



products under their management. Each of them was an Independent Third Party to the best knowledge of our Directors. Except for Huatai Asset Management Co., Ltd. (華泰資產管理有限公司) and its asset management products, which collectively subscribed for approximately 1.98% of our then-enlarged total share capital, none of the other subscribers held more than 1% of our then-enlarged total share capital. We raised net proceeds of approximately RMB592.93 million from the placing, which were used for development of our 5G and AIoT communication modules, R&D center construction project, and for our general working capital. As a result of the placing, our total share capital increased to RMB260,637,954 comprising 260,637,954 A Shares. As of September 30, 2025, 45.6% of the proceeds received have been utilized.

### **S b e . q e . S a . e . d . B C a . B e**

Subsequent to the completion of the private placing of A Shares in 2023, there had been several instances of share capital changes of our Company as a result of repurchase and issuance of A Shares under our 2020 Equity Incentive Plans. Pursuant to the exercise of stock options and the repurchase and cancellation of Shares under our equity incentive plans and repurchase mandates, the total share capital of our Company reached RMB261,756,700, divided into 261,756,700 A Shares as of the Latest Practicable Date. For details of changes in share capital of our Company within the two years immediately preceding the date of this prospectus, see “Statutory and General Information — A. Further Information about Our Group — 2. Changes in the Share Capital of Our Company” in Appendix VI to this prospectus.

### **MAJOR ACQUISITIONS, DISPOSALS AND MERGERS**

During the Track Record Period and up to the Latest Practicable Date, we had not conducted any acquisitions, disposals or mergers that we consider material to us.

### **OUR A SHARE LISTING AND REASONS FOR THE H SHARE LISTING**

Since June 2017, our A Shares have been listed on the Main Board of the Shenzhen Stock Exchange. Our Directors confirmed that, and our PRC Legal Advisor is of the view that, having made all reasonable inquiries, throughout the last two T8csastcsastyearsi.e.s, for the (wo)-418.5ybears recenter 202r and 204()-856.9(and)-856.9(up)-856.9(to)-856.9((he)-856.9(Latest)-856.9(P)0(racticable)-856.9 Directors having made all reasonablenquiries, there pre material mateors ellation to compiuance bd

---

## HISTORY AND CORPORATE STRUCTURE

---

diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that would cause it to disagree with our Directors' confirmation with regard to the compliance records of the Company on the Shenzhen Stock Exchange.

We seek to list our H Shares on the Stock Exchange to raise additional capital for business growth and expansion, diversify our fundraising channels, reinforce our industry standing, enhance global brand awareness and competitiveness, and optimize our capital structure and shareholder composition to support sustainable development and governance. Please see "Business — Our Strategies" and "Future Plans and Use of Proceeds" in this prospectus for more details.

### **EQUITY INCENTIVE PLANS**

In order to incentivize our employees, we adopted the Equity Incentive Plans in June 2020 and May 2024, respectively. The 2020 Equity Incentive Plans expired in June 2024. Our 2024 Equity Incentive Plans were approved by our Shareholders on June 17, 2024, with a term of five years. For further details of our 2024 Equity Incentive Plans, please see "Statutory and General Information — D. 2024 Equity Incentive Plans" in Appendix VI to this prospectus.

### **PUBLIC FLOAT**

Rule 19A.13A(2) of the Listing Rules provides that, where a new applicant is a PRC issuer with 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, at the time of Listing, must (a) represent at least 10% of the issuer's total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK\$3,000,000,000.

Our A Shares are listed on the Shenzhen Stock Exchange. So far as our Directors are aware, immediately following the completion of the Global Offering (assuming that (i) no additional Shares are issued pursuant to our Equity Incentive Plans and (ii) the Offer Size Adjustment Option is not exercised), all 35,000,000 H Shares to be issued pursuant to the Global Offering, approximately 11.79% of our total issued Shares, will be counted towards the public float for the purpose of Rule 19A.13A(2) of the Listing Rules. Therefore, the Company believes that it will comply with the public float requirement under Rule 19A.13A(2) of the Listing Rules.

### **FREE FLOAT**

Immediately following the completion of the Global Offering (assuming that (i) no additional Shares are issued pursuant to our Equity Incentive Plans and (ii) the Offer Size Adjustment Option is not exercised), based on the maximum Offer Price of HK\$28.86 per Share, at least 5% of the total number of issued shares with an expected market value at the time of listing of not less than HK\$50,000,000 are

not subject to any disposal restrictions. Therefore, the Company believes that there will be a free and open market for its Shares immediately upon the completion of the Global Offering in compliance with the free float requirements under Rule 8.08A and Rule 19A.13C of the Listing Rules.

## **CORPORATE STRUCTURE**

### **Corporate Structure Immediately Before the Global Offering**

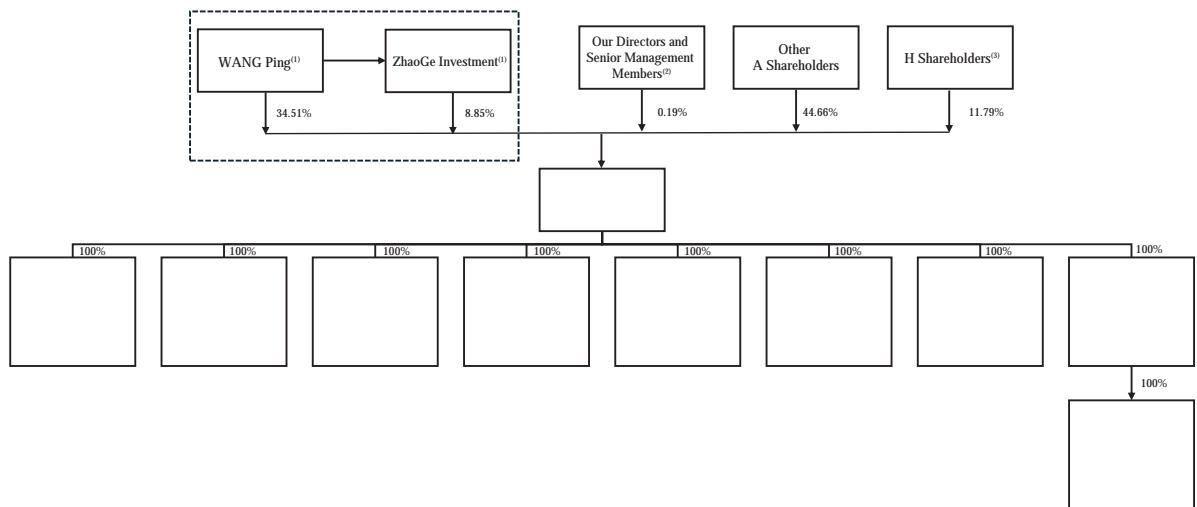
The following chart sets forth the simplified shareholding and corporate structure of our Group immediately before the Global Offering.

Investment, the general partner is responsible for day-to-day management of the partnership and can exercise the voting rights held by ZhaoGe Investment in our Company. None of the limited partners of ZhaoGe Investment had any voting arrangement or concert-party arrangement with our Controlling Shareholders.

- (2) Included 390,000 A Shares held by Mr. DU Guobin, 104,000 A Shares held by Mr. XIA Youqing, and 78,000 A Shares held by Mr. HUANG Min.
- (3) As of the Latest Practicable Date, to the best knowledge of the Company, (i) HU Peize (胡培澤), an Independent Third Party, held approximately 3.72% of the total share capital of our Company; (ii) Fenghuangshan Investment, a wholly-owned subsidiary of Shenzhen Fenghuang Joint-Stock Cooperative Company (深圳市鳳凰股份合作公司) which is a joint-stock enterprise jointly funded and operated by rural collective economic organizations or their members, held approximately 2.61% of the total share capital of our Company and was an Independent Third Party; and (iii) HKSCC, an Independent Third Party, held approximately 0.32% of the total share capital of our Company. Save for the aforementioned, the equity interests held by our remaining A Shareholders are less than 1%.

**C. Corporate Structure Immediately After the Global Offering**

The following chart sets forth the simplified shareholding and corporate structure of our Group immediately after the completion the Global Offering.



**OVERVIEW****About Us**

We are a globally leading provider of wireless communication modules and solutions, with a focus on smart modules, particularly high-computing-power smart modules. Our modules and solutions are widely applied across the general IoT, ICV and wireless broadband sectors. According to Frost & Sullivan, we ranked fourth in the global wireless communication module industry in terms of revenue from wireless communication module business in 2024, accounting for 6.4% of the global market share. According to the same source, the global wireless communication module market is highly concentrated, with the three largest players accounting for 65.7% of global market revenue in 2024 (the largest player alone holding a 42.7% market share), compared to our 6.4% market share despite ranking fourth.

Wireless communication modules are products typically equipped with communication functions designed to enable the transmission and processing of large volumes of data over long distances. Our portfolio of wireless communication modules includes:

- **Smart modules**, which are equipped with SoC processors and smart operating systems, and can be further categorized into:
  - **High-computing-power smart modules**, primarily designed to run complex algorithms and to support on-device AI applications; and
  - **Real-time smart modules**, primarily designed for smart applications such as custom software and multi-media functions.
- **Data communication modules**, primarily designed for data communication, security and high-throughput data exchange.

Leveraging our wireless communication module technologies, we develop customized solutions tailored to the specific requirements of various application sectors, addressing the diverse needs of our customers. They represent value-add beyond the provision of hardware, as they are highly integrated offerings that combine our module with a substantial layer of customized software, hardware and application-specific R&D services. This includes complex system-level software and firmware customization to enable unique features and optimize performance, as well as providing integral R&D services to co-develop and ensure the integration of the final tailored solution into the customer's specific application ecosystem. By delivering a functional subsystem or a ready-to-use end product rather than a standalone component, we solve complex integration challenges for our customers, significantly reducing their development cycles and technical risks,

---

## BUSINESS

---

thereby accelerating their time to market. During the Track Record Period, customized products and solutions for customers represented a substantial portion of our revenue, accounting for 78.4%, 84.5%, 86.3% and 90.5% of our revenue for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025.

Our wireless communication modules and solutions are widely applied across general IoT, ICV and wireless broadband sectors, and we are actively expanding into emerging on-device AI applications such as robots.

### Our Industry Leadership

We are driving and leading key industry trends in the wireless communication module industry. As the industry evolves with advancements in new technologies, we have consistently demonstrated our ability to anticipate and respond to these developments, particularly in the following aspects:

- *Transition to Smart Modules:* The industry is seeing a shift from traditional data transmission modules to smart modules amid the trend towards smart applications in various downstream sectors. We have played a leading role in driving this transition. According to Frost & Sullivan, we were the first company globally to (i) launch smart module products, when we launched our smart module products back in 2014; and (ii) achieve large-scale deployment of 5G smart modules in new energy vehicles, as our 5G smart modules were first deployed on the new energy vehicles of a leading manufacturer in China in 2021.
- *Transition to On-Device AI Application:* As AI computation gradually extends from cloud to edge and local device levels, we are at the industry forefront of offering high-computing-power smart modules, which serve as critical infrastructure to provide robust hardware and software support for various on-device AI applications. According to Frost & Sullivan, (i) we were the largest provider of high-computing-power smart modules in terms of revenue from high-computing-power smart module business in 2024, accounting for 29.0% of the global market share; (ii) we were the first company globally to develop a 48 TOPS high-computing-power smart module and to become one of the designated suppliers of such modules for leading automobile manufacturers; and (iii) in 2023, we successfully ran a text-to-image generative AI model on our high-computing-power smart modules, making us the first company globally to successfully run this kind of AI model on high-computing-power smart modules. As of the Latest Practicable Date, we had a portfolio of high-computing-power smart modules

with computing power ranging from 8 TOPS to 100 TOPS. Our high-computing-power smart modules can support the deployment and operation of on-device versions of various prevailing AI models.

- *Transition to 5G Communication:* We are one of the early movers in driving the transition from 4G to 5G in the global wireless communication module industry, supporting faster and more reliable connectivity of modules. According to Frost & Sullivan, (i) we were among the first companies globally to launch 5G data transmission module products; (ii) we were among the first companies globally to launch 5G-A and 5G RedCap module products; and (iii) in 2024, we ranked first in the industry in terms of shipment volume of 5G in-vehicle modules, accounting for 35.1% of the global market share.

## Our Major Opportunities

We believe the market development in (i) smart applications; (ii) on-device AI; and (iii) 5G communication present significant growth opportunities to us. According to Frost & Sullivan:

### *Increasing Demand for Smart Applications Across Core Industries*

The general IoT industry is transitioning its focus from traditional “connectivity” functions to smart applications, requiring higher levels of edge processing capabilities and hardware-software integration in modules. For example, in scenarios such as smart industrial systems, smart retail and smart cities, smart modules are gradually replacing traditional data transmission modules to become the core hardware supporting edge computing, data analysis and real-time decision-making.

In the ICV sector, demand for high-speed cellular connectivity and AI computing power continues to grow. Automobile manufacturers increasingly require increasingly in

becomingmp2(ontrms)]TJT\*[(of86650.5(increasing]86650.w(h)0wireless86650.[(communication86650.1(modules,866

### ***On-Device AI Driving the Growth of High-Computing-Power Smart Modules***

The wireless communication module market is transitioning from basic data transmission modules to modules that emphasize intelligence and high computing power, particularly those designed to support on-device AI applications.

As large AI models become more lightweight, generative AI is increasingly transitioning from the cloud to edge and local device levels, driving higher demand for module computing power and intelligence. High-computing-power smart modules, typically offering single-chip AI computing power of 8 TOPS or more, support mainstream AI frameworks and lightweight generative AI operations, making them well-suited as hardware infrastructure for on-device AI applications.

### ***Continued Penetration and Evolution of 5G Technology Driving Demand***

The global penetration rate of 5G technology continues to rise, driving the development of the wireless communication module market. The adoption rate of 5G in core industries such as automotive, industrial and healthcare is expected to increase, creating long-term growth opportunities for 5G-enabled module products.

The continued evolution of 5G technology, including advancements such as 5G-A and 5G RedCap, brings benefits such as lower latency and higher connection density. These advancements

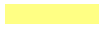


engineering teams, allowing us to develop robust technologies and products that create value for our customers and earn their recognition and trust. As of December 31, 2022, 2023, 2024 and September 30, 2025, over 80% of our total workforce consisted of R&D and technology personnel. This ratio significantly exceeds other leading companies in the industry, according to Frost & Sullivan.

**O . . B . . e . . a . . d F . . a . . c . . a P . . e . . f . . o . . r a . . c . . c . . e**

During the Track Record Period, our business and financial performance improved in the following aspects:

- ***Increasing contribution from high-computing-power smart modules:*** Revenue from high-computing-power smart modules and solutions as a percentage of our total revenue increased from 1.5% in 2022 to 14.9% in 2023, 34.6% in 2024, and 34.2% in the nine months ended September 30, 2025.
- ***Rising contribution from 5G-related products and solutions:*** Revenue from 5G-related products and solutions as a percentage of our total revenue increased from 32.7% in 2022 to 37.3% in 2023, 43.9% in 2024, and 50.0% in the nine months ended September 30, 2025.
- ***Growth in overseas revenue:*** Our overseas revenue increased by 21.9% from RMB545.6 million in 2022 to RMB665.0 million in 2023, by 20.7% to RMB802.9 million in 2024, and increased by 69.2% from 37.3ln4at88.6(oG-rela34attotal)sed



---

## BUSINESS

---

sectors: general IoT, ICV and wireless broadband. By offering high-computing-power smart modules and customized solutions, we have established differentiated competitive advantages and continue to drive technological advancements in the industry.

According to Frost & Sullivan:

- We ranked fourth in the global wireless communication module industry in terms of revenue from wireless communication module business in 2024, accounting for 6.4% of the total global market share in the same year. The global wireless communication module market is highly concentrated, with the three largest players accounting for 65.7% of global market revenue in 2024 (the largest player alone holding a 42.7% market share), compared to our 6.4% market share despite ranking fourth;
- Revenue from smart modules and solutions accounted for 41.5%, 56.7%, 62.9%, 63.9% and 66.1% of our total revenue in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively, and revenue from high-computing-power smart modules and solutions accounted for 1.5%, 14.9%, 34.6%, 29.4% and 34.2% during the same periods. In 2024, the revenue contribution from our high-computing-power smart modules and solutions was significantly higher than that of other leading companies in the industry;
- Revenue from 5G-related module products and solutions accounted for 32.7%, 37.3%, 43.9%, 38.5% and 50.0% of our total revenue in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. In 2024, the revenue contribution of our 5G-related modules and solutions was higher than that of other leading companies in the industry.

We have established competitive advantages in smart modules, especially high-computing-power smart modules. As the industry increasingly demands greater intelligence and computing power, we were among the first to identify high-computing-power smart modules as a core strategic direction. Through continuous technological innovation and product upgrades, we remain at the forefront of industry development. According to Frost & Sullivan:

*In terms of smart modules:*

- We were the first company globally to launch smart module products in 2014. Similar products were not launched by competitors in the market until after 2015;

- We were the first company globally to achieve large-scale deployment of 5G smart modules in new energy vehicles in 2021, driven by substantial demand from a leading domestic new energy vehicle manufacturer for high-performance modules supporting ICV.

*In terms of high-computing-power smart modules:*

- We were the first company globally to develop a 48 TOPS high-computing-power smart module and the first to become one of the designated suppliers for leading automobile manufacturers for such modules at a time when other smart module providers had not yet commercially launched 48 TOPS-level product in the broader market;
- In 2023, we successfully ran a text-to-image generative AI model on our high-computing-power smart modules, making us the first company to successfully run this kind of AI model on high-computing-power smart modules, demonstrating the feasibility of generative AI tasks on edge hardware with 48 TOPS performance, according to Frost & Sullivan;
- We ranked first in the global wireless communication module industry in terms of revenue from high-computing-power smart module business in 2024, accounting for 29.0% of the global market share;
- We were among the first globally to launch high-computing-power smart modules based on a mobile SoC platform developed by a leading technology company, with computing power of up to 64 TOPS; and
- We were among the first globally to deploy high-computing-power smart modules in prototype humanoid robots developed by a leading technology company. Our high-computing-power smart modules were used for their robots' main control units.

*Our Early Entrant Advantages*

We first introduced smart modules to the market, and have achieved large-scale deployment

Building on our experience in smart modules, we were also among the first in the industry to launch 5G smart modules. We customized 5G smart modules for intelligent cockpit applications for leading new energy vehicle manufacturers. In 2024, shipments of our 5G smart modules for these applications reached approximately 800 thousand units.

Our ability to achieve large-scale production of 5G smart modules has provided us valuable operational experience and maintained our relationships with key customers. For example, our extensive experience with 5G smart modules has supported the development and deployment of our 48 TOPS high-computing-power smart module.

Our products and solutions are widely applied across three core sectors: general IoT, ICV and

[Redacted]

## *Our Technology Capabilities and Advancements*

### *Regular Smart Modules and Related Technologies*

We have built significant technical advantages in areas such as Android system driver development, performance optimization, power consumption control and application integration. These capabilities allow us to efficiently and reliably meet diverse customer needs. For example:

- *System Driver Development:* Our smart modules support multi-camera access, multi-channel audio routing and multi-screen splitting functionality. For instance, system drivers developed by us enable access to up to five cameras and split-screen operations for three screens, addressing the needs of high-concurrency and multitasking scenarios. Additionally, we have enhanced GPU computing power by optimizing its acceleration engine, improving graphics processing efficiency and enhancing system rendering capabilities;
- *Performance Optimization:* We possess competitive advantages in optimizing system

---

## BUSINESS

---

### *High-Computing-Power Smart Modules and On-Device AI Technologies*

Building on our expertise in regular smart modules, we have advanced to high-computing-power smart modules to address applications with intensive CPU, GPU and NPU requirements, developing technical capabilities in terms of both hardware and software:

- *Hardware Technologies:* Our high-computing-power smart modules deliver computing power of 8 TOPS or more and support multiple communication protocols, including 5G, WiFi and Gigabit Ethernet. According to Frost & Sullivan, 8 TOPS is considered as an industry norm as the threshold for high-computing-power smart modules, enabling stable deployment and effective commercialization in mainstream scenarios such as AI model deployment in intelligent cockpit, and on-device generative image models for XR devices. With continued improvements in module hardware, we have quickly adapted to the requirements of lightweight general-purpose models and industry-specific small-parameter models, further expanding the boundaries of high-computing-power smart modules and providing the hardware foundation for the transition of generative AI to on-device applications.
- *Software Technologies:* We recognize that software adaptation is critical for the successful deployment of AI, as it bridges compatibility between hardware and application scenarios. We have a dedicated team specializing in software development for AI-related applications. Through software innovation, we have achieved:
  - o *On-Device Deployment of AI Models:* We support the deployment of various prevailing on-device AI models, supporting their deployment and functionality at the local device level. In 2023, we successfully ran a text-to-image generative AI model on our high-computing-power smart modules, making us the first company to successfully run this AI model on high-computing-power smart modules, according to Frost & Sullivan;
  - o *Development of AI Tools and Ecosystems:* We have developed one-click conversion and deployment toolkits to help our customers quickly deploy the AI models they require.

This ability to achieve synergistic hardware and software development allows us to drive the large-scale application of generative AI on device-level modules, which further enhances the competitiveness of our products.

### *5G Communication Technologies*

- We have accumulated mature products and technical capabilities in innovative 5G technologies such as 5G-A and 5G RedCap, empowering the performance and power consumption of 5G communication, respectively, to meet diverse needs of customers;
- We have developed advanced solutions to optimize the 5G connectivity experience through antenna design. By implementing high-gain directional antennas, we can enhance product reception range and cellular network coverage. Our smart antenna selection algorithms further enable optimal 5G antenna usage, improving overall product performance. Additionally, our multi-antenna design supports a wider range of 5G dual connectivity combinations, and the 360-degree antenna distribution ensures comprehensive signal coverage;
- We continuously optimize the power efficiency of our 5G products while enhancing network security. By combining low-power mode controls with adaptive low-power modes, we achieve a balance between reduced power consumption and product performance. To enhance the security of 5G network access, we have implemented measures such as secure boot protocols and data encryption technologies;
- We also advance 5G network slicing and edge computing technologies to improve efficiency and reliability. Our learning-based network slicing optimization platform dynamically allocates radio and core network resources based on service types, enabling end-to-end low latency. Combined with the real-time processing capabilities of edge computing nodes, our solutions support localized data analysis and intelligent task scheduling, improving 5G network utilization and service reliability.

### **Balanced Development, Access, Traffic, Core Security, Data Security, Diversified Market Coverage**

We have established a balanced and diversified market presence across three core application sectors: general IoT, ICV and wireless broadband. The broad industry coverage not only enhances our market influence but also mitigates the risks associated with business cycle fluctuations, providing a solid foundation and support for our sustained growth in the wireless communication module market.

### *General IoT: Meeting Complex and Diverse Application Demands*

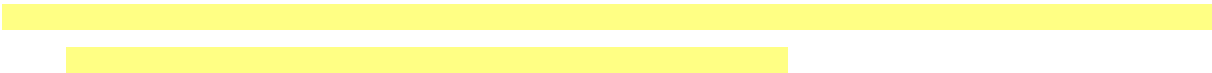
To address the complex and diverse demands of the general IoT sector, we have designed a range of products and solutions tailored to specific application scenarios. Notable examples include:

- *New Retail:* We provide modular and customized PCBAs and end products for various applications such as POS systems, cash registers, facial payment tablets, palm payment devices and vending machines, offering a smart hardware infrastructure for new retail applications;
- *Industrial Applications:* Our solutions include barcode scanning devices, rugged tablets, smart walkie-talkies, intelligent video recorders and industrial AI boxes, which are widely used in warehousing, logistics, transportation and manufacturing; and
- *Healthcare:* We assist customers in integrating AI technologies into new products, including mobile nursing, telemedicine and emergency response solutions, helping them expand into emerging markets and AI application scenarios. For example, we have developed customized scanning and testing solutions for mobile nursing.

### *ICV: Driving Connectivity and Smart Applications in Vehicles*

- In the ICV sector, we have emerged as one of the industry leaders through technological innovation and strategic focus. According to Frost & Sullivan, **we were the first company globally to achieve large-scale deployment of 5G smart modules in automobiles.** Traditional in-vehicle chips often lack advanced performance capabilities, whereas our smart modules, equipped with intelligent SoC chips, can support both 5G communication function and the computing power needed for intelligent cockpit on a single-module level, providing high-performance solutions that significantly enhance the in-vehicle experience.
- Leveraging our core R&D capabilities in 5G communication, Android system customization, high-performance low-power computing and AI applications, we have developed a variety of regular smart modules and high-computing-power smart modules tailored for the ICV sector. These products provide intelligent cockpit solutions for various vehicle models and automobile industry customers, and support a wide range of functions, including high-speed 5G networks, Android system customization, multi-screen functionality, driver monitoring systems, 360-degree surround view, precise audio zone localization, continuous voice recognition and the deployment of large AI models in vehicles.

- We have established a solid position in the ICV sector through our innovative intelligent cockpit solutions, which are built upon our proprietary smart module technology. Unlike traditional cockpit domain controllers, which require separate T-BOX for vehicle connectivity, our smart module-based domain controllers provide both communication and computing capabilities in a single integrated solution. By incorporating 4G/5G connectivity alongside CPU, GPU and NPU computing components, our smart modules eliminate the need for standalone T-BOX devices, simplifying system architecture and reducing costs for automakers.
- We were one of the earliest companies to apply smart module technology to the automotive sector, with design and mass production experience dating back to 2019. Over the years, we have developed mature technical solutions tailored to requirements such as vibration resistance, high-temperature performance and operational stability.
- During the Track Record Period, we shipped over one million units of 5G smart modules for intelligent cockpit applications, demonstrating our ability to meet the stringent quality and reliability standards demanded by automotive customers.
- We have consistently advanced our product offerings to meet the evolving needs of the ICV market. We have developed five generations of 5G smart modules for intelligent cockpit applications between 2020 to 2025. During the Track Record Period, we designed, manufactured and launched three of these products, with computing power reaching up to nearly 30 TOPS. Our fourth-generation product, with computing power of 48 TOPS, has already been awarded projects by leading automakers. Additionally, we are designing and planning our fifth-generation product, which is expected to be launched in the second half of 2025.



### ***Wireless Broadband: Comprehensive Product Lines and Global Market Expansion***

In the wireless broadband sector, we have established a comprehensive product line covering MBB and FWA. Leveraging our comprehensive product portfolio, we continue to meet the growing demand in the global wireless broadband market.

Our products support 5G NR Sub-6 GHz and millimeter-wave technologies that offer faster data speeds and lower latency, cover major global frequency bands and offer mature 5G+Wi-Fi 7 system solutions. **We also closely followed the industry trends and were among the first to launch**

In working with these customers, we not only meet their demanding technical requirements but also deliver customized solutions that address complex and diverse application scenarios. Through these collaborations, we have accumulated technical expertise and project management experience, which helps us to enhance our efficiency and capabilities in serving other top-tier customers while significantly strengthening customer loyalty. For example, we assisted a leading domestic mapping company in developing a high-end dashcam product. The project progressed from initiation to mass production in under five months. During the project, we engaged in frequent communication with the customer to minimize misunderstandings of requirements, actively adjusted development plans to respond promptly to changing requirements and conducted comprehensive risk assessments before project commencement to identify and address potential issues at early stage.

We are driven by customer needs and business opportunities and focus on identifying innovation opportunities from business models and application scenarios. We provide end-to-end development of products and solutions tailored to customer requirements. For instance, we assisted a leading domestic new energy vehicle manufacturer in enabling multi-camera support using a specific SoC chip model. Although the chip model was not originally designed to support the multi-camera functionality, we conducted an in-depth analysis of the chip's capabilities and software debugging feasibility and worked closely with the chip provider and concluded that the

---

## BUSINESS

---

**Pragmatic and Solid Corporate Culture, Visionary Management Team and Diverse Talent Pool Supporting Sustainable Development**

### *Pragmatic and Solid Corporate Culture Driving Technological and Product Innovation*

We uphold a pragmatic and solid corporate culture that is led by engineers and driven by technology, impressing customers through technology and products. This culture underpins every stage of our development and drives the continuous innovation of our technologies and products.

Our business philosophy prioritizes product quality and long-term accumulation of technological capabilities, ensuring that each product and technology meaningfully addresses customer challenges and delivers high-value market applications.

### *Visionary and Experienced Management Team*

Our management team is comprised of individuals with diverse industry backgrounds and practical experience. They possess insight into the development trends of the wireless communication module industry and demonstrate insightful strategic vision.

The majority of our management team members have R&D or technical backgrounds, with most having over 10 years of experience in the wireless communication industry, with some having nearly 20 years of experience. Several core management and R&D personnel have held positions at prominent large communication companies. Their profound understanding of R&D and technology helps us efficiently accomplish intended R&D outcomes and ensures the timely commercialization of products. In addition, the management team has strategically guided us to achieve continuous product upgrade and downstream application expansion. Their strategic vision has allowed us to maintain a solid position in an evolving industry.

### *Diverse Talent Pool Supporting Long-Term and Stable Development*

Our workforce is predominantly composed of R&D personnel, with the core team possessing experience in data transmission modules, regular smart modules and high-computing-power smart modules. This talent structure provides a firm foundation for technological innovation and product development.



deployment by offering customers with AI toolkits that simplify the software environment setup process, thus reducing development costs and providing customers with deployment and adaptation services for on-device AI models for diverse scenarios and external devices.

- We plan to build a more robust and flexible sales network by attracting more quality customers in ICV, general IoT and mobile broadband and other sectors to further diversify our customer base and provide our wireless communication module products to them.

### ***Strengthen R&D Efforts in On-Device AI to Capture Emerging Industry Growth Opportunities***

We aim to enhance the software of our high-computing-power smart modules to support various AI algorithms, on-device models and other on-device AI technologies. By integrating on-device AI capabilities, we seek to unlock the value of our high-computing-power smart modules in emerging industries such as embodied intelligent robots, AI servers and on-device AI hardware.

### ***Pursue Foundational and Innovative Technology Research***

We strive to maintain a competitive edge in the development of industry technologies through sustained investment in foundational and innovative research. This approach is intended to secure our long-term technological leadership and lay the groundwork for future innovation and commercialization. Key areas of research include preliminary research into 6G communication technology and product design, interconnectivity and networking between computing chips with complex architecture, integrated storage and computing technologies and on-device AI agent applications.

### ***Build a Global Sales and Support Network to Accelerate International Expansion***

- ***Global Sales Network Expansion:*** We plan to enhance our global sales network by recruiting additional personnel for our sales, marketing and customer service

Ltd. was incorporated to sell, marketing and promote our products in Japan, utilizing our

---

## BUSINESS

---

agreements with certain EMS partners in Malaysia, Thailand and Brazil to facilitate preliminary technical discussions and due diligence. As of the Latest Practicable Date, no manufacturing agreement had been entered into between these EMS partners and us.

### Expand and Diversify Value Chain and Pursue Strategic Merger and Acquisition Create New Growth Opportunities

We intend to prudently pursue vertical expansion along the industry value chain and undertake strategic investments or acquisitions in areas such as 5G wireless communication, on-device AI, automotive technology and robotics. Through these efforts, we aim to enhance our comprehensive in-house R&D capabilities, increase the value of our products within the industry value chain, and diversify our product offerings and customer base.

## OUR PRODUCTS AND SOLUTIONS

### Overview

We have a diverse and comprehensive portfolio of wireless communication modules and solutions to satisfy the needs under various application sectors. During the Track Record Period, we primarily generated revenue from the sales of wireless communication modules and solutions, including (i) smart modules and solutions, which include (a) regular smart modules and solutions and (b) high-computing-power smart modules and solutions; and (ii) data transmission modules and solutions.

The following table sets forth a summarized comparison of our modules.

Product	Key features and functions	Key components
<i>(i) Smart module:</i>		
<i>(a) Regular smart module:</i>	<ul style="list-style-type: none"> <li>• Equipped with smart operating systems such as Android;</li> <li>• Supports features such as multi-media, multi-camera and multi-display; and</li> <li>• Computing capability at lower than 8 TOPS<sup>(1)</sup></li> </ul>	<ul style="list-style-type: none"> <li>• SoC;</li> <li>• Memory chip<sup>(3)</sup>;</li> <li>• Radio frequency chip<sup>(4)</sup>;</li> <li>• PCB<sup>(5)</sup>; and</li> <li>• Power management chip<sup>(6)</sup></li> </ul>

**Product**

**Key features**

**Key performance**

(b) *High-computing-power smart module . . . . .*

- Equipped with smart operating systems such as Android;
- More suitable for deployment of advanced AI models (especially on local devices) that require high computing power and large memory ; and
- Computing capability at equal to or higher than 8 TOPS

- SoC with stronger NPU and AI acceleration performance;

E q u

---

## BUSINESS

---

We also provide our customers with solutions built based on our module products and/or module technologies. Our solutions are typically provided in the forms of (i) PCBAs, which are fully assembled circuit boards that typically integrate (a) firmware or embedded software for specific functions and (b) electronic components such as chips and modules; (ii) end products, which are ready-to-use products embedding PCBAs, such as handheld devices and (iii) services, which primarily include research and development services based on our module technologies catered to the needs of our customers. Both PCBAs and end products are customized solutions formed by integrating additional software and hardware based on our modules, tailored to the specific requirements of our customers.

Our products are designed with a high degree of customization to ensure integration with end-product components and systems. Our customization efforts include, for instance:

- *Hardware Customization:* Tailoring interfaces and circuit designs to ensure the realization of specific requirements of customers and applications.
- *Software Development:* Adapting operating systems, developing drivers and implementing application-specific logic to ensure compatibility with customer systems and platforms.
- *Production:* Making sure the manufacturing processes satisfy industry-specific requirements, such as automotive-grade standards.

These customization capabilities allow us to deliver integrated, high-performance solutions tailored to diverse customer needs. They represent value-add beyond the provision of hardware, as they are highly integrated offerings that combine our module with a substantial layer of customized software, hardware and application-specific R&D services. By delivering a functional subsystem or a ready-to-use end product, rather than just a standalone component, we solve complex integration challenges for our customers, significantly reducing their development cycles and technical risks, thereby accelerating their time-to-market.

The following table sets forth a breakdown of our revenue by module and solution type during the Track Record Period.

---

---

---

---

---

---

---

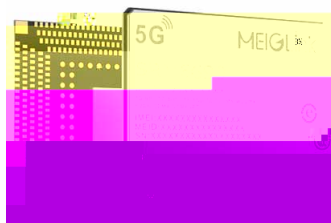
---

---

---

### *Regular Smart Modules and Solutions*

Our regular smart modules support (i) smart operating systems including Android, which enables complex controls and allows customization or modification by end customers in accordance with their needs; (ii) a wide range of interfaces, which further enable multimedia features such as multi-camera and multi-display input, as well as high-definition audio and video recording and playback; (iii) high-capacity storage; and (iv) various connectivity standards, which may include cellular wireless connection, Wi-Fi and Bluetooth. Our regular smart modules are primarily valued for their smart operating system integration and ability to support various interfaces to support multimedia, and they are not typically selected for their computing power because their computing power is less than 8 TOPS. The following picture illustrates one of our regular smart module products:



Our regular smart modules have the following key features:

- *Customization:* Our regular smart modules are embedded with operating systems that support the execution of customized software applications on local devices.
- *Multimedia Capabilities:* Our regular smart modules support multimedia features such as high-resolution streaming, 3D rendering, multi-camera, multi-display and interactive display. Built on SoCs, our regular smart modules deliver powerful multimedia processing with optimize latency and power consumption.
- *Connectivity:* Our smart modules support a wide range of high-speed connectivity standards, which may include 4G and 5G, facilitating robust and adaptable network performance across diverse deployment scenarios.

We also provide solutions based on our regular smart modules. The below case study illustrates one of these solutions we launched during the Track Record Period.

***Case Study: Our 5G + Wi-Fi 7 Smart Handheld Device Solution***

*Application sector:* General IoT

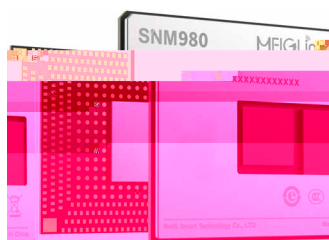
*Application scenarios:* Production facilities, warehousing, retail and hospital, among others

*Features:*

- 5G cellular wireless communication and Wi-Fi 7 transmission technology;
- High-frequency radio-frequency identification technology;
- Equipped with a scanning engine for scanning of QR codes or barcodes to quickly retrieve, upload, and process information;

capabilities, such as optimized parallel computation and multimedia rendering. AI accelerators like NPUs increases the efficiency of algorithms required for AI and machine learning. High-speed memory improves real-time processing and data throughput.

We design our high-computing-power smart modules to provide computing power equal to or higher than 8 TOPS. These modules can enable the deployment and operation of generative AI applications on local devices. It may also support multiple communication standards including 5G, Wi-Fi or gigabit ethernet. Our high-computing-power smart modules can be broadly applied in robotics, servers, AI retail, cloud gaming, AR/VR and industrial visual inspection. The following picture illustrates one of our high-computing-power smart module products:



Our high-computing-power smart modules have the following key features:

- *High Computing Power:* Our high-computing-power smart modules utilize the computing power of CPU, GPU and NPU units in advanced SoC to run data-intensive tasks such as facial recognition, real-time video analytics and natural language processing on local devices. These capabilities make our high-computing-power smart modules ideal for applications that require on-device accelerated data-processing without reliance on cloud access. As of the Latest Practicable Date, we had launched high-computing-power smart modules that had computing capability of up to 100 TOPS.
- *Support of Generative AI Models:* Our high-computing-power smart modules are able to support the deployment and operation of on-device versions of various prevailing AI models. Our high-computing-power smart modules feature (i) multiple smart operating systems such as Android; (ii) built-in tools such as platforms that facilitate programming, packaging and deploying applications; and (iii) compatibility with common open-source machine learning and deep learning AI frameworks that help developers and researchers build, train and run AI models. This versatility affords our customers with flexibility to build custom smart applications using our high-computing-power smart modules to reduce time and development cost.

We also provide solutions based on our high-computing-power smart modules. The below case study illustrates one of these solutions we launched during the Track Record Period.

***Case Study: AIMO Pro — A Personalized Portable Computing Platform with up to 48 TOPS Computing Power***

*Application sector:* General IoT

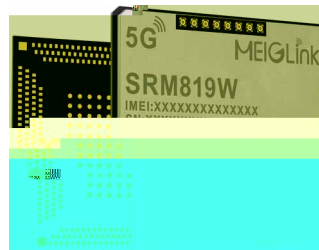
*Application scenarios:* Office, home, school and new retail, among others

- Features:*
- A personalized computing platform;
  - 48 TOPS computing power;
  - Can support the deployment and operation of on-device versions of prevailing AI models;
  - Local data processing to offer data protection and privacy during data transmission;
  - High-frequency radio-frequency identification technology; and
  - Compact size for easy deployment

The following picture illustrates our AIMO Pro:

## Data Transmission Modules

Data transmission modules are integrated hardware that transfer data between devices and systems by sending and receiving information over various types of networks. By providing secure and efficient data exchange across networks, data transmission modules enable (i) real-time data transmission; and (ii) secure data transfer. The following picture illustrates one of our data transmission module products:



Our data transmission modules have the following key features:

- *High performance:* Our data transmission modules support high-speed download and

---

## BUSINESS

---

We also provide solutions based on our data transmission modules. The below case study illustrates one of these solutions we launched during the Track Record Period.

### ***Case Study: Our 5G-A mmWave Mobile Wi-Fi Solution***

- Application sector:* Wireless broadband
- Application scenarios:* Office meetings, outdoor streaming and emergency communication, among others
- Features:*
- Accelerates 5G-A terminal adoption across diverse network scenarios;
  - Peak download speeds at 10Gbps with Sub-6 and mmWave frequency; and
  - Advanced thermal management, optimized antenna design and intelligent power-saving mechanisms

The following picture illustrates one of our 5G-A mmWave Mobile Wi-Fi solutions:



### **O. e. 2**

During the Track Record Period, besides sales of wireless communication modules and solutions and to a much lesser extent, we generated revenue from other activities such as sales of electronic components, examples of which included baseband chips and radio frequency chips, to electronic component distributors.

### **INDUSTRY STANDARDS FOR WIRELESS COMMUNICATION MODULES**

Performances of our wireless communication modules are assessed from multiple factors and metrics, depending on their specific functions and intended uses. According to Frost & Sullivan, the performance of our wireless communication modules is evaluated based on a set of technical indicators, which vary depending on the specific functionalities and intended application scenarios of each product. These indicators are largely derived from specifications issued by globally

recognized standard-setting organizations such as 3GPP. It is an industry-wide practice for module manufacturers to develop and disclose product performance in accordance to these indicators. During the Track Record Period, we complied with these industry standards in the design and development of our products in all material respects.

- **Data Table 1.1.1.1 - Main Indicators:** the main indicators include network standard

- (4) Including products such as video conference tablets, dashcams, DMS, smart medical monitors and 5G streaming devices.
- (5) Including products such as industrial routers, industrial AI box and 5G video monitors.
- (6) Including products such as AR/VR glasses and array AI servers.
- (7) Including products such as CPE.
- (8) Including products such as Mi-Fi and wireless network adapters.

The following table sets forth a breakdown of our revenue generated in terms of application

---

## BUSINESS

---

The table below illustrates certain key applications of our products and solutions and their features in the respective applications:

Application Sector	Application Scenario	Features of Product and Solution	Example Product
General IoT	Smart retail devices	We tailor our facial recognition payment solution for the application in POS machines in the smart retail sector. For instance, our smart POS machines feature an Android-based facial payment terminal and integrates multiple payment methods — including QR code scanning, facial recognition and card-based payments — to enable real-time settlements in mobile payment scenarios. We also offer customization services tailored to the encryption needs of our customers to ensure secure and efficient payment solutions.	POS machines
	Logistics	We offer customized products and solutions used in logistics. For instance, our 5G code-scanner smart PDA solutions feature global 4G and 5G connectivity and support Bluetooth, GPS, Wi-Fi and NFC. The 5G code-scanner smart PDA solutions integrate barcode scanning engines from industry-leading code-scanning engine providers with industrial-grade standards, including water resistance and 1.5-meter drop resistance.	5G code-scanner smart PDA solutions for logistics and warehouses

**BUSINESS**

Application Scenario	Application Scenario	Features, Products and Services	Expected Products and Services
	Industrial IoT	We offer products and solutions that meet the demand under industrial-grade applications. For instance, our industrial AI box solution supports quality checks at production facilities. Our industrial AI box solution has up to 48 TOPS of computing power, automotive-grade technology and a variety of hardware interfaces to provide long-distance, low-latency and high-precision video transmission to support quality checks and oversight at production facilities.	Industrial AI box for quality checks and production facility oversight
ICV. . . . .	Intelligent cockpit	Leveraging advanced wireless communication technologies, high computing power and multi-screen connectivity capabilities, our products and solutions support features such as real-time navigation, in-cabin entertainment and safety monitoring, which allows personalized user experiences through natural language processing, multi-camera systems, and AI-enhanced services. Our products and solutions help automotive manufacturers and Tier-1 suppliers accelerate the development of intelligent cockpits.	Intelligent cockpit with various functions such as real-time navigation, in-cabin entertainment and safety monitoring

## BUSINESS

Application Sector	Application Scenario	Features, Products and Solutions	Economic Impact
	T-Box	<p>Our products and solutions are widely used in automotive T-Boxes to enable smart monitoring of vehicle status and driving environments by collecting real-time data from the vehicle’s internal systems, sensors and cameras. This allows for early fault detection, driver behavior analysis and safety warnings. Additionally, our solutions support centralized remote management, enabling efficient updates, diagnostics and maintenance to improve operational reliability. Our products and solutions for T-Boxes solutions are designed with secure system startup features to ensure only authorized software is executed. Advanced encryption and secure data storage technologies protect sensitive information and ensure compliance with automotive safety regulations.</p>	<p>T-Box for vehicle fault detection, driver behavior analysis and safety warnings</p>
Wireless broadband	4G and 5G FWA	<p>We offer products and solutions that support high-speed broadband connectivity by delivering wireless internet access over cellular networks, a flexible alternative to traditional wired infrastructure. For instance, our CPE devices serve as fixed network hubs that converts signals into Wi-Fi 6 or Wi-Fi 7 through built-in router modules to provide full internet coverage for smart home devices. Equipped with antennas that operate at multiple frequency bands compatible with domestic and industrial uses and traffic management technologies, our CPE devices provide high-speed, low-latency and stable internet connection.</p>	Mobile WiFi terminals

In addition, we invest in research and development to expand the application sectors of our modules and solutions. We have developed modules and solutions in various scenarios such as:

- a module that incorporated the SoC by a leading technology company. The module could be used for the control, sensing, decision-making and speech interaction of robots; and
- modules used for the provision of computing power for the AR glasses of a renowned AR glass provider.

The following sets forth selected examples of how our modules function in certain applications scenarios and interact with other components in an end-product or system:

#### **Case Study 1: POS Machine (Ge. e. a I T)**

Our smart modules serve as the core processing and communication component in POS machines by integrating multiple functions critical to their operation:

- ***Functions Provided by Our Module:***
  - *Network Connectivity:* The module integrates 4G/5G baseband chips, enabling the POS machine to connect to cellular networks for secure real-time transaction processing and transaction data transmission.
  - *System Support:* The module provides the underlying smart operating system environment, allowing the POS machine to run payment applications and other business software on the system.
  - *Multimedia Processing:* The module controls key peripherals of the POS machine, such as touchscreens, cameras and barcode scanners, enabling functionalities like screen display, interactive touch operations and QR code scanning.
  - *Secure Payment Processing:* The module acts as a gateway for encrypted transmission of transaction data to payment systems, ensuring compliance with security standards.

- *Functions of Other Components:* In the POS machine, besides our module, there are

- *AI and Multimedia Processing*: The module processes data from multiple sensors (for example, cameras and microphones) and provides AI-driven functionalities, such as:
  - **Multi-Screen Display**: The module is capable of driving multiple high-definition screens in the cockpit. It supports smooth rendering of navigation systems, 3D vehicle models and video streaming.
  - **Sensor Data Processing**: It processes data from multiple inputs, such as driver-monitoring cameras, gesture recognition systems, surround-view cameras, microphones and radar signals, to provide comprehensive situational awareness and intent detection.
  - **Natural Language Assistant**: The computing power of the module supports advanced voice assistants capable of understanding complex commands and maintaining context-aware conversations.
  - **Smart Services**: Through the support of the module, the intelligent cockpit generates actionable suggestions based on user habits and real-time contexts, such as adjusting navigation routes.
  - **AI-Powered Image Processing**: The module enhances the visual experience by rendering real-time road conditions, creating virtual assistant avatars or

**Case Study 3: Mobile WiFi Terminal (Mobile Broadband)**

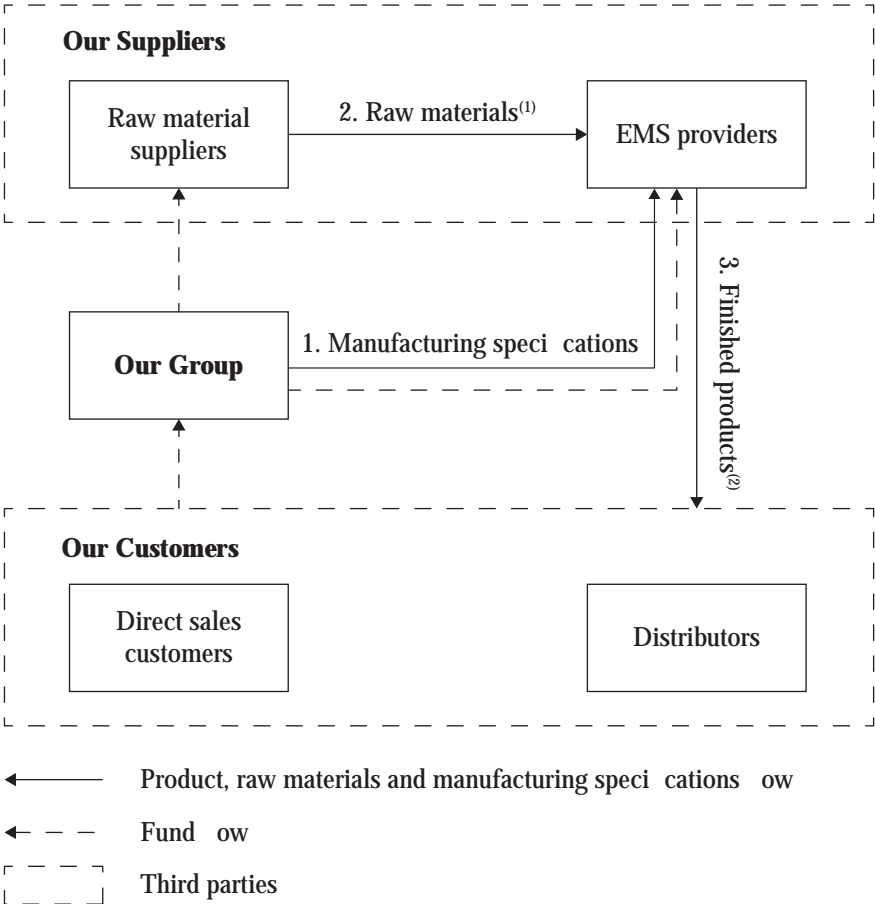
Mobile WiFi terminals are a type of wireless broadband product designed to provide high-speed internet access by converting 4G/5G network signals into WiFi signals. These devices are commonly used in scenarios such as international travel, where users use mobile WiFi terminals to connect their smartphones, PCs or other devices to the internet via WiFi.

- ***Functions Provided by Our Module:***
  - *Communication:* our data transmission module acts as the central component of the mobile WiFi terminal, enabling connectivity to 4G/5G networks provided by telecommunication operators.
  - *Signal Conversion and Management:* our module facilitates the reception of 4G/5G signals from the telecom network and ensures stable transmission to the device's WiFi chip for further processing.
  - *Power Optimization:* our module's integrated power management system ensures efficient energy use, extending battery life while maintaining stable connectivity.
- ***Functions of Other Components:*** other components in the mobile WiFi terminal include:
  - *WiFi Chip:* the WiFi chip converts the 4G/5G signals received by the communication module into WiFi signals, enabling other devices, such as smartphones and PCs, to connect to the internet.
  - *Antenna:* the antenna is responsible for transmitting and receiving wireless signals. It ensures reliable signal reception and transmission while enhancing the strength and quality of the communication signals.
  - *SIM Card:* the SIM card provides authentication for accessing telecommunication operators' networks.
- ***Integration of Our Module with Other Components:*** Our data transmission module integrates with the other components of the Mobile WiFi terminal through industry-standard interfaces and protocols, enabling data transmission and device functionality. This integration allows the Mobile WiFi terminal to deliver high-speed, low-latency and stable internet access.

**BUSINESS MODEL**

Under our business model, we focus on the R&D and design of our modules and solutions and we outsource the manufacturing to third-party EMS providers. According to Frost & Sullivan, it is in line with the industry practices in the wireless communication module industry in China to outsource manufacturing to EMS providers.

The following diagram illustrates our business model:

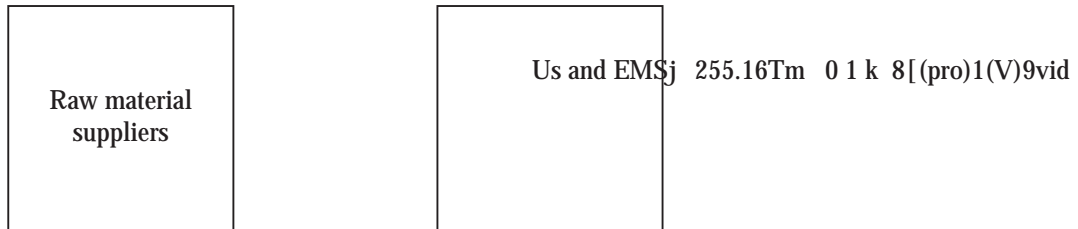


Notes:

(1) During the Track Record Period, our raw material suppliers directly provided raw materials to our EMS providers. Our raw material suppliers may arrange the shipments of the raw materials.

## Overview of the Industry Value Chain

The following diagram illustrates the industry value chain in which we operate:



- o Developing and testing firmware and software to enable core module functionalities. Throughout this process, we work closely with end customers to provide tailored module solutions that meet specific technical and operational requirements, catering to diverse applications across industries.
- o Optimizing the modules for performance, reliability, and compatibility with downstream applications.
- *Enabling the Core Functionalities of Our Modules:* The primary functions of our modules include:
  - o Enabling devices to connect to cellular networks, Wi-Fi or other connection methods.

*Downstream: End Customers*

## **S a r M d e De B a d De e . p e**

### ***Advanced Wireless Data Transmission Capabilities***

We have established technical expertise in 4G and 5G wireless communication. Our data transmission modules support both Sub-6 and mmWave 5G NR technologies and a wide range of global frequency bands. Our mature 5G + Wi-Fi 7 system solutions ensure compatibility and performance across various networks. We are also actively developing innovative technologies in fields such as 5G-A and 5G RedCap, working closely with industry partners to advance the 5G FWA development.

### ***Smart operating system development and optimization***

We have accumulated experience in optimizing the Android system performance. We assist customers in obtaining Google Mobile Services (“GMS”) certifications for their projects. GMS

***AI model deployment and optimization***

We integrate AI algorithms into smart hardware platforms and optimize their performance. Our expertise includes designing customized interfaces for algorithm pre- and post-processing, while optimizing critical system parameters such as CPU/GPU/NPU workloads, memory usage, data latency and synchronization. These efforts ensure efficient AI model performance on local devices, despite the computational power constraint.

We also have experience in deploying and optimizing large-scale AI models on local devices. We address challenges such as adapting model structures and formats to the SoCs used in our modules and we provide customers with technical support for performance optimization. For instance, we offer guidance on techniques such as model quantization and pruning, which reduce model size and computational requirements without compromising accuracy. These capabilities are particularly valuable in enabling the deployment of both smaller specialized models and large language models on local devices.

To address local device computing constraints, we offer hybrid AI solutions that combine local device and cloud capabilities. For example, local devices handle tasks such as data pre-processing (for examples, speech or image recognition), while more complex inference tasks, such as large language model processing, are performed in the cloud. This approach enables high-performance AI deployment while optimizing resource allocation.

***Customization Capabilities***

Beyond standalone module development, we have developed a comprehensive set of technologies to integrate our modules into complex scenarios in response to our customers' needs. These capabilities allow us to address the specific functional, environmental and performance requirements of different application sectors, ensuring high adaptability and reliability across use cases. Example features of our customization capabilities include:

***Pluggable Hardware Architecture***

Our pluggable hardware architecture enables flexible configuration and upgrades to meet the varying needs of different applications. Under the pluggable hardware architecture, functional parts, such as 4G/5G communication, Bluetooth and NFC, can be integrated or replaced based on customer requirements. This approach not only enhances scalability but also facilitates maintenance and technological upgrades. For example, this capability is particularly valuable in applications requiring global network compatibility, where devices need to support multiple frequency bands and adapt to the requirements of different regions and network operators.

### ***High-Bandwidth and Low-Latency Technologies***

Our expertise in high-bandwidth and low-latency technologies allows us to deliver high-speed data transmission solutions. For example, we design modules that operate in millimeter-wave frequency bands, supporting ultra-wide bandwidth and high throughput. These technologies are optimized with intelligent algorithms, such as beamforming, which dynamically adjust antenna paths to improve signal strength and transmission range. These capabilities are particularly well-suited for FWA scenarios, where high-speed and long-range data transmission is critical for rural or remote deployments.

### ***Integration of Smart Algorithms for Specialized Applications***

We integrate industry-specific algorithms into our module designs to enhance functionality and user experience. For example, algorithms for gaming acceleration prioritize real-time data traffic, reducing latency and improving responsiveness. Similarly, voice optimization algorithms enhance audio clarity through echo cancellation and noise filtering, making them ideal for applications such as cloud-based communications.

### ***Accelerated Knowledge Cycle***

Our technical team has the ability to identify potential demands from the application scenarios of our customers' and transform these insights into innovative products and solutions. This integration of technical expertise with market understanding allows us to respond quickly to market changes, achieving higher R&D efficiency and shorter time-to-market for new products. This virtuous cycle of technology and market alignment further strengthens our leadership in technology and provides robust support for our ongoing growth in emerging fields.



## **R&D Process**

We have established a comprehensive process to ensure strict control and oversight of our

## Key R&D Focus

During the Track Record Period and up to the Latest Practicable Date, we had been actively engaged in multiple R&D projects centered on advancing our technological capabilities and expanding product and solution portfolio. Certain key R&D projects during the Track Record Period and up to the Latest Practicable Date include:

Project Name	Target Object	Project Stage
<p><b>High-Computing Power Module</b></p> <p><b>Project:</b> This project aims to establish and enhance a product line for high-computing-power modules . . . . .</p>	<p>Develop a competitive product line in high-computing-power modules, targeting applications in edge computing, distributed computing and cloud gaming, with the aim to strengthen our position in emerging markets such as robotics and expand AI-related applications of our products</p>	<p>Products with computing power of 48 TOPS have entered mass production since 2024, and products with computing power nearing 80 TOPS are under development</p>
<p><b>Multi-Platform, Multi-Standard General-Purpose Data Transmission Module Project</b></p> <p><b>Target Object:</b> This project aims to increase the market share and shipment volume for general-purpose data transmission modules across multiple platforms and standards .</p>	<p>Expand our product portfolio to include modules for various communication standards, meeting the diverse needs of IoT markets and enhancing our customer base and application coverage</p>	<p>Some products have been developed and entered mass production since 2022, while others are under development</p>
<p><b>5G Integrated Core Network</b></p>		

5G+Ce a. V. c e. -E. e<sup>y</sup> . . . B

( C-V2X ) A . . . e-G. ade

M. d e a d S. . . P. ec :

## BUSINESS

Date, please see “Appendix VI — Statutory and General Information — B. Further Information about our Business — 2. Our Intellectual Property Rights” for details of our material intellectual property rights.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any threatened or pending disputes relating to infringement of intellectual property rights which would have a material adverse effect on our business. Please see “Risk Factors — Risks Relating to Our Business and Industry — If third parties claim that we infringe upon their intellectual property rights, we may incur liabilities and penalties and may have to redesign or suspend the sales of products or solutions involved” for further details.

### SALES, MARKETING AND DISTRIBUTION

#### Our Sales Network

We have established comprehensive sales networks in domestic and international markets.

The table below sets forth the breakdown of our revenue by geographic region (in terms of the place of registration of our customers) for the periods indicated.

	Year ended December 31,						Year ended September 30,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
China . . . . .	1,760,368	76.3	1,482,375	69.0	2,138,448	72.7	1,613,043	73.9	1,858,424	65.9
East Asia <sup>(1)</sup> . . . . .	272,068	11.8	305,953	14.2	285,931	9.7	205,064	9.4	507,267	18.0
United States . . . . .	106,344	4.6	72,428	3.4	222,264	7.6	122,886	5.6	240,235	8.5
Europe . . . . .	96,037	4.2	164,417	7.7	107,625	3.7	86,878	4.0	88,188	3.1
Others <sup>(2)</sup> . . . . .	71,115	3.1	122,163	5.7	187,106	6.4	154,157	7.1	127,174	4.5
<b>T a . . . . .</b>	<b><u>2,305,932</u></b>	<b><u>100.0</u></b>	<b><u>2,147,336</u></b>	<b><u>100.0</u></b>	<b><u>2,941,374</u></b>	<b><u>100.0</u></b>	<b><u>2,182,028</u></b>	<b><u>100.0</u></b>	<b><u>2,821,288</u></b>	<b><u>100.0</u></b>

Notes:

(1) Excluding China.

(2) Primarily including Samoa and Dominican Republic.

## BUSINESS

### Our Sales Channel

The table below sets forth a breakdown of revenue contribution by sales channels for the periods indicated.

	Year ended December 31,						Nine months ended September 30,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
Direct sales . . . . .	2,055,550	89.1	1,957,271	91.1	2,785,062	94.7	2,046,828	93.8	2,646,733	93.8
Distributorship . . . . .	250,382	10.9	190,065	8.9	156,312	5.3	135,200	6.2	174,555	6.2
<b>Total . . . . .</b>	<b><u>2,305,932</u></b>	<b><u>100.0</u></b>	<b><u>2,147,336</u></b>	<b><u>100.0</u></b>	<b><u>2,941,374</u></b>	<b><u>100.0</u></b>	<b><u>2,182,028</u></b>	<b><u>100.0</u></b>	<b><u>2,821,288</u></b>	<b><u>100.0</u></b>

### Our Direct Sales

#### Overview

In 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, revenue generated from our direct sales customers amounted to RMB2,055.6 million, RMB1,957.3 million, RMB2,785.1 million, RMB2,046.8 million and RMB2,646.7 million, respectively, accounting for approximately 89.1%, 91.1%, 94.7%, 93.8% and 93.8%, respectively, of our total revenue in the same periods. Our direct sales customers were mainly from general IoT, ICV and wireless broadband sectors.

We adopt a direct sales model for the majority of our products to maintain control over key customer relationships and respond promptly to customer needs and feedback. In addition, many of our module products and solutions are highly customized to meet the specific requirements of our customers, which makes it more suitable to adopt a direct sales model. By directly managing customer interactions, we foster long-term, stable partnerships and enhance customer satisfaction through our customized product and solutions. 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.

#### Principal Contractual Terms with Direct Sales Customers

We typically enter into framework direct sales agreements with our direct sales customers.



## BUSINESS

products through direct sales after some of our end customers decided to establish direct business relationship with us in place of through distributors and became our direct customers. The following table sets forth the movement in the number of our distributors during the Track Record Period.

	Year ended December 31,			Number of ended September 30,
	2022			2025
	2022	2023	2024	2025
Distributors at the beginning of year/period . . . . .	39	43	42	42
New distributors for the year/period . . . . .	4	8	5	20
Terminated distributors for the year/period . . . . .	0	9	5	3
<b>Distributor added</b>				
<b>Year ended . . . . .</b>	<b>43</b>	<b>42</b>	<b>42</b>	<b>59</b>

Substantially all of our distributors were in China during the Track Record Period. The following table sets forth the number of our distributors by geographic region as of the dates indicated.

	As of December 31,			As of September 30,
	2022			2025
	2022	2023	2024	2025
China . . . . .	42	41	40	53
East Asia <sup>(1)</sup> . . . . .	1	1	2	3
United States . . . . .	—	—	—	—
Europe . . . . .	—	—	—	1
Others <sup>(2)</sup> . . . . .	—	—	—	2
<b>T a . . . . .</b>	<b>43</b>	<b>42</b>	<b>42</b>	<b>59</b>

Notes:

(1) Excluding China.

(2) Primarily including Samoa and Dominican Republic.

---

## BUSINESS

---

During the Track Record Period, our number of distributors remained relatively stable. During the Track Record Period, we did not initiate any terminations of business relationship with our distributors.

### *Distributor Management*

An effective distribution network is essential for enhancing our sales performance and ensuring consumer satisfaction. As such, we maintain rigorous management of our distributors in the following aspects. We and our distributors maintain a seller and buyer relationship. Our distributors buy our products from us and then resell the products to end customers.

We maintain proactive approach to distributor management to ensure market order, compliance and business alignment. Our distributors are selected based on their sales network, financial condition, sales strategy and logistics and warehousing, among other criteria. We establish clear operational guidelines for our distributors and implement reporting mechanisms where our distributors are required to report new end customers to us to safeguard distributor business interests and prevent cannibalization. In particular, as part of our distributor management policy, we require our distributors to report to us before establishing business relationships with new end customers. If a distributor submits a request to cover an end customer already covered by the other distributor, we will not grant approval to such overlapping coverage. This allows us to track the sales activities of our distributors, thereby mitigating risks associated with cannibalization. Additionally, we investigate any incidents of cannibalization and are entitled to terminate our business relationship with those distributors that engage in cannibalization. By maintaining clear visibility over the sales activities of our distribution network, we believe that these measures effectively mitigated the risk for cannibalization and maintained efficiency of our distribution channels. We also generally do not allow our distributors to sell our products in multiple regions. We were not aware of any overlapping end customer coverage among our distributors during the Track Record Period and up to the Latest Practicable Date. To ensure an orderly distribution network, we require our distributors to adhere to our recommended retail price guideline. Distributors are not allowed to sell our products below the recommended retail price absent specific application to, and approval from, us. We require distributors to immediately rectify if we identify any violations of this price guideline by them. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any incidents of cannibalization among our distributors, nor any violations of our recommended retail price guideline.

We regularly review distributor performance based on their sales volume, customer engagement, including the number of new customers and marketing strategies of our major products and operational compliance and assess contract renewals accordingly. As part of our distributor management policy, we communicate with our distributors to evaluate their sales progress and minimize inventory risks. Our distributors typically place orders with us after they

have received purchase orders, which inherently reduces their inventory risks and accelerates their inventory turnover. We do not impose minimum purchase requirement on our distributors. Considering that we do not impose minimum purchase requirement on distributors, and that our distributors are generally not allowed to return any unsold products to us, our Directors are of the view that we do not have any material channel stuffing issue. In event of any inventory overstocking, we work collaboratively with the distributor to optimize stocking plans.

## **P.r.c. B**

We price our products considering a variety of factors, including (i) the cost of relevant products and solutions, including raw material costs, research and development expenses and outsourced production costs. In particular, more complex or advanced products may require higher level of R&D investments and result in higher prices; (ii) customer demand; and (iii) market condition, including industry pricing trends and the cost sensitivity of our customers. In addition to these pricing factors, we adopt volume-based pricing strategies to incentivize customers to place larger orders, driving higher sales volumes and optimizing cost efficiencies. We adjust the final pricing based on the specific customer on a case-by-case basis.

## **Ma.r.e. B**

Our marketing efforts focus on customer engagement, promotion of our new and existing products and solutions and reinforcement of our leadership and reputation in the wireless communication module industry. We strive to strengthen our relationships with existing key customers and acquire new customers, including distributors and direct sales customers. We expand our customer base through technical consultations with suppliers, industry partnerships and proactive market outreach through means such as industry exhibitions and introductions by consultancies.

In particular, as we advance our business strategy, we are actively targeting AI-powered smart devices, robotics and other emerging market segments to further broaden our customer network and establish long-term growth opportunities. Our ability to acquire and retain customers is underpinned by our brand reputation, industry experience and proven track record of collaboration with leading enterprises across multiple sectors.

## **OUR CUSTOMERS**

During the Track Record Period, our customers primarily consisted of (i) direct sales customers; and (ii) distributors. Our direct sales customers during the Track Record Period included (i) automotive manufacturers and Tier-1 suppliers; (ii) IoT device manufacturers; (iii) electronics and smart hardware manufacturers; and (iv) mobile device and communication product manufacturers. We do not provide financial compensations to our customers. During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes, breach of terms of framework agreements or early termination of our contractual relationships with our

In 2022, 2023, 2024 and the nine months ended September 30, 2025, revenue generated from our five largest customers in each year/period of the Track Record Period was RMB701.2 million, RMB847.2 million, RMB1,388.8 million and RMB1,398.0 million, respectively, accounting for 30.4%, 39.5%, 47.2% and 49.5% of our total revenue in the same periods, respectively. Revenue from our largest customer in each year/period of the Track Record Period accounted for 8.3%, 24.3%, 32.5% and 28.2% of our total revenue in 2022, 2023, 2024 and the nine months ended September 30, 2025, 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. All the five largest customers in each year/period during the Track Record Period were direct sales customers.

Rank	Customer	Sales amount	Percentage of total revenue	Year ended	Customer	Year of
						conclusion

## BUSINESS

- (2) Customer B is a public company established in Chinese mainland, listed on Shenzhen Stock Exchange and engaged in the development and supply of electronic products, intelligent solutions and technology services.
- (3) Customer C is a public company established in Chinese mainland, listed on Shenzhen Stock Exchange and engaged in the design, development, and manufacturing of electronic products and smart hardware solutions.
- (4) Customer D is a private company established in Taiwan, China, engaged in the distribution of electronic components and the provision of supply chain and procurement services.
- (5) Customer E is a public company established in Chinese mainland, listed on Shenzhen Stock Exchange and engaged in the distribution of mobile devices, communication products and the provision of integrated supply chain and value-added services.

Rank	Customer	Sales amount (RMB'000)	Percentage (%)	Year of product sold	Credit term	Year of
						contract
<i>For year ended December 31, 2023</i>						
1	Customer F <sup>(6)</sup>	521,769	24.3	4G/5G data transmission modules and smart modules and solutions	30 to 120 days	2018
2	Customer E	95,870	4.5	5G data transmission solutions	100% prepayment	2022
3	Customer G <sup>(7)</sup>	86,962	4.0	4G data transmission modules and smart modules and solutions	30 days	2023
4	Customer B	79,232	3.7	4G/5G data transmission modules and solutions	100% prepayment	2019
5	Customer H <sup>(8)</sup>	63,346	2.9	4G/5G data transmission modules	30 to 90 days	2020

*Notes:*

- (6) Customer F includes (i) a public company, headquartered in Shenzhen, China, listed on Hong Kong Stock Exchange and Shenzhen Stock Exchange and engaged in the production of automobiles, electronic parts and production and assembly of electric vehicle; and (ii) a public company, headquartered in Shenzhen, China, listed on Hong Kong Stock Exchange and primarily engaged in the design, manufacture and assembly of handset components, mobile intelligent terminal modules and other electronic products.
- (7) Customer G is a private company established in Samoa, engaged in the provision of logistics support, supply chain solutions, and value-added business services across various industries.
- (8) Customer H is a private company established in Chinese mainland, engaged in the provision of IoT connectivity, platform services and integrated industry solutions.

## BUSINESS

Rank	Customer	Sales amount (RMB'000)	Percentage of sales (%)	Year of first order placed	Lead time	Year of
						completion
1	Customer F . . . . .	955,098	32.5	4G/5G data transmission modules and smart modules and solutions	30 to 120 days	2018
2	Customer I <sup>(8)</sup> . . . . .	166,524	5.7	4G/5G data transmission and smart modules	100% prepayment	2020
3	Customer G . . . . .	131,477	4.5	4G data transmission modules and smart modules and solutions	30 days	2023
4	Customer J <sup>(9)</sup> . . . . .	70,336	2.4	4G/5G data transmission modules	30 to 60 days	2021
5	Customer K <sup>(10)</sup> . . . . .	65,381	2.2	4G/5G data transmission solutions	72 days	2020

*Notes:*

- (8) Customer I is a public company established in Chinese mainland, listed on Shenzhen Stock Exchange and engaged in the distribution of electronic components and the provision of integrated supply chain solutions and technical support services.
- (9) Customer J is a private company established in Lithuania, engaged in the development and manufacturing of IoT devices and solutions.
- (10) Customer K is a private company established in the U.S., engaged in the design, development and supply of mobile devices and IoT solutions for mobile operators and enterprise customers

## BUSINESS

Rank	Customer	Sales amount (RMB'000)	Percentage of sales (%)	Year of product launch	Lead time	Year of
						completion
<i>For the nine months ended September 30, 2025</i>						
1	Customer F . . . . .	796,093	28.2	4G/5G data transmission modules and smart modules and solutions	30 to 120 days	2018
2	Customer L <sup>(11)</sup> . . . . .	212,634	7.5	5G data transmission modules and solutions	Up to 90 days	2024
3	Customer M <sup>(12)</sup> . . . . .	153,067	5.4	4G/5G smart modules and solutions	60 to 90 days	2022
4	Customer N <sup>(13)</sup> . . . . .	123,449	4.4	5G data transmission modules	Up to 90 days	2024
5	Customer O <sup>(14)</sup> . . . . .	112,726	4.0	4G/5G smart modules and solutions	Up to 90 days	2024

*Notes:*

- (11) Customer L is a private company established in Tokyo, Japan, engaged in the development and sales of wireless data transmission devices.
- (12) Customer M is a private company headquartered in the U.S., engaged in the development and sales of touchscren devices and solutions.
- (13) Company N is a private company established in Chinese mainland, engaged in the sales of electronic products and the provision of supply chain management services.
- (14) Company O is public company established in the U.S., listed on NASDAQ, engaged in the design, development, marketing and sale of wireless connectivity products and solutions.



beneficial business relationship with these major customers to accelerate our revenue growth, enhance our brand image in the industry, facilitate the technological improvement of our existing products and research and development of our new products, and improve our economies of scale.

China's automobile industry, especially the NEV industry, has recently faced certain challenges, such as intensified pricing pressure within the industry and certain leading market players undertook price reductions. In addition, evolving regulatory developments may continue to impact the market condition and the competitive landscape. According to Frost & Sullivan, the NEV industry in China experienced a pricing competition in 2025 as a transitional phenomenon during a period of rapid expansion and certain major NEV market participants in China have significantly reduced prices on certain entry-level models to intensify competition, and also led major NEV market participants to exert pressure on their supply chain to reduce costs and manage their own working capital. At the policy level, regulators and industry associations in China have repeatedly emphasized the need to avoid disorderly price wars and to guide the market back towards value-driven development. In September 2025, the China Association of Automobile Makers issued the Code of Conduct for Payment to Suppliers by Vehicle Manufacturers, which requires settlement to suppliers within 60 calendar days from the date of delivery and acceptance, and encourages the use of cash transfers or bank acceptance drafts in lieu of commercial bills. This measure aims to improve supplier cash flow and investment visibility, thereby stabilizing upstream and downstream relationships. However, uncertainties remain regarding the implementation and enforcement of such rules. The above factors may continue to exert margin pressure on the automobile industry in China. In addition, our ICV customers may explore alternative technological solutions for its vehicles, which could reduce its reliance on our wireless communication modules. Please see "Risk Factors — Risks Relating to Our Business and Industry — Our products and solutions are used by end customers of multiple industries and sectors. Factors that adversely affect these industries and sectors may adversely impact our business, financial condition and results of operations."

Our collaboration with customers in the ICV sector is typically structured around a "design-win" model. This is a standard and rigorous process in the automotive industry where we are selected as the designated supplier for a specific wireless communication module for a particular vehicle model. This typically occurs early in the customer's vehicle development cycle. Once we secure the design-win, we work closely with the customer to design and customize our module to meet the specific technical and performance requirements of their new vehicle model. Upon successful development and testing, our module becomes an integral and essential component of that vehicle's electronic architecture. During the Track Record Period, the numbers of modules we sold to Customer F were 271.2 thousand units, 477.1 thousand units, 791.1

---

## BUSINESS

---

In line with common industry practice for such arrangements, we typically do not receive upfront development fees from our ICV customers. However, because our module is custom-developed and deeply integrated into the vehicle's design, it is generally less feasible for the customer to switch to an alternative supplier for that specific vehicle model post-development.

While our contracts generally do not contain firm minimum purchase commitments, customers provide us with long-term, non-binding demand forecasts for the product's expected lifecycle. Our actual sales volume is subsequently driven by the purchase orders placed by the customer, which are correlated with the market success and manufacturing volume of their vehicle.

### **Management Base Case Scenario**

#### *Diversification within the ICV Sector*

To mitigate the risks associated with customer concentration, we plan to continue to expand our customer base by exploring business opportunities. As of the Latest Practicable Date, we had a diverse customer base in the ICV sector and secured orders for development projects from customers. Our product portfolio for the ICV sector is comprehensive and extends well beyond the 5G smart modules currently procured by Customer F. We have developed and offer a full suite of products, including 4G smart modules and 4G and 5G data transmission modules, among which some products are specifically tailored for intelligent cockpits. These products can be used for various applications such as unmanned logistics vehicles and robotaxis. This product diversification allows us to target a broader segment of the ICV market. For instance, we have experienced increase in shipments of 4G modules to certain ICV customers during the Track Record Period. As of the Latest Practicable Date, we were having ongoing and upcoming business relationship with various ICV customers other than Customer F, including design wins, products in the R&D phase, products in the testing phase and products in mass production phase. Among these ICV customers, more than 30 customers had already generated revenue for us as of the Latest Practicable Date.

In addition, new market opportunities for our 5G modules are expected to emerge. These opportunities are expected to be further supported by the trend led by leading market players such as Customer F. Other ICV customers are expected to follow leading market players and transition to adopt more 5G module products, thus creating additional opportunities for our products. Broader adoption by other customers will reduce our reliance on any single customer.

### ***Diversification of Product Offering and Supply Chain***

In addition to continued diversification of customer base, we also plan to (i) diversify our product portfolio by investing in the research and development of products with higher gross profit margin; and (ii) optimize our supply chain by engaging and keeping a diverse pool of EMS providers and raw material suppliers to enhance our cost efficiency. We believe this will allow us to sustain a balanced and resilient business while capitalizing on the opportunities with leading customers.

### ***Diversification across Application Sectors***

To mitigate the risks associated with customer concentration and our reliance on the ICV sector, we are also actively implementing a long-term strategy to foster a more balanced business structure across our key application sectors: ICV, general IoT and wireless broadband. Our goal is to achieve a more balanced revenue contribution from these sectors over time. In furtherance of this strategy, we have dedicated resources to developing markets outside of the ICV sector, particularly in overseas markets. For instance, for the nine months ended September 30, 2025, we have recorded considerable revenue contribution from newly developed overseas customers, such as a Japanese customer for 5G data transmission modules for the wireless broadband market, a U.S.-headquartered customer for smart modules and solutions used in retail devices, and a South Korean customer for smart modules and solutions used in logistics. The successful development of these new customer relationships demonstrates the progress of our strategy to diversify our business and reduce our dependence on any single industry sector.

### ***Third-Party Payment Arrangements***

During the Track Record Period, certain of our customers (including certain direct customers and distributors individually or collectively, the “**Relevant Customers**”) settled their outstanding payments with us through accounts of third-party payors designated by them (such arrangements, the “**Third-Party Payment Arrangements**”). For the periods ended December 31, 2022, 2023, 2024 and the nine months ended September 30, 2025, seven, six, seven and two Relevant Customers used Third-Party Payment Arrangements, respectively, and on the aggregate of Third-Party Payment Arrangements, respectively, accounted for 0%, 0%, 0% and 0% of our total revenue for the periods ended December 31, 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively.

To the best of our knowledge, the Relevant Customers used Third-Party Payment

---

## BUSINESS

---

### *Termination of Third-Party Payment Arrangements*

In line with our commitment to strengthen internal control, in June 2025, we had terminated Third-party Payment Arrangements. We do not plan to engage in any Third-party Payment Arrangement again in the future. We believe that this termination has not had, and will not have, a material adverse effect on our business or financial performance, given that (i) payment received from Third-party Payment Arrangements represented an insignificant percentage of our total revenue during the Track Record Period; (ii) the termination of Third-Party Payment Arrangements did not affect the payment settlement arrangement from our Relevant Customers to us; and (iii) we have not experienced any customers altering their relationship with us as a result of the cessation of Third-party Payment Arrangement. For risks related to the Third-party Payment Arrangement, please see “Risk Factors — Risks Relating to Our Business and Industry — We are subject to risks relating to Third-Party Payment Arrangements.”

### *Enhanced Internal Control*

To mitigate risks associated with Third-Party Payment Arrangements, we have implemented and strengthened various internal control measures, including:

- Initiating rectification measures and informing employees of the enhanced internal control policies;
- Requiring employees to avoid proactively initiating Third-party Payment Arrangements, informing customers that Third-party Payment Arrangements are no longer accepted, and adhering to policies for terminating such practices;
- Mandating employees to collect customers’ bank account details, including account names, during contract signing and ensuring all payments are made using the contracting party’s account; and
- Tasking the finance department with regular reviews of internal operations, including sample contract checks to verify that payers match the contracting parties, among other measures.

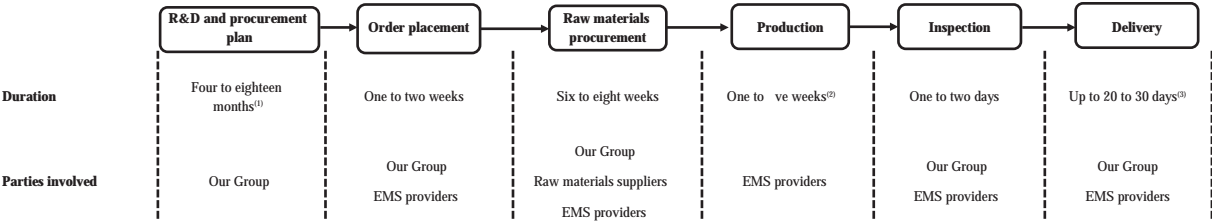
Based on the review of the implementation of the abovementioned measures, our Directors are of the view that such measures are effective and adequate in preventing risks associated with Third-Party Payment Arrangements in the future.

## RAW MATERIALS AND PROCUREMENT

We outsource the production of our products and solutions to EMS providers. We procure a range of raw materials, primarily including (i) baseband chips; (ii) radio frequency chips; (iii) memory chips; (iv) SoCs; and (v) other electronic components for the production of our modules and solutions. We source our raw materials and services from suppliers with reputable operations and credible and stable track record in the industry, as we believe the quality of raw materials and services affects the quality of our products and in turn, our business and reputation.

As of December 31, 2022, 2023, 2024 and September 30, 2025, we had 11, 13, 16 and 13 EMS providers, respectively. In 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, outsourced production costs amounted to RMB111.4 million, RMB98.1 million, RMB137.2 million, RMB97.4 million and RMB117.2 million, respectively.

Our procurement process includes three phases: procurement planning, outsourced manufacturing and delivery and inspection. The following diagram illustrates the key steps in these phases, the respective duration and the parties involved.



Notes:

- (1) For modules and solutions that are less complex, such as the ones used in consumer electronics sector, our R&D period is typically four to six months. For more complex products and solutions, such as the products and solutions

---

## BUSINESS

---

- *Outsourced manufacture:* Once procurement plans are finalized, we issue purchase orders to our raw material suppliers and production orders to our EMS providers pursuant to procurement plans. Raw material suppliers deliver raw materials to our designated EMS providers and our EMS providers manufacture modules and solutions according to specifications. Upon completion, our EMS providers test, inspect and warehouse our products and solutions. Our on-site quality control team stationed at the EMS provider’s manufacturing facility, also closely manages and monitor the process to ensure the manufactured modules and solutions conform to our standards.
- *Inspection and delivery:* After our EMS provider warehouse the manufactured modules and solutions, our quality control team conducts independent inspections and testing to ensure compliance with our quality standards and specifications. Once the products and solutions are approved, we generally arrange the shipping and delivery from our EMS providers’ warehouses to locations designated by our customers.

We generally do not enter into long-term supply agreements with fixed price arrangements. To mitigate supply chain risks and price volatility, we maintain regular communication with our suppliers and closely monitor raw material costs through market trend analysis and periodic price assessments. We procure raw materials and adjust inventory levels based on price forecast to control our raw material costs and avoid disruption in our supply chain. During the Track Record Period and up to the Latest Practicable DIs we had not faced any material increase in raw material or production costs which would have a material adverse effect on our business, results of operations or financial condition. For further details of our inventory management, please see “Logistics and Inventory Management” in this section. Moreover, we test and ensure the compatibility of alternative raw materials with our modules and solutions at R&D stage and evaluate potential new raw materials suppliers to maintain the flexibility to switch to alternative materials or suppliers in the event of severe shortages or price volatility of certain raw materials.

During the Track Record Period and up to the LIs Practicable DIs we did not experience quality issues or shortages during our procurement that materially affected our operations. During the Track Record Period and up to the Latest Practicable DIs we had not adopted any hedging policies to mitigate the effect of fluctuations in the prices of raw materials.

### **Impact of Global Semiconductor and Raw Material Price Volatility**

Our business and financial performance are dependent on the stable and cost-effective supply of raw materials, primarily semiconductors such as baseband chips, SoCs and memory chips. The global semiconductor industry has, in recent years, experienced volatility, including supply shortages and cyclical price fluctuations, which can impact our operations.

### *Supply of Certain Key Raw Materials*

#### *Supply of Baseband Chips and SoCs*

The global semiconductor industry experienced a significant supply shortage from late 2021 through 2022, driven by pandemic-related manufacturing disruptions, logistics challenges, and a surge in downstream demand from the 5G, electric vehicle and remote work sectors.

Despite this challenging industry-wide environment, we have not experienced material disruptions to our operations or financial performance resulting from a shortage of our baseband chips and SoCs during the Track Record Period. We believe the global supply for these specific components has been largely sufficient for our needs. This is primarily attributable to our proactive supply chain management and the strong, long-term relationships we maintain with our principal chip suppliers. Pricing for these core components has also remained relatively stable, and in some cases, we have been able to achieve gradual cost reductions through bulk purchase discounts and economies of scale.

#### *Impact of Memory Chip Price Volatility*

Price volatility in memory chips (such as DRAM and NAND), which are a key component in most of our modules, remained volatile and cyclical. According to Frost & Sullivan, the market for memory chips is known for its cyclical and often sharp price fluctuations. For example, price of memory chips experienced a period of price declines in 2022 and 2023 due to market overcapacity and weak consumer demand, and began to rebound in 2024 and 2025, driven by factors including surging demand for AI servers and production cuts by major manufacturers.

This price volatility directly affects our material costs. To illustrate the proactive measures we take, our supply chain team identified the beginning of a price increase cycle in early 2025 and strategically built up inventory. As a result, our inventory of memory chips increased by approximately two times from December 31, 2024 to September 30, 2025. By procuring a sufficient volume of chips before the full effect of the price increases, we were able to secure supply for future product deliveries and partially mitigate the impact of rising costs on our gross profit margin.

According to Frost & Sullivan, the current round of price increases, caused by supply-demand dynamics, is expected to continue into the first half of 2026, for the reasons below:

- **Supply-side Contraction:** Major memory chip manufacturers have shifted production capacity towards high-end memory chips, such as High Bandwidth Memory and high-end DDR5 memory required for AI servers, in pursuit of higher margins, which has squeezed the supply of traditional memory chips that we primarily procure.
- **Demand-side Transformation:** As AI transitions from the training phase to the inference phase, the demand for memory has significantly changed. There is rapid growth in demand for fast data access from cloud AI servers, as well as for larger memory capacities in end devices like AI PCs and AI phones.
- **Inventory Cycle:** After a prolonged period of price declines, inventory within the industry chain had fallen to low levels. Once demand signals became clear, inventory replenishment by downstream manufacturers, combined with price increase expectations, created a reinforcing cycle that further exacerbated supply tightness.

### ***Our Mitigating Measures***

We have implemented a comprehensive strategy to manage the risks associated with semiconductor supply and price volatility:

- **Supplier Base Diversification:** We are committed to continuously diversifying our supplier resources to enhance supply chain resilience. In 2022, 2023, 2024 and the nine months ended September 30, 2025, we had 18, 30, 34 and 27 baseband chip suppliers, respectively. For memory chips, while we source from major international manufacturers, we are also increasing our use of qualified domestic suppliers. Specifically, during the Track Record Period, the number of memory chip suppliers from whom we procured during each year/period generally increased on a continuous basis. These alternative domestic suppliers include other domestically and internationally recognized semiconductor companies. We primarily use chips based on mature process technologies that are available from multiple suppliers, which reduces dependency on any single supplier. All chips procured, regardless of the supplier, must satisfy our requirements to ensure they meet our internal quality standards and the specifications required by our customers. As a result, we believe that the quality of chips provided by



---

## BUSINESS

---

- **Long-Term Partnership with Suppliers:** We proactively establish long-term partnership with high-quality chip suppliers to seek a stable supply of chips. In addition, we actively cooperate with suppliers in the debugging and validation of newly developed chips in order to obtain, in respect of such chips, priority access, supply assurance and/or preferential pricing.
- **Customer Communication:** We maintain close and transparent communication with our customers regarding significant shifts in the cost of key components. Where commercially feasible and upon reaching an understanding with our customers, we seek to appropriately adjust the selling prices of our products to partially transfer the increased material costs.

### OUR SUPPLIERS

#### Supplier Selection and Management

During the Track Record Period, our suppliers primarily consisted of (i) raw material suppliers; and (ii) EMS providers. We typically engage reputable suppliers with proven track records to ensure the quality of our products. We consider a comprehensive set of factors when selecting suppliers, including their technological expertise, product quality, responsiveness and cost competitiveness. New suppliers must undergo rigorous qualification processes, including registration, capability assessment, material certification, on-site inspections (as necessary) and contractual agreements before being included in our approved supplier list. Qualified suppliers are regularly evaluated on their periodical performance based on metrics including product quality, corporate social responsibility and compliance. As of December 31, 2022, 2023, 2024 and September 30, 2025, we had 497, 520, 578 and 665 qualified suppliers included on our approved supplier list, respectively. Additionally, we require our suppliers to comply with our internal supply management policies. Upon receiving raw materials from our raw material suppliers, we retain the right to reject or return based on our inspection and examination results and suppliers are generally liable to us and our customers for any product quality issues caused by them. We communicate with EMS suppliers regarding quality standards and thoroughly inspect the finished products to ensure that they meet all the technical requirements set forth in our product designs. Non-compliance or significant quality issues will trigger immediate reassessment, which may result in warnings, procurement restrictions or removal from the qualified supplier list.

Raw Material Sheet

---

## BUSINESS

---

### EMS Providers

During the Track Record Period, we engaged a group of EMS providers to manufacture our products and solutions. During the Track Record Period, only two of our EMS providers was located overseas, and the rest were all domestic companies. EMS providers are companies that typically offer manufacturing and assembly services for electronic components and products on behalf of customers. They specialize in production process, such as processing of raw materials, assembly of PCBs and integration of components into final products. By outsourcing the resource-intensive manufacturing process to EMS providers, customers like us can focus on activities such as production design and R&D. During the Track Record Period, we had an abundant number of EMS providers that closely collaborated with us, and as a result, we did not rely on any particular EMS provider(s). Salient terms of the supply agreements with our EMS providers typically include:

- *Scope of supply:* EMS providers primarily manufacture the hardware in our products and solutions and provide related manufacturing services to us.
- *Term and termination:* We typically enter into framework agreement with a term of two years, which may be automatically renewed unless otherwise terminated by mutual agreement. The framework agreements set out the general terms and conditions of cooperation. Individual purchase orders are then executed on an as needed basis.
- *Capacity planning and line reservation:* We provide EMS providers with estimated annual production capacity needs based on our business plan annually and release monthly rolling forecasts to adjust production planning. We also require some of our EMS providers to reserve manufacturing capacity for a defined period which we may adjust periodically, primarily to meet the customer's demand for urgent or additional orders. We allocate production orders based on EMS provider's production capacity, geographic location (to ensure timely delivery to customers), service offer price and manufacturing and technical capability.
- *Pricing and payment terms:* Prices are determined based on production complexity, volume and market conditions, with payments structured through pre-agreed terms. Our suppliers generally grant us a credit period of 30 to 90 days.
- *Logistics:* EMS providers are responsible for timely delivery of our products.

---

## BUSINESS

---

- *Quality assurance and warranty*: EMS providers must meet our specified quality requirements and are responsible for liabilities resulting from product defects. EMS providers typically offer us a warranty period of 18 months from delivery date.

We have implemented a series of measures to prevent infringement on our intellectual property rights and potential competition during the course of our engagement with EMS providers. For instance, we only provide our EMS providers with the information needed for the production of our modules and solutions. Our EMS providers are contractually bound not to infringe on our intellectual property rights and misuse other proprietary information, and are only entitled to use underlying intellectual properties for the purpose of the production of our modules and solutions. During the Track Record Period, we did not experience any material infringement of our intellectual property rights.

### Major Suppliers

In 2022, 2023, 2024 and the nine months ended September 30, 2025, purchases from our five largest suppliers in each year/period of the Track Record Period were RMB1,159.9 million, RMB962.3 million, RMB1,720.7 million and RMB1,513.9 million, respectively, representing 57.8%, 53.3%, 63.8% and 56.7% of our total purchase, respectively. In addition, purchases from our largest supplier in each year/period of the Track Record Period accounted for 37.6%, 26.5%, 34.1% and 34.9% of our total purchases in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively. 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 during the Track Record Period. Additionally, we did not experience any material disputes with our suppliers during the Track Record Period.

## BUSINESS

The following table sets forth the details of our five largest suppliers in each period during the Track Record Period.

Rank	Supplier	Purchase Amount (RMB'000)	Percentage of Total Purchase (%)	Yearly Purchased / Expense Incurred	Credit Term	Year of
						Contract
<i>For year ended December 31, 2022</i>						
1	Supplier A <sup>(1)</sup>	754,186	37.6	Baseband chip and SoC	100% prepayment	2012
2	Supplier B <sup>(2)</sup>	246,641	12.3	Baseband chip and memory chip	60 days	2019
3	Supplier C <sup>(3)</sup>	67,872	3.4	Memory chip	30 days	2019
4	Supplier D <sup>(4)</sup>	45,976	2.3	Memory chip	60 days	2020
5	Supplier E <sup>(5)</sup>	45,199	2.3	Manufacturing services	30 to 90 days	2018

*Notes:*

- (1) Supplier A is one of the subsidiaries of a leading public semiconductor company in U.S., established in Singapore and engaged in providing wireless technology and services.
- (2) Supplier B is a private technology company established in Chinese mainland and Hong Kong, specializing in the provision of modules and value-added technology services.
- (3) Supplier C is a private company established in Hong Kong, engaged in the sales of electronic components, customized module solutions and technical support services.
- (4) Supplier D is a private company established in Hong Kong, engaged in the development and supply of electronic components, module solutions and technology services.
- (5) Supplier E is a private company established in Chinese mainland, engaged in the manufacturing and distribution of electronic components and customized technology solutions.

## BUSINESS

Rank	Supplier	Purchase Amount (RMB'000)	Percentage of Total (%)	Type of product / service provided	Credit term	Year of
						contract
<i>For year ended December 31, 2023</i>						
1	Supplier A . . . . .	478,342	26.5	Baseband chip and SoC	100% prepayment	2012
2	Supplier B . . . . .	339,305	18.8	Baseband chip and memory chip	60 days	2019
3	Supplier F <sup>(6)</sup> . . . . .	56,812	3.1	Memory chip	30 days	2022
4	Supplier G <sup>(7)</sup> . . . . .	45,605	2.5	Wave filter and other chips	60 days	2022
5	Supplier E . . . . .	42,277	2.3	Manufacturing services	30 to 90 days	2018

*Notes:*

- (6) Supplier F is a private company established in Hong Kong, engaged in the provision of computational storage solutions, memory products and data infrastructure technologies for enterprise and data center applications.
- (7) Supplier G is a private company established in Hong Kong engaged in the research, development and supply of electronic components, intelligent hardware solutions and technology services.

Rank	Supplier	Purchase Amount (RMB'000)	Percentage of Total (%)	Type of product / service provided	Credit term	Year of
						contract
<i>For the year ended December 31, 2024</i>						
1	Supplier A . . . . .	920,445	34.1	Baseband chip and SoC	100% prepayment	2012
2	Supplier B . . . . .	559,415	20.7	Baseband chip and memory chip	60 days	2019
3	Supplier F . . . . .	123,909	4.6	Memory chip	30 days	2022
4	Supplier G . . . . .	62,175	2.3	Wave filter and other chips	60 days	2022
5	Supplier E . . . . .	54,719	2.0	Manufacturing services	30 to 90 days	2018



---

## BUSINESS

---

On April 8, 2025, such reciprocal tariffs on Chinese goods were increased from 34% to 84%. On April 9, 2025, the U.S. government introduced a 90-day pause on tariff increases for over 75 countries, excluding China. The U.S. government further amended the reciprocal tariffs to China (including the Hong Kong SAR) again to 125%.

On May 12, 2025, the United States and the People's Republic of China issued a joint statement following their economic and trade discussions in Geneva. Both the United States and China agreed to a temporary 90-day reduction in tariffs, effective May 14, 2025. During this period, the U.S. will lower its "reciprocal tariffs" on Chinese goods (including the Hong Kong SAR) from 125% to 10% by suspending the 24 percentage points of that rate for an initial period of 90 days. In response, China will reciprocate by reducing tariffs from 125% to 10%. On August 11, 2025, President Trump signed an Executive Order to further extend the suspension of the additional 24% reciprocal tariffs on Chinese goods, originally set to expire on August 12, for an additional 90 days until November 10, 2025. On November 1, 2025, the U.S. government announced that it would maintain the suspension of heightened reciprocal tariffs on Chinese imports until November 10, 2026, while the currently 10% reciprocal tariff will remain in effect during this suspension period.

To the best of our knowledge after due inquiry, during the Track Record Period and up to the Latest Practicable Date, the U.S. tariff applicable to our products were as follows: (i) from 2022 to January 2025, our modules and solutions were generally subject to U.S. tariff of 7.5%; (ii) from February to May 2025, the U.S. tariff applied to our modules and solutions rose to up to approximately 152.5% as a result of the trade tension between the U.S. and China; (iii) Since June 2025 and up to the Latest Practicable Date, the U.S. tariff applied to our modules and solutions were reduced to generally ranging between 27.5% to 37.5%, as the trade tension eased.

**E/**

The recent tariffs implemented by the U.S. on imports from China do not have any material and adverse impact on our direct and indirect sales to the U.S. for the following reasons:

- ***We sold few of our products to the U.S.*** In 2022, 2023, 2024 and the nine months ended September 30, 2025, revenue from the sales of our products to the U.S. accounted for 4.6%, 3.4%, 7.6% and 8.5% of our total revenue, respectively. Pursuant to our direct sales agreements and distribution agreements, during the Track Record Period, we were not responsible for the tariffs imposed by the U.S. on our modules and solutions sold directly to the U.S.

---

## BUSINESS

---

Additionally, an increasing proportion of our products sold into the U.S. were produced and exported by our EMS providers in Vietnam. In 2022, 2023, 2024 and the nine months ended September 30, 2025, sales of our products produced and exported by our EMS providers in Vietnam into the U.S. were nil, nil, RMB40.2 million and RMB138.7 million, accounting for nil, nil, 18.1% and 57.7% of our sales into the U.S., respectively. We did not incur any tariff expenses on the import of our products from our EMS providers in Vietnam into the U.S. We had also identified potential EMS providers in Malaysia, Thailand, Cambodia, Japan and Brazil to further mitigate tariff risks.

Given that the revenue contribution from the sales of our products to the U.S. was limited and some of our products were sold to the U.S. from outside China, the recent and further increase of tariffs implemented by the U.S. on imports from China will have limited impact on our business and results of operations as a whole.

- ***The impact of U.S. tariffs on demand from our customers is limited.*** During the Track Record Period and up to the Latest Practicable date, we had not experienced any material adverse changes in the order volume, price, payment, product exchange requests or logistic arrangements related to the sales of our modules and solutions to the U.S. as a result of U.S. tariffs. On the contrary, our overseas revenue increased by 69.2% from RMB569.0 million for the nine months ended September 30, 2024, to RMB962.9 million for the nine months ended September 30, 2025, among which, revenue from the U.S. increased by 95.5% from RMB122.9 million for the nine months ended September 30, 2024, to RMB240.2 million for the nine months ended September 30, 2025. After taking tariffs into account, we still believe that our revenue generated from the U.S. will increase in the future, because: (i) a portion of our modules and solutions sold to the U.S. are manufactured in Vietnam, which partially mitigates the impact of U.S. tariffs; (ii) we expect the scale of our cooperation with our existing customers in the U.S. in the IoT and wireless broadband sectors to expand steadily, driven by the growing demand for smart modules and solutions in the IoT industry and the growing demand for 5G data transmission modules and solutions in the wireless broadband industry; (iii) we continue to strengthen our market expansion efforts in the U.S., such as by participating in Consumer Electronics Show.
- ***We were generally not responsible for the U.S. tariffs on the modules and solutions we sold to customers.*** During the Track Record Period and up to the Latest Practicable Date, we were not responsible for the U.S. tariffs on the modules and solutions we sold to customers, because for the orders subject to U.S. tariffs, the agreed trade terms included in our agreements with customers are mainly Ex Works, Free Carrier, Free on



---

## BUSINESS

---

Record Period and up to the Latest Practicable Date, the raw materials we procured of U.S. origin, primarily including microcontroller units and power amplifiers, were exempt from tariffs imposed by China on imports of U.S. origin. We did not procure any raw materials that were restricted from exports from the U.S. into China.

The semiconductor raw materials we procured of U.S. origin may be subject to tariffs due to changes in the China tariff regime. Due to the globalized nature of semiconductor production, a semiconductor can be manufactured and assembled in different countries and regions. According to the General Administration of Customs regulations, the country of origin for integrated circuits is determined based on the four-digit tariff code change principle. On April 11, 2025, the China Semiconductor Industry Association (CSIA) issued Notice on Rules for Determining Country of Origin for Semiconductor Products, suggesting that for integrated circuits customers declarations, the country of origin should be determined based on the location of the wafer fabrication plant.

As a result, subject to the interpretation of the “U.S. origin” of these raw materials under the new tariff regime, we may incur additional costs in these purchases going forward.

While the ultimate determination of “U.S. origin” and future policy adjustments could affect tariff applicability and costs, the Group’s diversified sourcing strategy and supplier optionality provide substantive mitigation. On this basis, the Sponsor is of the view that Chinese tariffs on U.S.-origin imports are not reasonably expected to have a material adverse impact on the Group’s operations or financial performance.

### **Mitigating Measures**

In response to the potential impact of the tariff policies and other trade restrictions, we have implemented a series of mitigating measures.

- ***Diversify the source of raw materials.*** We had used and plan to increase the use of domestically sourced raw materials as alternatives to the raw materials of U.S. origin we procure and use in our modules and solutions, thereby minimizing the risk of increased tariffs and other adverse trade restrictions on our supply chain and facilitating a stable and resilient production schedule of our modules and solutions.
- ***Diversify our collaboration with EMS providers.*** To mitigate the impact of tariff policies and other trade restrictions, we had collaborated with EMS providers and maintained a pool of potential EMS providers located in jurisdictions not subject to significant tariff or other trade restrictions risks. Additionally, we plan to engage EMS

---

## BUSINESS

---

providers with factories located in comprehensive bonded zone in China to mitigate any potential trade restrictions on the import of raw materials and export of finished products.

### LOGISTICS AND INVENTORY MANAGEMENT

Based on the distance between our EMS providers and the locations specified by our customers and the expected delivery time required by our customers, we generally arrange logistics through qualified third-party logistics service providers to deliver our products and solutions from the manufacturing facilities of our EMS providers to the locations specified by our customers. We conduct regular evaluations of these third-party logistics providers to ensure efficient delivery of our products and solutions and compliance with our quality standards. To the best of our knowledge, during the Track Record Period, all of our third-party logistics service providers were Independent Third Parties.

We place high importance on our inventory and turnover health. We maintain a safety stock level to prepare for unexpected increase in demand or delay, shortage in supply and assign dedicated personnels in our supply chain team to monitor inventory and provide reports to our management team for review. We conduct comprehensive inventory checks every three months and perform spot checks periodically to ensure efficient warehouse operations. We also carry out annual on-site inventory audits and inspections, during which inventory inspection reports are prepared. These reports guide the timely management of obsolete and slow-moving inventories. We also proactively track market condition change and pre-order and stockpile in advance strategic raw materials, primarily including baseband chips, SoC chips, memory chips and PCBs, in anticipation of potential supply shortage. Our Directors are of the opinion 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.

### QUALITY CONTROL

Quality control and assurance is critical to our operation. We are committed to maintaining high quality across our products and solutions. Our comprehensive quality management system encompasses full lifecycle quality control, covering research and development, production, testing, delivery and after-sales service to ensure compliance with both relevant regulatory requirements and our internal quality standards.

We have established a structured quality governance framework, with our general manager acting as the chief decision-maker overseeing the quality management strategy, to ensure that the management system is established, implemented and maintained in accordance with the quality control standards. Provide the necessary resources and approve quality objectives. The

---

## BUSINESS

---

management team is responsible for the establishment, implementation and effective maintenance of the quality control system. We have also established a quality control team that works closely with all departments to enforce quality control measures, conduct performance evaluations and ensure compliance.

### Compliance

We adhere to globally recognized quality and environmental management standards, ensuring that our products and operations comply with the highest industry benchmarks. We have obtained ISO 9001, IATF16949, ISO 14001 and ISO 45001 certifications, covering R&D, supply chain management and customer service, which systematically enhance our operational quality and risk management capabilities.

### R&D Activities

Our R&D quality control framework follows a structured and systematic approach, integrating comprehensive risk assessment and validation measures throughout the entire product lifecycle. We adopt an integrated project delivery framework, ensuring that quality is embedded from product ideation to market release.

We integrate quality control into every stage of R&D to ensure that our products and solutions are designed, tested and validated to meet performance and reliability standards. During the project initiation phase, we conduct market research, regulatory research, customer outreach and feasibility studies to align new products with customer demands. In the specification and design stage, we define product specifications, technical architectures and manufacturing feasibility to ensure smooth downstream execution. The validation phase focuses on hardware and software integration and prototype testing, reducing potential defects before mass production. Even after commercialization, we maintain lifecycle quality tracking, analyzing customer feedback and performance data to drive cost optimization and continuous improvements.

### Supply Chain Quality Control

To ensure that externally provided processes, products, and services meet requirements, we have established a robust supplier management and control procedure. All suppliers are required to comply with the ISO 9001 quality management system, and suppliers providing automotive products and services are expected to meet or aim to achieve compliance with the IATF 16949 quality management system. We conduct supplier reviews and evaluate potential suppliers based on product conformity, technical and manufacturing capabilities, quality and delivery performance, and compliance status. Only materials from suppliers who pass our rigorous qualification process are approved for use.

During the Track Record Period and up to the Latest Practicable Date, (i) we had not received any material complaints relating to product quality; and (ii) we had not experienced any product recalls or accidents due to product defects.

## **Product Testing**

Our finished products undergo comprehensive quality inspections prior to shipment to ensure their functionality, performance, durability and compliance with international standards and specific customer requirements. Our hardware testing verifies circuit integrity, system stability and structural durability and our software testing assesses feature completeness, software reliability and user experience. Reliability testing simulates real-world operating conditions to evaluate long-term product performance.

We also ensure that all products meet applicable international certification standards, including environmental substance testing and regulatory approvals for target markets, to facilitate smooth entry into global markets. Through a systematic approach to product testing, we ensure that our products and solutions consistently meet our stringent quality benchmarks before delivery to customers.

## **Customer Service**

To respond promptly to customer requirements, we ensure that all service personnel are equipped to deliver the designated services and are supported by effective tools and measuring equipment that meet the relevant service demands. This includes on-site support, repair services and other services based on our service standards.

## **INFORMATION SECURITY AND DATA PRIVACY**

We believe the confidentiality, integrity and availability of data is vital to our business operations. In recent years, data security and privacy protection has become a global regulatory priority, with cybersecurity, data security and personal information protection laws in the pndergo

brapid-39704(bc

---

## BUSINESS

---

To ensure data integrity, confidentiality and security and mitigate data security risks, we have developed a comprehensive information security management system that includes stringent data encryption, secure data storage protocols and strict transmission policies to ensure the confidentiality and integrity of sensitive information.

Our internal data protection framework is designed to manage and control access to confidential information effectively. We have established clear and detailed protocols that govern the use, storage and sharing of corporate data, ensuring that only employees with the appropriate authorization can access sensitive information on a need-to-know basis. Employees are granted access to data strictly according to their roles and are required to use this data solely for the performance of their job duties.

Our employees are required to sign confidentiality agreements as part of their employment, which strictly prohibit the unauthorized disclosure of any company-related confidential information. This policy ensures that our employees understand the critical nature of safeguarding company data and are held accountable for maintaining confidentiality.

To safeguard against data loss, we have implemented a backup system that stores key data in multiple locations. We ensure that backup copies are stored both locally and remotely and regularly test our data restoration processes to ensure the reliability of our backup system. In addition, we have established a remote disaster recovery protocol to protect against potential system failures or catastrophic events. Multiple backup copies of data are stored across different locations, ensuring that data can be quickly restored in the event of any technical issues, natural disasters, or unforeseen circumstances.

During the Track Record Period, we did not experience any breach of confidential information of users or any other user information related incidents which could cause a material adverse effect on our business, financial condition or results of operations. We remain committed to enhancing data security, strengthening compliance with evolving regulations and investing in cybersecurity technologies to mitigate potential risks and maintain the highest standards of data protection.

As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material fines, administrative penalties, or other sanctions from relevant regulatory authorities for violations of data privacy and security laws and regulations.

## **INFORMATION TECHNOLOGY SYSTEM**

Our information technology systems are integral to our operational efficiency, data security and business continuity. We have developed a comprehensive information technology infrastructure aligned with our organizational structure, business scope and technological capabilities. To ensure reliability, security and efficiency, we continuously refine information technology 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. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material information technology system failure or downtime that had a material adverse effect on our business operations.

## **COMPETITION**

The global wireless communication module industry in which we operate is highly competitive and characterized by rapid technological evolution, fast changes in customer demands and preferences, frequent introduction of new products and solutions and constant emergence of new industry standards and practices. In addition, the global wireless communication module industry is marked by a high level of concentration. We compete with other players in the

F . c . . .

N b e . z

P e . e . a g e . f

\_\_\_\_\_  
\_\_\_\_\_

E . Y ee T . a . . . B a d De e . . e .

---

## BUSINESS

---

房公積金管理條例》) and the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), because certain employees were not willing to pay the social insurance and housing provident funds in full as it requires additional contributions from these employees.

As advised by our PRC Legal Advisor, pursuant to relevant PRC laws and regulations, if we fail to make social insurance contributions in compliance with the relevant PRC laws and regulations in the future, we may be required to pay all outstanding social insurance contributions within a prescribed period, with late fees at a daily rate of 0.05% of the outstanding amount, accruing from the date when the outstanding social insurance contributions are due. If this payment is not made within the stipulated period, the competent authority may further impose a fine of one to three times of the overdue amount on us. In 2022, 2023 and 2024 and the nine months ended September 30, 2025, the amount of shortfall in social insurance was RMB31.9 million, RMB31.7 million and RMB31.9 million and RMB24.8 million, respectively. In addition, pursuant to relevant PRC laws and regulations, in case of a failure to pay housing provident fund in full, the relevant housing provident fund management center may require us to pay the outstanding amount within a prescribed period. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement. In 2022, 2023 and 2024 and the nine months ended September 30, 2025, the amount of shortfall in housing provident fund contributions was RMB7.2 million, RMB7.8 million and RMB7.6 million and RMB6.9 million, respectively.

On September 21, 2018, the Ministry of Human Resources and Social Security of the PRC issued the Urgent Notice on Enforcing the Requirement of the General Meeting of the State Council and Stabilization the Levy of Social Insurance Payment (《關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》). This notice promotes the reduction of social insurance contributions by companies to avoid overburdening enterprises and prohibits local authorities from requiring enterprises to make up for historically underpaid or unpaid social insurance contributions in one go.

If the relevant authorities order us to fully contribute the social insurance and/or housing provident funds, we would make full contributions and take rectification measures as soon as possible within the specified period. As of the Latest Practicable Date, no penalty had been imposed by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions. As advised by our PRC Legal Advisor, based on the above, the likelihood that the relevant social insurance and housing provident fund authorities would take initiative to recover the historically unpaid social insurance and housing provident fund from us or impose material administrative penalties on us due to our failure to provide full social insurance and housing provident fund contributions for our employees is remote.

---

## BUSINESS

---

According to the Interpretation II by the Supreme People’s Court of the PRC on Legal Issues in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the “**I e . p e a . . .**”) as promulgated by the Supreme People’s Court on July 31, 2025 and became effective on September 1, 2025, if the employer and its 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 the employer fails to pay social insurance contributions in accordance with the applicable laws, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to the Labor Contract Law of the PRC, the People’s Court shall support such claims.

Our Directors are of the view that the Interpretation would not have a material adverse effect on our business operations and financial position, based on the following considerations: (i) as further advised by the PRC Legal Advisor, the Interpretation does not expand penalty exposure or repeal existing laws, and upon its implementation, the likelihood that the relevant competent authorities would collectively seek to recover the historically unpaid social insurance and housing provident funds from us and/or impose administrative penalties on us still remains remote; and (ii) any shortfall in social insurance and housing provident fund contributions, regardless of the reason (including cases resulting from employees’ voluntary waiver of such contributions), has been included in our shortfall calculation.

We have enhanced our internal control measures with respect to social insurance and housing provident fund requirements, including (i) designating our human resources department to review and monitor the reporting and contributions of social insurance and housing provident fund on a regular basis; (ii) monitoring closely any updates of the laws, regulations and policies from time to time so as to ensure that we can respond to any changes with respect to social insurance and housing provident fund requirements; and (iii) consulting our PRC Legal Advisor for advice on relevant PRC laws and regulations to keep us abreast of relevant regulatory developments. In addition, we have obtained confirmations from relevant local authorities that, in respect of the relevant periods stated therein, no administrative penalties had been imposed due to non-compliance regarding social insurance and housing provident funds. We undertake to make timely payments for the deficient amount and overdue charges, as soon as requested by the competent governmental authorities.

## INSURANCE

Pursuant to PRC social insurance regulations, we provide social insurance including pension insurance, unemployment insurance, work-related injury insurance, maternity insurance and medical insurance for our employees based in China.

We also maintain insurance policies to cover various aspects of our business, including property loss and damage, to safeguard our business continuity. In line with general market practice, we do not maintain any business interruption insurance, insurance policies covering damages to our network or information technology systems, or key man life insurance. We regularly review our insurance policies to ensure compliance with statutory requirements. We believe that our existing insurance coverage is adequate for our operations and aligns with industry standards.

During the Track Record Period, 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, please 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**

As of the actual balance sheet date, we owned and leased properties with a net book value of approximately \$953.2 million and \$362.9 million, respectively.

As of the actual balance sheet date, we owned and leased properties with a net book value of approximately \$329.5 million and \$100.0 million, respectively. These properties are used primarily for our operations. We are not currently planning to dispose of any of these properties.

Our lease agreements are primarily operating leases. We do not have any finance leases. Our lease agreements are primarily for real estate and equipment. We do not have any off-balance sheet arrangements that are classified as leases. We do not have any lease agreements that are classified as variable interest entities. We do not have any lease agreements that are classified as joint ventures. We do not have any lease agreements that are classified as partnerships. We do not have any lease agreements that are classified as trusts. We do not have any lease agreements that are classified as other entities.

As of the actual balance sheet date, we owned and leased properties with a net book value of approximately \$953.2 million and \$362.9 million, respectively.

from lessors of three of our leased properties proving their right to lease those properties to us. Our leases generally have a term ranging from three to six years. We are generally allowed to terminate lease agreements with a prior notice, which provides us with operational flexibility, albeit usually at the cost of forfeiting deposits and/or paying a termination fee. 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.

Pursuant to the applicable PRC laws and regulations, property lease agreements shall be registered with the relevant local branches of the PRC Ministry of Housing and Urban-Rural Development. As of the Latest Practicable Date, we had not completed lease registration for eight of the properties we leased in China.

### **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



---

## BUSINESS

---

environmental side, we have established a policy framework covering emissions management, waste handling, resource utilization, and environmental risk control. Core policy documents include:

- green gas emissions control procedure (溫室氣體排放控制程序), addressing greenhouse gas management through administrative measures (for instance, lights-off, paperless office, low-carbon commuting);
- water management procedure (廢棄物管理程序), standardizing hazardous and non-hazardous waste classification, minimization targets, and treatment protocols;
- resources and energy management procedure (資源能源管理程序), focusing on energy and water efficiency across office operations and project sites;
- environmental operations management procedure (環境運行管理程序) hazard identification and risk assessment control procedure (危險源識別與風險評價控制程序), providing a structured evaluation of environmental and climate-related risks, including impact assessments and mitigation actions.

Our manufacturing is outsourced and does not involve direct emissions or material greenhouse gas discharge; thus, its environmental footprint is minimal. Nevertheless, we have adopted precautionary controls and regulatory-compliant practices.

- **Execution Level:** The ESG working group is responsible for executing ESG-related tasks and ensuring the implementation of ESG policies at the operational level. The working group organizes ESG coordinates company-wide ESG initiatives to ensure compliance with corporate sustainability goals. Through internal policies and operating procedures, the working group ensures that we meet our sustainability commitments while maintaining compliance with national environmental laws. Its functions also include stakeholder communication, ESG data collection, and report drafting, thereby providing critical execution support for the our ESG strategy.

We are dedicated to improving ESG awareness within our organization. Through targeted training programs, we ensure that all employees, including senior management and directors, understand ESG-related responsibilities and best practices. We conduct ESG training sessions to enhance corporate-wide capabilities in sustainability governance, risk management, and compliance with ESG standards. We ensure that all business units fully understand and implement ESG strategies through targeted training and internal coordination. We will continue to refine our ESG governance mechanisms to improve decision-making quality and enhance governance effectiveness.

---

## BUSINESS

---

### ESG-related Risk Identification and Assessment

We place a high priority on developing our risk management system and have established a structured ESG risk identification, assessment, and management framework to enhance our ability to anticipate, evaluate, and mitigate environmental, social, and governance-related risks. Given the nature of our business, where all product manufacturing is outsourced, we do not generate material emissions or hazardous waste, and our direct environmental impact remains minimal. Nonetheless, we monitor environmental and climate-related risks that may impact our business, strategy, and financial performance as our key agenda.

**Technology Risk & Opportunity:** We face technology upgrade risks associated with rapidly evolving cellular and AI module standards such as 5G-A and AI edge computing. To mitigate such risks and capture opportunities, we actively invest in R&D for high-performance smart modules, and cooperate closely with SoC and operating system platform providers to ensure early access to next-generation technologies.

**Reputational Risk:** Reputational risks may arise from data security breaches in certain applications such as ICVs and industrial IoT. We have established internal data handling protocols and ISO 27001-compliant information security practices to reduce such risks.

**Environmental and Climate-related Risk:** Although our operations are not carbon-intensive, climate-related transition risks may arise from client expectations, regulatory changes and green supply chain requirements.

**Risk Identification and Management Framework:** We identify and manage risks through a three-tier governance framework, led by the Board and assisted by senior management. Risks are reviewed quarterly based on their likelihood and impact across short-, medium- and long-term horizons.

**Impact on Business, Safety and Financial Performance:** Failure to address key ESG and technical risks may impact our customer retention and product competitiveness. Proactive ESG and climate governance supports our access to global markets and enhances customer trust, particularly in the automotive and industrial sectors.

Under the supervision of the Board and with strategic coordination by the integrated management center, we have established a structured ESG risk management mechanism. This includes internal assessments led by the ESG working group, as well as external stakeholder consultations to ensure a comprehensive understanding of potential risk exposures.

Our risk identification and assessment process integrate multiple dimensions:

-



*Environmental and Energy Management Goals*

## Monitoring Indicators

The following table sets forth certain of our environmental and climate indicators arising from our business operations during the Track Record Period.

	Fiscal Year ended December 31,			Fiscal Year ended
	2022	2023	2024	September 30, 2025
<b>GHG emissions</b>				
Scope 1 emissions (tons of CO <sub>2</sub> e) <sup>(1)</sup>	32.4	30.7	27.5	21.2
Scope 2 emissions (tons of CO <sub>2</sub> e) <sup>(2)</sup>	682.2	677.5	645.8	518.5
Scope 3 emissions (tons of CO <sub>2</sub> e) <sup>(3)</sup>	248.5	396.7	417.5	332.4
Total GHG emission (tons of CO <sub>2</sub> e)	963.1	1,104.9	1,090.8	872.1
<b>Electricity consumption</b>				
Total electricity consumption (MWh)	1,271.3	1,091.8	1,132.9	909.6
<b>Water consumption</b>				
Total water consumption (tons)	5,748.0	4,830.0	4,968.0	3,222.0

### Notes:

- (1) Scope 1 emissions refer to direct GHG emissions primarily from the consumption of direct energy in our operations, namely the fuel consumed by our vehicles.
- (2) Scope 2 emissions refer to indirect GHG emissions primarily from the consumption of electricity at our office spaces.
- (3) Scope 3 emissions refer to indirect GHG emissions primarily from activities associated with products and services across the value chain.

During the Track Record Period, our total GHG emission and our total electricity consumption decreased, primarily because of our continued efforts in optimizing energy use efficiency.

Moving forward, we aim to further optimize energy use, reduce GHG emissions and improve

### ***Employee Benefits and Welfare***

We are committed to enhancing employees' quality of work and life by offering comprehensive benefits and support programs. Our goal is to foster a workplace environment that promotes employee satisfaction, well-being and long-term engagement. We strive to offer competitive salaries to attract and retain employees and we provide attractive benefits and care to employees, including wedding and birth benefits, festival care, and community activities.

We will also focus on embracing diversity within our organization and equal and respectful treatment of all of our employees in their hiring, training, wellness, and professional and personal development. While maximizing equal career opportunities for everyone, we will also continue to promote work-life balance and create a pleasant workplace for all of our employees.

### ***Occupational Health and Safety***

We have adopted and maintained internal policies and procedures to safeguard a healthy and safe working environment in accordance with applicable occupational safety laws. Although we do not engage in manufacturing activities and are not exposed to material occupational safety risks, we have adopted a series of proactive measures to ensure employee well-being and compliance with relevant health and safety regulations. These measures include regular assessments of workplace health and safety risks, periodic training on emergency response and chemical safety, and annual fire drills to strengthen awareness and preparedness. We also offer routine health check-ups to our employees to monitor and promote physical well-being. In response to evolving regulatory requirements, we adjust our internal human resources

***development and training***

---

## BUSINESS

---

To further support employee development, our training system is structured around onboarding and on-the-job training. New employees receive induction programs covering corporate culture, values, and role-specific knowledge. At the beginning of each year, the human resources department consolidates training needs across departments and implements targeted programs addressing shared challenges and capability gaps.

### *Anti-Corruption and Anti-Bribery*

We have established a comprehensive anti-corruption governance system encompassing internal policies, employee conduct standards, control mechanisms, and training programs, to ensure compliance with anti-bribery and anti-corruption laws in all jurisdictions of operation. Key policies include the Anti-Fraud Management Policy, the Anti-Commercial Bribery Agreement, and the Code of Conduct as outlined in the Employee Handbook, which clearly prohibit bribery, kickbacks, improper gifts, money laundering, and any form of unlawful payment intended to obtain business advantage. All employees are required to sign a Commitment to Integrity upon joining the company and must adhere to ethical conduct standards throughout procurement, bidding, and contract negotiation processes, with a formal declaration and mechanism for conflicts of interest. To mitigate compliance risks, the Group has implemented a multi-layered governance structure, under which the Finance and Internal Audit Departments conduct tiered reviews of significant payments, reimbursements, and contracts, supported by data analytics to identify anomalies. Regular internal audits are conducted across sales, procurement, and R&D functions to assess contract compliance, expense legitimacy, and adherence to ethical requirements. The Group also organizes annual anti-corruption training for all employees, with tailored sessions for key positions. The training covers real-life case studies, interpretation of laws and regulations (such as the *Criminal Law and Anti-Unfair Competition Law*), and in-depth guidance on internal policies to strengthen employees' legal awareness and ethical standards.

### *Supply Chain Management*

We have established a comprehensive ESG governance framework within its supply chain management system to ensure that all suppliers and EMS providers meet applicable environmental and social standards. Prior to onboarding, suppliers are required to complete self-assessments on corporate social responsibility and environmental compliance, followed by internal risk evaluations and on-site audits.

As part of the qualification process, suppliers must sign a series of ESG-related undertakings, including the Integrity and Anti-bribery Agreement, Social Responsibility Notification, Restriction of Hazardous Substances Commitment, and Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Declaration.

Furthermore, we promote environmentally preferable sourcing by requiring the Restriction of Hazardous Substances (RoHS) and Material Safety Data Sheet (MSDS) documentation during sample approval. To the best of our knowledge, no major supplier or EMS provider was found to have material non-compliance with our ESG requirements during the reporting period, based on available disclosures and internal reviews.

## **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 we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance. Please see “Risk Factors — Risks Relating to Our Business and Industry — We may be involved in legal proceedings and commercial or contractual disputes, which could materially and adversely affect our reputation, business, financial condition and results of operations.”

During the Track Record Period and up to the Latest Practicable 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 conditions.

## **INTERNAL CONTROL AND RISK MANAGEMENT**

We have established a comprehensive risk management and internal control system to ensure compliance, operational efficiency and financial integrity. Our risk management policies cover various critical aspects of our operations, including financial reporting, information system and data security, compliance, intel3(risk)-3735ew0.7(our)]Te(,)-473.4(computerpit3735ew0.7uatetilizon,)-362ew0.7an  
datulrements and finbness operbj

---

## BUSINESS

---

### **I n t e r n a l C o n t r o l a n d B a s i c O p e r a t i o n s**

We have implemented strict segregation of duties to prevent conflicts of interest and unauthorized transactions. We have established approval hierarchies for procurement, financial transactions and contract execution to enhance control mechanisms. We have integrated automated control systems with SAP and other enterprise management tools to ensure compliance and efficiency in business operations.

We conduct periodic audits and risk evaluations and findings are reported to Board of Directors. We continuously monitor and improve our internal control processes to enhance corporate governance and risk mitigation.

### **H u m a n R e s o u r c e R e c r u i t m e n t a n d M a n a g e m e n t**

We recognize that human capital is fundamental to our success and have implemented a structured human resource management framework to support talent acquisition, employee development, performance evaluation, training work ethics, and compliance with labor laws.

We established an integrated HR management system to streamline recruitment, payroll, and performance assessment, improving efficiency and accuracy in human resources management. We have developed and implemented a structured hiring and evaluation processes to ensure talent alignment with corporate objectives. Regular performance reviews are conducted, with compensation tied to performance outcomes. We also provide regular employee trainings on ethics, compliance, cybersecurity, and technical skills to enhance workforce competency. Our legal team also closely monitor the implementation of internal risk management policies to address potential noncompliance with our code of conduct, work ethics, or internal policies.

### **C o m p l i a n c e R i s k M a n a g e m e n t**

We have implemented strict internal auditing procedures to ensure that our operations comply with relevant laws and regulations. Our legal team is responsible for monitoring changes in regulatory frameworks and implementing necessary adjustments to our policies and procedures. We conduct comprehensive due diligence before entering into contracts with customers, suppliers, and third parties. Our compliance risk management framework includes regular training programs, internal audits, and monitoring mechanisms to ensure adherence to relevant laws and corporate policies.

We conduct regular compliance training programs to enhance employees' awareness of regulatory obligations and ethical standards. We have also established an internal reporting mechanism that allows employees to report potential compliance violations anonymously. The

---

## BUSINESS

---

compliance team evaluates reported cases and takes corrective actions as necessary to prevent compliance breaches. There have been no material compliance issues or violations during the Track Record Period and as of the Latest Practicable Date.

We conduct periodic audits across different departments and continuously monitor and improve our internal control processes to enhance corporate governance and business security.

### Capital Management and Risk Management

We have implemented strict policies for managing corporate funds to enhance liquidity, optimize capital allocation and mitigate financial risks. Our capital management framework is designed to ensure efficient use of funds while maintaining financial stability.

We have established a centralized cash management system to optimize cash flow and ensure efficient capital deployment. We have implemented strict approval processes for capital expenditures, investments and financial transactions to strengthen financial oversight and ensure that financial transactions comply with internal policies and regulatory requirements. We conduct regular audits and reconciliations to safeguard corporate funds and prevent financial irregularities. We also actively manage foreign exchange risks by employing hedging strategies to minimize exposure to currency fluctuations.

### Financial Reporting

We maintain strict controls over financial reporting to ensure accuracy, completeness and compliance with applicable accounting standards and regulatory requirements. To manage financial reporting risks effectively, we have adopted comprehensive accounting policies covering financial management, budget management and financial statement preparation. Our financial reporting process is structured to prevent material misstatements and ensure timely disclosure. We implement a multi-layer review system for financial statements, incorporating segregation of duties, approval hierarchies and automated accounting systems to enhance financial data integrity.

To safeguard against fraudulent reporting, our finance department conduct regular internal audits and independent external audits to assess financial reporting risks. Our finance department evaluates financial controls, monitors compliance with accounting policies and ensures transparency in financial disclosures. Additionally, we employ advanced data security measures to protect financial data from unauthorized access and cyber threats.

---

## BUSINESS

---

### Information Security and Data Privacy Risk Management

The maintenance, storage, and protection of our data and related information are vital to our success. To safeguard against data leakage and loss, we have implemented a structured information transfer framework to manage internal communication, data privacy, and system reliability. Our ERP systems, email chains and periodic conferences are integrated to ensure data flow and operational efficiency.

Our data protection policies are designed to prevent unauthorized access and ensure the security of our sensitive information.

We enforce strict access control measures, including role-based permissions and regular audits of system usage. To mitigate cybersecurity risks, we conduct periodic security assessments, implement multi-factor authentication, and ensure timely updates to software and security protocols. Data encryption and regular backup procedures are in place to prevent data breaches and ensure business continuity in case of system failures or cyber incidents.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material data breaches, loss of information, or security threats such as cyberattacks, viruses, or ransomware. For further details, please see “Information Security and Data Privacy” in this section.

### Intellectual Property Risk Management

As a technology-intensive company, we have been and may continue to be subject to claims from companies holding patents or other intellectual property rights, alleging infringement of such rights or otherwise asserting their rights and urging us to obtain licenses in the course of our operations. Please see “Risk Factors — Risks Relating to Our Business and Industry — If third parties claim that we have infringed upon their intellectual property rights, we may incur liabilities and penalties and may have to redesign or suspend the sales of products or solutions involved.”

We have established a robust intellectual property management system and implemented various internal policies to safeguard proprietary technologies, patents, and trade secrets. We have developed and implemented structured policies for patent applications and maintenance to secure and protect our innovations. We conduct regular intellectual property research to assess potential risks of infringement and ensure compliance with intellectual property laws. We require employees handling sensitive information to sign confidentiality agreements and non-compete clauses to protect our proprietary technologies.

---

## BUSINESS

---

We have established a dedicated legal team responsible for monitoring potential intellectual property disputes and taking necessary legal action to enforce our rights. We continuously review and improve our intellectual property policies to enhance the protection of our technological assets and maintain our competitive edge.

### IMPACT OF THE COVID-19 PANDEMIC

The outbreak of the COVID-19 pandemic introduced significant global challenges, impacting economies worldwide since 2020. These challenges included travel restrictions, quarantine measures, and shifts in working arrangements.

While these restrictions temporarily disrupted sectors of the global economy, our business operations continued with minimal disruption. Throughout this period, we adhered to government guidelines and regulations, such as remote working policies, and prioritized the safety and well-being of our employees.

On the supply side, we proactively communicated with our raw material suppliers and EMS providers, strategically procured key raw materials, to ensure the normal production of our modules and solutions. Although some of our raw materials experienced a price increase or temporary shortage and some of our EMS providers experienced minor delays in their production, we did not experience any material disruptions in our supply chain.

- Although we observed relatively slight price fluctuations in certain raw materials due to global supply chain constraints during the pandemic, with respect to our SoC chip raw materials used in our main product models, price remained relatively stable from 2020 through the third quarter of 2021, with some models even experiencing price decreases due to our increased procurement volumes. However, from the fourth quarter of 2021 into early 2022, global chip capacity shortages led to price increases of varying degrees for certain chips. For example, the procurement price of a 4G baseband chip which we used as raw material increased by approximately 10% in early 2022. Please see “— Impact of Global Chip Supply and Raw Material Price Volatility” in this section for details of the analysis of the global chip capacity shortages. We addressed these cost pressures through a combination of strategies, including negotiating price adjustments with certain customers for new orders. While this exerted a degree of cost pressure and compressed gross margins on the affected products, it did not have a material adverse impact on our overall profitability.

---

## BUSINESS

---

- Although some of our EMS providers faced minor delays, ranging from several days to approximately one week, in their production schedules, we did not experience any material or prolonged production stoppages. Our strategic procurement and close coordination with EMS provider partners enabled us to secure sufficient supply to maintain our production schedules without significant interruption.

On the sales side, we actively engaged with our customers to alert them to potential logistics changes and force majeure events. Our research and development projects, product commercialization, product delivery and customer engagement did not experience significant delays. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disruption to our regular operations due to the COVID-19 pandemic.

Despite the global pandemic challenges, our overall business performance remained resilient and continued to grow throughout the period. From 2020 to 2022, our revenue, gross profit and net profit all demonstrated consistent growth trend.

In light of the above, our Directors are of the view that the COVID-19 pandemic did not have any material adverse impact on our business operations and financial condition.

### LICENSES, APPROVALS AND PERMITS

The following table sets out details of the material licenses held by us for our operations as of the Latest Practicable Date:

<u>License/Permit</u>	<u>Holder</u>	<u>Grant Date</u>	<u>Expiry Date</u>
Certificate of Registration of Customs Declaration Unit of the People's Republic of China (中華人民共和國海關報關單位註冊登記證書) . . . . .	Our Company	February 14, 2012	Long-term
Foreign Trade Business Operator Filing Registration Form (對外貿易經營者備案登記表) . . . . .	Our Company	July 6, 2020	Long-term <sup>(1)</sup>
Entry-Exit Inspection and Quarantine Registration Form for Enterprises (出入境檢驗檢疫報檢企業備案表) . . . . .	Our Company	January 3, 2018	Long-term

---

## BUSINESS

---

*Note:*

- (1) On December 30, 2022, the SCNPC adopted the Decision on Amending the Foreign Trade Law of the PRC, which repealed the filing requirement for foreign trade operators. Pursuant to this decision, as of December 30, 2022, all competent commerce authorities throughout the PRC ceased accepting and processing foreign trade business operator filing registrations. Therefore, the Foreign Trade Business Operator Filing Registration Form was no longer required to be renewed.

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. We are required to renew such certificates, permits and licenses from time-to-time and we are continually overseeing the compliance with the relevant laws and regulations.

### 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 Body / Authority
Top 100 IoT Enterprises of 2023	2024	
IoT Industry Innovative Product of 2023	2024	China IoT Industry Application Alliance and Shenzhen IoT Industry Association
IoT Industry Benchmark Case of 2023	2024	
Top 100 IoT Enterprises in China of 2022	2023	China IoT Industry Application Alliance and Shenzhen IoT Industry Association
Top 100 Scale Suppliers of Intelligent Network Industry Chain, 2022–2023	2023	Gaogong Intelligent Vehicle Research Institute
2022 Shenzhen Specialized and Innovative Enterprises	2023	Industry and Information Technology Bureau of Shenzhen Municipality
National Specialized and Innovative “Little Giant” Enterprise	2023	PRC Ministry of Industry and Information Technology

*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**

---

## FINANCIAL INFORMATION

---

communication module market size grew from RMB32.3 billion in 2020 to RMB43.6 billion in 2024, with a CAGR of 7.7%, and is expected to further grow from RMB48.6 billion in 2025 to RMB72.6 billion in 2029, with a CAGR of 10.6%. The China wireless communication module market size grew from RMB17.4 billion in 2020 to RMB24.7 billion in 2024, with a CAGR of 9.1%, and is expected to further grow from RMB28.2 billion in 2025 to RMB45.5 billion in 2029, with a CAGR of 12.7%. The growth of China and global wireless communication module market represents an opportunity to further develop and increase the sales of our modules and solutions. Our revenue from sales overseas increased by 21.9% from RMB545.6 million in 2022 to RMB665.0 million in 2023, and further increased by 20.7% to RMB802.9 million in 2024.

In addition, we operate in an industry that is susceptible to the downstream demand for wireless communication modules. The demand for our products and solutions is largely driven by the demand for products and systems that embed our products and solutions in a wide range of downstream application sectors, including ICV, general IoT and wireless broadband. As a result, our revenue is affected by the demand from downstream application sectors. For example, according to Frost & Sullivan, the market size of ICV application sector grew from RMB2.3 billion in 2020 to RMB5.0 billion in 2024, with a CAGR of 21.3%, and is expected to further grow from RMB6.7 billion in 2025 to RMB15.9 billion in 2029, with a CAGR of 24.0%. We observed an increase in our revenue from the ICV application sector, which increased by 73.5% from RMB342.2 million in 2022 to RMB593.6 million in 2023, and further increased by 105.7% to RMB1,220.9 million in 2024. We anticipate that in the coming years, the development of technologies in and the growth of market size of our downstream application sectors such as ICV will provide new revenue growth opportunities.

Our future growth will depend on our ability to identify and capitalize on major market opportunities, including the proliferation of AI and IoT, upgrades in connected vehicles and consumer electronics, and expansion of data centers. Our financial performance relies on our ability to innovate and develop products that align with the latest technological trends and customer preferences. We believe that our diverse product offering and our ability to constantly innovate and adapt to evolving technological advancements, combined with our R&D capabilities, well-position us to capture the market opportunities in global and China's growing wireless communication module industry and its application sectors.

### **Technology, Innovation and Intellectual Property, 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

---

## FINANCIAL INFORMATION

---

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.

The progress of our technology and product development depends largely on our R&D talents and our investment towards R&D. As of September 30, 2025, our R&D and technology team consisted of 807 members, representing 83.4% of total employees. Employee compensation for our R&D and technology staff was 63.1%, 62.7%, 61.9%, 62.5% and 61.8% of our research and development expenses in 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. In 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, we recorded R&D expenses of RMB185.9 million, RMB213.9 million, RMB208.1 million, RMB148.3 million and RMB153.1 million, representing 8.1%, 10.0%, 7.1%, 6.8% and 5.4% of our total revenue, respectively.

### Abstrak dan Matriks Kunci dan Bagan

At the core of our growth strategy is our commitment to maintain robust relationships with existing large-scale global customers while continuously broadening our customer base. We have established long-standing business relationships with numerous top-tier enterprises across various industries. We aim to develop new relationships with leading enterprises across various industries for our modules and solutions and enhance our recognition in our downstream application sectors. Our business scale, results of operations and financial conditions will depend on our ability to maintain business relationships with existing customers that make repeat and large orders and attract new customers.

We leverage our strengths in technology, quality and service to meet varied needs for customers across different industries. We monitor changes in market demand and leverage our end-to-end technical capabilities to achieve technical customization in order to meet higher requirements for the performance, stability and customization of modules and solutions. This breadth in capabilities provides numerous opportunities for fostering customer loyalty and increasing revenue. Our strategic partnerships with major customers further establish ourselves as a trusted wireless communication modules and solutions provider in the market, while our reputation for reliability and innovation attracts new customers across regions and verticals. We believe that this approach will continue to enable us to capture market share in the rapidly expanding market and enhance our competitive position globally.

**Factor Price of Raw Materials and Supply Chain Management**

The prices of raw materials and the efficiency of supply chain management directly affect our cost of sales and gross profit and have historically experienced fluctuations. In 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025, raw materials costs accounted for 91.3%, 92.3%, 92.8%, 93.1% and 92.6% of our cost of sales, respectively. As most of our modules consist of baseband chip, SoC and memory chip and the cost of memory chip represent a majority of the average raw material cost in a module, changes in the availability and prices of raw materials, particularly memory chip, could have a significant impact on our results of operations.

The table below sets forth our response to fluctuations in cost of raw materials during the periods indicated.

	Change in cost of raw materials			Nine months ended September 30, 2025
	2022	2023	2024	
	RMB'000	RMB'000	RMB'000	RMB'000
Change in cost of raw materials <sup>(1)</sup>				
+/-5% .....	-/+86,717	-/+80,806	-/+114,003	-/+114,084
+/-10% .....	-/+173,434	-/+161,612	-/+228,007	-/+228,168

Note:

- (1) The sensitivity analysis was based on the assumption that, save for the hypothetical fluctuations in cost of raw materials, all other factors were assumed

---

## FINANCIAL INFORMATION

---

### Scale of Offerings and Data Transmission Modules

We offer a comprehensive range of modules and solutions, including regular smart modules and solutions, high-computing-power smart modules and solutions and data transmission modules and solutions catering to the needs of both enterprises and end customers. The scale of our business and the growth of our revenue are largely driven by the expansion, breadth and diversification of our product offerings. Within each product line, we strive to continuously expand and upgrade our offerings to provide comprehensive and high-quality solutions to our customers. Additionally, our cost of sales and pricing strategy vary across modules and solutions, resulting in differences in our gross profit margin by module and solution type. By leveraging our diversified product offerings and our vertically integrated business model, we are able to offer customers a variety of products, which will create potential business growth opportunities. We anticipate that our results of operations and profitability will continue to be influenced by the growth and mix of our product offerings.

### BASIS OF PRESENTATION

The historical financial information has been prepared in accordance with International Accounting Standards and International Financial Reporting Standards (“IFRS”), together the IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board. All IFRSs effective for the accounting period commencing from January 1, 2024, together with the relevant transitional provisions, have been early adopted by our Group in the preparation of the historical financial information throughout the Track Record Period. The historical financial information has been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value.

The preparation of the historical financial information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the management to make judgements, estimates and assumptions in the process of applying our Group’s accounting policies. Judgements made by the management in the application of IFRSs that have significant effect on the historical financial information and major sources of estimation uncertainty are discussed in Note 3 to the Accountants’ Report included in Appendix I to this prospectus.

## **MATERIAL ACCOUNTING POLICIES AND ESTIMATES**

We have identified certain accounting policies that are material to the preparation of our consolidated financial statements. Some of our

---

## FINANCIAL INFORMATION

---

### Other Income and Gains

Our other income primarily consists of (i) interest income; and (ii) government grants. Our other gains primarily consist of (i) gain on early termination of a lease; (ii) gain on sublease of right-of-use assets; (iii) gains on equity investments at fair value through profit or loss (“FVTPL”); (iv) net foreign exchange gains; and (v) gain on deemed disposal of a subsidiary, which is an entity established by three entities, including us, an entity controlled by Mr. Wang and a third-party entity. The entity’s principal business was promoting the sales of mobile broadband and FWA products in China. Under such entity, we were primarily responsible for providing technology and products, and the third-party partner was primarily responsible for branding, sales channels building and sales. The deemed disposal occurred in 2024 due to the increase in shareholding from 34.5% to 51.8% by the third-party partner, as a result of which our shareholding of the subsidiary was reduced from 51% to 37.5% and thus we no longer held control over the subsidiary after both parties’ negotiation and mutual agreement. As a result, this was considered as a deemed disposal.

### Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of (i) employee compensation; (ii) consultation expenses; (iii) office expenses; (iv) market expansion expenses; and (v) travel expenses.

### Administrative Expenses

Our administrative expenses primarily consist of (i) employee compensation; (ii) taxes and surcharges; (iii) share-based payments; (iv) travel expenses; (v) entertainment expenses; (vi) professional service expenses; and (vii) depreciation and amortization.

### Research and Development Expenses

Our research and development expenses primarily consist of (i) employee compensation; (ii) depreciation and amortization; (iii) material fees; (iv) technical service fees; (v) testing and verification fees; and (vi) share-based payments.

### (Provision for)/Reversal of Impairment Losses on Financial Assets

Our (provision for)/reversal of impairment losses on financial assets represent impairment losses and gains on (i) trade and bills receivables; and (ii) other receivables.

---

## FINANCIAL INFORMATION

---

### **O. e. E/ p. e**

Our other expenses primarily consist of net foreign exchange loss.

### **F. a. ce C.**

Our finance costs consist of interest on (i) bank loans; and (ii) lease liabilities.

### **S. a. e. f P. r. f. a. d L. e. f J. o. Ve. e**

Our share of profits and losses of joint ventures consist of profits and losses from our investment in joint ventures including MeiLink Co., Ltd. (株式會社MeiLink) and Guangzhou Liandong Gezhi Technology Co., Ltd. (廣州聯懂格智技術有限公司).

### **S. a. e. f P. r. f. a. d L. e. f A. s. s. o. c. i. a. t. e**

Our share of profits and losses of associates consist of profits and losses from our investment in ShuoGe Intelligent Technology Co., Ltd. (碩格智能技術有限公司) and Shenzhen Pinsu Zhilian Information Technology Co., Ltd. (深圳市品速智聯信息技術有限公司).

### **I. c. e Ta/ E/ p. e. e/Be. ef**

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which we operate or are domiciled.

For details on applicable taxes and tax rates, please see Note 10 to the Accountants' Report in Appendix I to this prospectus.



## FINANCIAL INFORMATION

### Non-IFRS Measure

We also use adjusted net profit (non-IFRS measure) in evaluating our operating results, which is not required by or presented in accordance with IFRS as an additional financial measure to supplement our consolidated financial statements, which are presented in accordance with IFRS. We define adjusted net profits (non-IFRS measure) as profit for the year adjusted for (i) share-based payment expenses, which are non-cash in nature; and (ii) listing expenses, which relate to the Global Offering. We believe that the non-IFRS measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS.

The following table reconciles adjusted net profit (non-IFRS measure) to our profit for the year or period, presented in accordance with IFRS, for the periods indicated.

	Profit for the year ended December 31,			Profit for the period ended September 30,	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year ended . . . . .	126,615	62,609	134,375	90,498	113,170
Add:					
Share-based payment expenses . . . . .	8,455	2,777	11,118	5,537	16,535
Listing expenses . . . . .	—	—	—	—	767
<b>Adjusted net profit (non-IFRS measure) . . . . .</b>	<b>135,070</b>	<b>65,386</b>	<b>145,493</b>	<b>96,035</b>	<b>130,472</b>

## FINANCIAL INFORMATION

### Revenue

#### Revenue by Module and Solution

The following table sets forth a breakdown of our revenue by module and solution type in absolute amounts and as percentages of the total revenue, for the periods indicated.

	For the year ended December 31,						For the year ended September 30,				
	2022		2023		2024		2024		2025		
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	
	(unaudited)										
<b>Module and solution</b>	<b>2,227,999</b>	<b>96.6</b>	<b>2,048,987</b>	<b>95.4</b>	<b>2,808,563</b>	<b>95.5</b>	<b>2,085,672</b>	<b>95.6</b>	<b>2,738,538</b>	<b>97.1</b>	
(i) Smart modules and solutions	957,351	41.5	1,218,424	56.7	1,850,696	62.9	1,394,068	63.9	1,865,127	66.1	
(a) Regular smart modules and solutions	922,296	40.0	898,167	41.8	832,578	28.3	751,591	34.5	899,984	31.9	
(b) High-computing-power smart modules and solutions	35,055	1.5	320,257	14.9	1,018,118	34.6	642,477	29.4	965,143	34.2	
(ii) Data transmission modules and solutions	1,270,648	55.1	830,563	38.7	957,867	32.6	691,604	31.7	873,411	31.0	
<b>Other<sup>(1)</sup></b>	<b>77,933</b>	<b>3.4</b>	<b>98,349</b>	<b>4.6</b>	<b>132,811</b>	<b>4.5</b>	<b>96,356</b>	<b>4.4</b>	<b>82,750</b>	<b>2.9</b>	
<b>Total</b>	<b>2,305,932</b>	<b>100.0</b>	<b>2,147,336</b>	<b>100.0</b>	<b>2,941,374</b>	<b>100.0</b>	<b>2,182,028</b>	<b>100.0</b>	<b>2,821,288</b>	<b>100.0</b>	

Note:

(1) Primarily including sales of electronic components.

The following table sets forth the sales volume of our smart and data transmission modules and solutions for the periods indicated.

	For the year ended December 31,			For the year ended September 30,	
	2022	2023	2024	2024	2025
	'000	'000	'000	'000	'000
(.) <b>Smart module and solution</b>	<b>2,889</b>	<b>2,766</b>	<b>3,520</b>	<b>2,441</b>	<b>3,035</b>
(a) Regular smart modules and solutions	2,860	2,492	2,520	1,868	2,265
(b) High-computing-power smart modules and solutions	29	274	1,001	573	770
(.) <b>Data transmission module and solution</b>	<b>8,986</b>	<b>9,104</b>	<b>8,648</b>	<b>6,522</b>	<b>7,185</b>

The following table sets forth the average selling price of our smart and data transmission modules and solutions for the periods indicated.

---

---

Please see “Results of Operations — Revenue — Revenue by Module and Solution — Comparison between 2024 and 2023” and “Results of Operations — Revenue — Revenue by Module and Solution — Comparison between 2023 and 2022” for details on fluctuations in average selling price of data transmission modules and solutions.

During the Track Record Period, our revenue was primarily derived from sales of: (i) smart modules and solutions, including (a) regular smart modules and solutions and (b) high-computing-power smart modules and solutions; and (ii) data transmission modules and solutions.

***Comparison between the nine months ended September 30, 2025 and the nine months ended September 30, 2024:*** Our revenue increased by 29.3% from RMB2,182.0 million in the nine months ended September 30, 2024 to RMB2,821.3 million in the nine months ended September 30, 2025. Specifically:

- *Smart modules and solutions:* Revenue generated from sales of our smart modules and solutions increased by 33.8% from RMB1,394.1 million in the nine months ended September 30, 2024 to RMB1,865.1 million in the nine months ended September 30, 2025. Specifically:
  - (i) Regular smart modules and solutions: Revenue generated from sales of our regular smart modules and solutions increased by 50.2% from RMB642.5 million in the nine months ended September 30, 2024 to RMB965.1 million in the nine months ended September 30, 2025, primarily attributable to an increase in the sales volume of our regular smart modules; and
  - (ii) High-computing-power smart modules and solutions: Revenue generated from sales of our high-computing-power smart modules and solutions increased by 19.7% from RMB751.6 million in the nine months ended September 30, 2024 to RMB900.0 million in the nine months ended September 30, 2025, primarily attributable to an increase in downstream demand in the ICV application sector, especially in the intelligent cockpit application scenario.
- *Data transmission modules and solutions:* Revenue generated from sales of our data transmission modules and solutions increased by 26.3% from RMB691.6 million in the nine months ended September 30, 2024 to RMB873.4 million in the nine months ended

---

## FINANCIAL INFORMATION

---

increase in the sales of our 5G data transmission modules and solutions as a result of our expanded customer base. These 5G data transmission modules and solutions generally had a higher selling price because they had more advanced functions to enable 5G connection, and, as a result, they were more expensive than other models of data transmission modules.

- *Others:* Revenue generated from sales of other products decreased by 14.1% from RMB96.4 million in the nine months ended September 30, 2024 to RMB82.8 million in the nine months ended September 30, 2025, primarily due to a decrease in the sales of electronic components.

***Comparison between 2024 and 2023:*** Our revenue increased by 37.0% from RMB2,147.3 million in 2023 to RMB2,941.4 million in 2024. Specifically:

- *Smart modules and solutions:* Revenue generated from sales of our smart modules and solutions increased by 51.9% from RMB1,218.4 million in 2023 to RMB1,850.7 million in 2024. Specifically:
  - (i) Regular smart modules and solutions: Revenue generated from sales of our regular smart modules and solutions remained relatively stable at RMB898.2 million in 2023 and RMB832.6 million in 2024; and
  - (ii) High-computing-power smart modules and solutions: Revenue generated from sales of our high-computing-power smart modules and solutions increased by 217.9% from RMB320.3 million in 2023 to RMB1,018.1 million in 2024, primarily attributable to an increase in downstream demand in the ICV application sector, especially in the intelligent cockpit application scenario.
- *Data transmission modules and solutions:* Revenue generated from sales of our data transmission modules and solutions increased by 15.3% from RMB830.6 million in 2023 to RMB957.9 million in 2024, primarily attributable to a 21.5% increase in the average selling price of our data transmission modules from RMB91.2 per unit in 2023 to RMB110.8 per unit in 2024. The increase in the average selling price of our data transmission modules was primarily attributable to (i) an increase in the sales proportion of 4G data transmission modules with higher selling price sold to certain customers; and (ii) an increase in the sales volume of our 5G data transmission modules and solutions as a result of our expanded customer base, thus contributing to the increase in revenue generated from sales of 5G data transmission modules. These 5G data transmission

---

## FINANCIAL INFORMATION

---

modules and solutions generally had a higher selling price because they had more advanced functions to enable 5G connection, and, as a result, they were more expensive than other models of data transmission modules.

- *Others*: Revenue generated from sales of other products increased by 35.1% from RMB98.3 million in 2023 to RMB132.8 million in 2024, primarily attributable to an increase in the sales of electronic components.

***Comparison between 2023 and 2022***: Our revenue decreased by 6.9% from RMB2,305.9 million in 2022 to RMB2,147.3 million in 2023. Specifically:

- *Smart modules and solutions*: Revenue generated from sales of our smart modules and solutions increased by 27.3% from RMB957.4 million in 2022 to RMB1,218.4 million in 2023. Specifically:
  - (i) Regular smart modules and solutions: Revenue generated from sales of our regular smart modules and solutions remained relatively stable at RMB922.3 million in 2022 and RMB898.2 million in 2023; and
  - (ii) High-computing-power smart modules and solutions: Revenue generated from sales of our high-computing-power smart modules and solutions increased by 813.6% from RMB35.1 million in 2022 to RMB320.3 million in 2023, primarily attributable to an increase in downstream demand in the ICV application sector, especially in the intelligent cockpit application scenario.
- *Data transmission modules and solutions*: Revenue generated from sales of our data transmission modules and solutions decreased by 34.6% from RMB1,270.6 million in 2022 to RMB830.6 million in 2023, primarily due to a 35.5% decrease in the average selling price of our data transmission modules and solutions from RMB141.4 per unit to RMB91.2 per unit, despite a 1.3% increase in sales volume of our data transmission modules and solutions from 2022 to 2023. The decrease in the average selling price of our data transmission modules was primarily due to a decrease in the sales proportion of our data transmission modules and solutions used in wireless broadband products of overseas carriers, which generally had a higher selling price due to (i) relatively less intense competition; and (ii) greater customer acceptance for products with high R&D inputs and customized service in overseas markets. Such decrease was primarily because we fulfilled a majority of the orders for these data transmission modules and solutions in 2022. As a result of the above, the overall selling price decreased from 2022 to 2023.

- *Others*: Revenue generated from sales of other products increased by 26.2% from RMB77.9 million in 2022 to RMB98.3 million in 2023, primarily attributable to an increase in the sales of electronic components.

**Revenue by Application Sectors**

The following table sets forth a breakdown of our revenue in terms of application sectors during the Track Record Period.

	F... e... e... ded Dece... 31,						F... e... e... e... ded Se... e... be... 30,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
General IoT . . . . .	1,004,868	43.6	970,963	45.2	1,050,531	35.7	924,712	42.4	1,156,204	41.0
ICV . . . . .	342,173	14.8	593,629	27.6	1,220,869	41.5	788,318	36.1	986,903	35.0
Wireless broadband . . . . .	880,957	38.2	484,395	22.6	537,164	18.3	372,642	17.1	595,431	21.1
Others <sup>(1)</sup> . . . . .	77,933	3.4	98,349	4.6	132,811	4.5	96,356	4.4	82,750	2.9
<b>T a . . . . .</b>	<b>2,305,931</b>	<b>100.0</b>	<b>2,147,336</b>	<b>100.0</b>	<b>2,944,374</b>	<b>100.0</b>	<b>2,182,028</b>	<b>100.0</b>	<b>2,821,288</b>	<b>100.0</b>

e. 0-33.000-2.05804

25.2% from RMB788.3 million for the nine months ended September 30, 2024 to RMB986.9 million for the nine months ended September 30, 2025, primarily due to an increase in sales of our 5G high-computing-power smart modules for intelligent cockpit applications to customers.

-

## FINANCIAL INFORMATION

increased by 34.1% from RMB1,837.4 million for the nine months ended September 30, 2024 to RMB2,464.7 million for the nine months ended September 30, 2025, which was generally in line with our sales and revenue trend.

### Gross Profit and Gross Profit Margin

As a result of the foregoing, we recorded gross profit of RMB405.4 million, RMB396.1 million, RMB484.7 million, RMB344.6 million and RMB356.6 million in 2022, 2023, 2024, the nine months ended September 30, 2024 and 2025, respectively, representing gross profit margin of 17.6%, 18.4%, 16.5%, 15.8% and 12.6%, respectively, during the same periods.

### Gross Profit and Gross Profit Margin by Module and Solution

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

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	Gross profit RMB'000	Gross profit %	Gross profit RMB'000	Gross profit %	Gross profit RMB'000	Gross profit %	Gross profit RMB'000	Gross profit %	Gross profit RMB'000	Gross profit %
	(unaudited)									
<b>Module and Solution</b>	<b>394,177</b>	<b>17.7</b>	<b>393,657</b>	<b>19.2</b>	<b>469,886</b>	<b>16.7</b>	<b>333,513</b>	<b>16.0</b>	<b>346,417</b>	<b>12.6</b>
(i) Smart modules and solutions	177,730	18.6	263,107	21.6	346,307	18.7	245,361	17.6	275,655	14.8
(a) Regular smart modules and solutions	172,647	18.7	196,456	21.9	152,312	18.3	116,462	15.5	148,176	16.5
(b) High-computing-power smart modules and solutions	5,083	14.5	66,651	20.8	193,995	19.1	128,899	20.1	127,479	13.2
(ii) Data transmission modules and solutions	216,447	17.0	130,550	15.7	123,579	12.9	88,152	12.7	70,762	8.1
<sup>(1)</sup>	<u>11,198</u>	<u>14.4</u>	<u>2,481</u>	<u>2.5</u>	<u>14,776</u>	<u>11.1</u>	<u>11,116</u>	<u>11.5</u>	<u>10,162</u>	<u>12.3</u>
<b>Total</b>	<b><u>405,375</u></b>	<b>17.6</b>	<b><u>396,137</u></b>	<b>18.4</b>	<b><u>484,662</u></b>	<b>16.5</b>	<b><u>344,629</u></b>	<b>15.8</b>	<b><u>356,579</u></b>	<b>12.6</b>

Note:

(1) Primarily including gross profit from sales of electronic component.

*Comparison between the nine months ended September 30, 2025 and the nine months ended September 30, 2024:* Our gross profit increased by 3.5% from RMB344.6 million in the nine months ended September 30, 2024 to RMB356.6 million in the nine months ended September 30, 2025, and our gross profit margin decreased from 15.8% to 12.6% in the same periods, primarily due to a decrease in the gross profit margin of modules and solutions and other products. Specifically:

- *Smart modules and solutions:* The gross profit margin of our smart modules and solutions decreased from 17.6% in the nine months ended September 30, 2024 to 14.8% in the nine months ended September 30, 2025, primarily due to a decrease in the gross profit margin of high-computing-power smart modules and solutions. Specifically:
  - (i) *Regular smart modules and solutions:* The gross profit margin of our regular smart modules and solutions increased from 15.5% in the nine months ended September 30, 2024 to 16.5% in the nine months ended September 30, 2025, primarily due to a proportional increase in sales for certain projects and customers in the IoT sector, which generally had higher gross profit margin; and
  - (ii) *High-computing-power smart modules and solutions:* The gross profit margin of our high-computing-power smart modules and solutions decreased from 20.1% in the nine months ended September 30, 2024 to 13.2% in the nine months ended September 30, 2025, primarily due to an increase in the unit cost of sales of our high-computing-power smart modules and solutions as a result of an increase in the purchase price of raw materials. While the average selling price of high-computing-power smart modules and solutions increased by 11.7% from RMB1,121.2 in the nine months ended September 30, 2024 to RMB1,252.9 in the same period in 2025, the average cost increased by 21.3% from RMB896.3 to RMB1,087.4. The more significant increase rate of average cost outweighed the

---

## FINANCIAL INFORMATION

---

Procurement — Impact of Global Chip Supply and Raw Material Price Volatility” for details. We believe that these combined efforts help reduce the effect of price volatility on our costs and protect our gross profit margin.

- *Data transmission modules and solutions:* The gross profit margin of our data transmission modules and solutions decreased from 12.7% in the nine months ended September 30, 2024 to 8.1% in the nine months ended September 30, 2025, primarily due to an increase in the sales proportion of our data transmission modules and solutions sold in overseas carriers in Japan with lower gross profit margin. During the period, a larger proportion of our sales comprised large-volume orders fulfilled for the Japanese market, which mainly involved 5G data transmission terminals sold to a specific Japanese customer. For orders sold to such customer, we adopted a competitive pricing strategy to secure market share and achieve economies of scale. These orders inherently carry lower margins, which in turn reduced the overall gross profit margin for this product category. Such competitive pricing strategy is a short-term measure adopted primarily for the purpose of securing well-known customers or entering new markets, and we do not adopt competitive pricing as a long-term strategy. After achieving our market expansion objectives through competitive pricing, we seek to gradually restore pricing to normal levels through various measures, including: (i) leveraging domestic supply chain advantages and economies of scale from large-scale projects to continuously reduce supply chain costs; and (ii) continuing to participate in tenders for customers’ subsequent projects and enhancing the overall product mix through ongoing product iteration, by combining projects with relatively higher margins and those with relatively lower margins, thereby improving the overall gross margin. In addition, undertaking projects for well-known customers enhances our brand recognition and market presence, which in turn facilitates our access to additional market opportunities in the relevant regions or industries.

The market for data transmission modules, particularly for mature products, is characterized by intense competition, which exerts continuous pressure on pricing. Our strategy of securing large-volume orders, even at lower initial margins, is crucial for maintaining our market share, strengthening customer relationships, and achieving economies of scale in production and procurement. While this may negatively impact our gross profit margin in the short term, we believe it enhances our long-term competitive position. To balance our overall profitability going forward, we will continue to focus on (i) developing and promoting newer products with higher value-add, such as our 5G and 5G-A modules; and (ii) expanding our base of high-quality overseas customers in diverse end-markets, which we believe will help stabilize and improve the gross profit margin of this segment over time.

---

## FINANCIAL INFORMATION

---

**Comparison between 2024 and 2023:** Our gross profit increased by 22.3% from RMB396.1 million in 2023 to RMB484.7 million in 2024, and our gross profit margin decreased from 18.4% to 16.5% in the same periods, primarily due to the decrease in the gross profit margin of our modules and solutions from 19.2% in 2023 to 16.7% in 2024. Specifically:

- *Smart modules and solutions:* The gross profit margin of our smart modules and solutions decreased from 21.6% in 2023 to 18.7% in 2024. Specifically:
  - (i) Regular smart modules and solutions: The gross profit margin of our regular smart modules and solutions decreased from 21.9% in 2023 to 18.3% in 2024, primarily due to a decrease in the sales proportion of our regular smart modules and solutions applied in ICV. These regular smart modules and solutions generally had higher gross profit margin. Specifically, one of our major ICV customers began to transition the majority of its procurement from our regular smart modules to our high-computing-power smart modules for its newer vehicle platforms in 2024. This strategic shift by our customer led to a decrease in sales volume of our regular smart modules supplied for its projects. Although the overall revenue generated from sales of our regular smart modules and solutions remained relatively stable at RMB898.2 million in 2023 and RMB832.6 million in 2024, revenue generated from sales of regular smart modules and solutions to this particular customer experienced significant decline. Specifically, revenue generated from sales of regular smart modules and solutions to this particular customer decreased from RMB241.9 million, or 26.9% of the total revenue from sales of our regular smart modules and solutions in 2023 to RMB42.7 million, or 5.1% of the total revenue from sales of our regular smart modules and solutions in 2024. This significant decrease in the proportional revenue contribution lead to the overall decline of the gross profit margin from 21.9% in 2023 to 18.3% in 2024. In contrast, the gross profit margin of our regular smart modules sold to the non-ICV sectors, remained relatively stable.
  - (ii) High-computing-power smart modules and solutions: The gross profit margin of our high-computing-power smart modules and solutions remained relatively stable at 20.8% in 2023 and 19.1% in 2024.
- *Data transmission modules and solutions:* The gross profit margin of our data transmission modules and solutions decreased from 15.7% in 2023 to 12.9% in 2024, primarily due to





***Comparison between the nine months ended September 30, 2025 and September 30, 2024:***

Our other income and gains increased by 134.3% from RMB11.9 million for the nine months ended September 30, 2024 to RMB27.9 million for the nine months ended September 30, 2025, primarily attributable to (i) an increase in government grants as a result of the subsidy of RMB7.2 million received from government; and (ii) an increase in net foreign exchange gains as a result of a notable decrease in foreign exchange losses from accounts payable.

***Comparison between 2024 and 2023:*** Our other income and gains decreased by 57.5% from RMB47.1 million in 2023 to RMB20.0 million in 2024, primarily due to (i) a decrease in gains on equity investments at FVTPL due to fluctuations in the fair value of our equity investments; and (ii) a decrease in government grants as the non-recurring government grants we received decreased from RMB9.7 million in 2023 to RMB2.0 million in 2024.

***Comparison between 2023 and 2022:*** Our other income and gains decreased by 32.4% from RMB69.7 million in 2022 to RMB47.1 million in 2023, primarily due to (i) a decrease in gains on equity investments at FVTPL due to fluctuations in the fair value of our equity investments; and (ii) a decrease in government grants as the non-recurring government grants we received decreased from RMB13.1 million in 2022 to RMB9.7 million in 2023.

**Selling and Marketing Expenses**

The following table sets forth a breakdown of our selling and marketing expenses in absolute

---

*Notes:*

- (1) Consultation expenses mainly include commissions, monthly fixed consultancy fees, and bid winning service fees paid to our business development consultant partners. These consultants assist us in developing new customer relationships, facilitating business opportunities and supporting bid-winning efforts. The consultants are typically entities with industry expertise, market networks or local knowledge relevant to our wireless communication module business.
- (2) Others include hospitality expenses, share-based payments and depreciation and amortization.

***Comparison between the nine months ended September 30, 2025 and September 30, 2024:***

Our selling and marketing expenses increased by 7.5% from RMB43.0 million for the nine months ended September 30, 2024 to RMB46.2 million for the nine months ended September 30, 2025, primarily due to (i) an increase in market expansion expenses as a result of an increase cost of exhibition fees in 2025 to enhance brand visibility and overseas promotion; and (ii) an increase in share-based payments.

***Comparison between 2024 and 2023***

## FINANCIAL INFORMATION

### Administrative Expenses

The following table sets forth a breakdown of our administrative expenses in absolute amounts and as percentages of our total administrative expenses for the periods indicated.

	For the year ended December 31,						For the nine months ended September 30,					
	2022		2023		2024		2024		2025			
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%		
	(unaudited)											
Employee compensation . . . . .	35,101	59.3	45,994	68.9	46,663	66.0	32,727	65.7	31,478	57.9		
Taxes and surcharges . . . . .	4,544	7.7	5,368	8.0	7,369	10.4	5,074	10.2	7,021	12.9		
Share-based payments . . . . .	3,637	6.1	1,077	1.6	3,117	4.4	1,557	3.1	4,446	8.2		
Travel expenses . . . . .	1,861	3.1	2,731	4.1	2,634	3.7	1,925	3.9	2,529	4.6		
Entertainment expenses . . . . .	3,577	6.0	3,870	5.8	2,607	3.7	1,948	3.9	2,272	4.2		
Professional service expenses . . . . .	4,073	6.9	1,795	2.7	2,342	3.3	2,179	4.4	2,270	4.2		
Depreciation and amortization . . . . .	2,226	3.8	2,340	3.5	1,964	2.8	1,520	3.1	1,743	3.2		
Others <sup>(1)</sup> . . . . .	4,148	7.0	3,577	5.4	3,980	5.6	2,854	5.7	2,594	4.8		
<b>T a . . . . .</b>	<b>59,167</b>	<b>100.0</b>	<b>66,752</b>	<b>100.0</b>	<b>70,676</b>	<b>100.0</b>	<b>49,784</b>	<b>100.0</b>	<b>54,353</b>	<b>100.0</b>		

Note:

(1) Others primarily include expenses for short-term leases and utilities, office expenses and repair fees.

**Comparison between the nine months ended September 30, 2025 and September 30, 2024:**

Our administrative expenses increased by 9.2% from RMB49.8 million for the nine months ended September 30, 2024 to RMB54.4 million for the nine months ended September 30, 2025, primarily due to (i) an increase in taxes and surcharges as a result of the increase in signed business contracts, which led to a rise in stamp duty, as well as an increase in business taxes for our subsidiary; and (ii) an increase in share-based payment expenses, as we implemented an equity incentive plan in July 2024 and the related expenses are allocated on a monthly basis. As a result, only the period from July to September was subject to such allocation during the nine months ended September 30, 2024, whereas the period from January to September was subject to such allocation during the nine months ended September 30, 2025.

**Comparison between 2024 and 2023:** Our administrative expenses increased by 5.9% from RMB66.8 million in 2023 to RMB70.7 million in 2024, primarily due to (i) an increase in taxes and surcharges as the revenue of some of our subsidiaries increased; and (ii) an increase in share-based payments in relation to our employee share incentive plans.

*Comparison between 2023 and 2022*

---

## FINANCIAL INFORMATION

---

**Comparison between 2023 and 2022:** Our research and development expenses increased by 15.0% from RMB185.9 million in 2022 to RMB213.9 million in 2023, primarily due to (i) an increase in employee compensation due to an increase in the average salaries paid to our R&D and technology team, primarily due to the increased R&D headcount of ZhongGe Shanghai, our subsidiary in Shanghai, where the average salary level was relatively higher compared to other regions in China; and (ii) an increase in depreciation and amortization as we purchased more software and licenses, which resulted in higher amortization of intangible assets recognized under research and development expenses.

### (P. . . . . f . . . )/Re . . a . . f I . . a . . e L . . e . . F . . a . . c . . a A . . e

We recorded provision for impairment losses on financial assets at RMB7.3 million and RMB14.2 million in 2022 and 2023, respectively. We recorded reversal of impairment losses on financial assets at RMB6.6 million in 2024. We recorded reversal of impairment losses on financial assets at RMB11.2 million and RMB6.3 million in the nine months ended September 30, 2024 and September 30, 2025, respectively.

**Comparison between the nine months ended September 30, 2025 and September 30, 2024:** Our impairment gains on financial assets decreased by 43.8% from RMB11.2 million for the nine months ended September 30, 2024 to RMB6.3 million for the nine months ended September 30, 2025, primarily due to a decrease in our trade receivables.

**Comparison between 2024 and 2023:** We recorded impairment losses on financial assets of RMB14.2 million in 2023 and impairment gains on financial assets of RMB6.6 million in 2024, respectively, primarily because we recorded impairment gains on trade receivables of RMB7.8 million in 2024 due to enhancement of our customers' credit profiles.

**Comparison between 2023 and 2022:** Our impairment losses on financial assets increased by 94.5% from RMB7.3 million in 2022 to RMB14.2 million in 2023, primarily due to an increase in impairment losses on trade receivables.

### O . . e . . E / . . e . . e

**Comparison between the nine months ended September 30, 2025 and September 30, 2024:** Our other expenses decreased by 93.5% from RMB18.2 million for the nine months ended September 30, 2024 to RMB1.2 million for the nine months ended September 30, 2025, primarily because of a decrease in foreign exchange gains and losses as a result of foreign currency settlement projects in 2024.

*Comparison between 2024 and 2023:* Our other expenses increased by 342.7% from RMB6.8

recorded by the joint ventures that are accounted for using the equity method. Our share of losses of joint ventures remained relatively stable at RMB0.6 million for the nine months ended September 30, 2024 and RMB0.6 million for the nine months ended September 30, 2025.

### Share of Profit and Loss of Associate

Our share of losses of associates remained relatively stable at RMB5.3 million in 2022 and RMB5.6 million in 2023. Our share of losses of associates increased by 115.2% from RMB5.6 million in 2023 to RMB12.0 million in 2024, primarily due to a decrease in the value of our shares as a result of losses recorded by the associates that are accounted for using the equity method. Our share of losses of associates decreased by 29.1% from RMB8.4 million for the nine months ended September 30, 2024 to RMB5.9 million for the nine months ended September 30, 2025, primarily due to a decrease in investment losses of ShuoGe Intelligent.

### Income Tax Expense/(Benefit)

The following table sets forth a breakdown of our income tax expense or benefit for the periods indicated.

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
Current income tax . . . . .	6,142	26.7	12,657	2,443.4	26,678	260.7	22,895	566.6	9,155	102.1
Deferred income tax . . . . .	16,828	73.3	(12,139)	(2,343.4)	(36,912)	(360.7)	(18,854)	(466.6)	(185)	(2.1)
<b>T a . . . . .</b>	<b>22,970</b>	<b>100.0</b>	<b>518</b>	<b>100.0</b>	<b>(10,234)</b>	<b>100.0</b>	<b>4,041</b>	<b>100.0</b>	<b>8,970</b>	<b>100.0</b>

Our effective tax rate during the Track Record Period, calculated as income tax expense divided by profit before tax, was lower than the 25% statutory rate, primarily because we and some of our subsidiaries enjoyed preferential tax treatments. Please see Note 10 to the

---

## FINANCIAL INFORMATION

---

**Comparison between 2024 and 2023:** We recorded income tax expense of RMB0.5 million in 2023 and income tax benefit of RMB10.2 million in 2024, primarily due to an increase in deferred income tax credit, as a result of credit impairment losses and deductible losses from some of our subsidiaries.

**Comparison between 2023 and 2022:** Our income tax expense decreased by 97.7% from RMB23.0 million in 2022 to RMB0.5 million in 2023, primarily because we recorded deferred income tax credit in 2023. We recorded deferred income tax credit in 2023 primarily because of an increase in our credit impairment losses and an increase in deductible losses from some of our subsidiaries.

### **Profit for the Year/Period**

As a result of the foregoing, our profit for the year decreased by 50.6% from RMB126.6 million in 2022 to RMB62.6 million in 2023, and increased by 114.6% from RMB62.6 million in 2023 to RMB134.4 million in 2024. Our profit for the period increased by 25.1% from RMB90.5 million in the nine months ended September 30, 2024 to RMB113.2 million in the nine months ended September 30, 2025.

Our net profit margin declined from 6.5% in 2022 to 2.9% in 2023, primarily due to the decrease in profit before tax of RMB86.5 million as a result of (i) an increase in the proportion of selling and marketing expenses of our total revenue from 2.0% to 3.0%, resulting from an increase in consultation expenses; (ii) an increase in the proportion of research and development expenses of our total revenue from 8.1% to 10.0%, mainly resulting from an increase in employee compensation due to the R&D headcount growth of Zhongge Shanghai; and (iii) a decrease in the proportion of other income and gains of our total revenue from 3.0% to 2.2%, as a result of a decrease in gains on equity investments at FVTPL due to fluctuations in the fair value of our equity investments.

## **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.

## Working Capital Sufficiency

Taking into account the net proceeds from the Global Offering and the financial resources available to us, including cash and cash equivalents and cash flows from operating activities, our Directors are of the view that we have sufficient working capital to meet our present needs and for the next 12 months from the date of this prospectus. Our Directors confirm that we had no material defaults on trade and non-trade payables and borrowings, nor did we breach any covenants during the Track Record Period and up to the date of this prospectus.

## Cash Flow Analysis

The following table sets forth selected cash flow statement information for the periods indicated.

	For the year ended December 31,			For the period ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Net cash flows from/(used in) operating activities . . . . .	31,824	(31,313)	(129,890)	(41,664)	44,460
Net cash flows (used in)/from investing activities . . . . .	(153,412)	(98,393)	16,758	36,721	(29,233)
Net cash flows from/(used in) financing activities . . . . .	16,809	191,327	306,473	104,238	(49,481)
<b>Net (decrease)/increase in cash and cash equivalents . . . . .</b>	<b>(104,779)</b>	<b>61,621</b>	<b>193,341</b>	<b>99,295</b>	<b>(34,254)</b>
Cash and cash equivalents at beginning of the year/period . . . . .	173,092	72,287	138,926	138,926	341,879
Effect of foreign exchange rate changes, net . . . . .	3,974	5,018	9,612	7,390	8,229
<b>Cash and cash equivalents at end of year/period . . . . .</b>	<b>72,287</b>	<b>138,926</b>	<b>341,879</b>	<b>245,611</b>	<b>315,854</b>

### Operating Activities

Our cash flows from or used in operating activities reflect our profit before tax adjusted for: (i) non-cash or non-operating items such as finance costs, impairment or reversal of impairment of trade receivables and amortization of intangible assets; (ii) the effects of movement in working capital such as inventories, trade receivables and bills payables; and (iii) other cash items such as income tax paid.



### *Investing Activities*

In nine months ended September 30, 2025, our net cash flows used in investing activities were RMB29.2 million, which primarily consisted of purchases of items of property, plant and equipment, other intangible assets, and other assets of RMB22.0 million, purchases of shareholdings in associates of RMB14.3 million, and capitalized development costs of RMB8.4 million.

In 2024, our net cash flows from investing activities were RMB16.8 million, which consisted primarily of investment income from equity investments at FVTPL of RMB34.0 million and

## FINANCIAL INFORMATION

### SELECTED BALANCE SHEET ITEMS

#### Current Assets/Liabilities

The following table sets out our current assets and liabilities as of the dates indicated.

	As of December 31,			As of September 30,	As of January 31,
	2022	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)
<b>Current assets</b>					
Inventories . . . . .	490,386	526,319	650,552	812,156	1,132,201
Trade and bills receivables . . . . .	420,301	659,426	1,016,069	761,422	697,462
Prepayments, other receivables and other assets . . . . .	268,613	232,598	254,122	454,017	564,709
Debt investments at fair value through other comprehensive income (“FVOCI”) . . . . .	5,122	38,427	9,992	26,739	69,190
Restricted cash . . . . .	12,828	9,584	7,998	5,340	5
Cash and cash equivalents . . . . .	72,287	138,926	341,879	315,854	210,760
<b>Total current assets . . . . .</b>	<b>1,269,537</b>	<b>1,605,280</b>	<b>2,280,612</b>	<b>2,375,528</b>	<b>2,674,327</b>
<b>Current liabilities</b>					
Trade and bills payables . . . . .	331,384	485,880	579,916	571,106	640,277
Other payables and accruals . . . . .	68,204	60,037	109,140	86,723	87,124
Interest-bearing bank borrowings . . . . .	310,720	5,016	352,606	348,181	420,340
Lease liabilities . . . . .	16,808	16,470	8,592	6,288	6,595
Contract liabilities . . . . .	67,451	52,328	109,344	125,086	237,465
Tax payable . . . . .	2,888	4,714	8,311	5,927	2,498
<b>Total current liabilities . . . . .</b>	<b>797,455</b>	<b>624,445</b>	<b>1,167,909</b>	<b>1,143,311</b>	<b>1,394,299</b>
<b>Net current assets . . . . .</b>	<b>472,082</b>	<b>980,835</b>	<b>1,112,703</b>	<b>1,232,217</b>	<b>1,280,028</b>

**Comparison between September 30, 2025 and January 31, 2026:** Our net current assets increased by 3.9% from RMB1,232.2 million as of September 30, 2025 to RMB1,280.0 million as of January 31, 2026, as total current assets increased by RMB298.8 million, primarily driven by (i) an increase in inventories of RMB320.0 million; (ii) an increase in prepayments, other receivables and other assets of RMB110.7 million; and (iii) an increase in debt investments at FVOCI of RMB42.5 million, partially offset by (iv) a decrease in trade and bills receivables of RMB64.0

## FINANCIAL INFORMATION

million and (v) a decrease in cash and cash equivalents of RMB105.1 million. Total current liabilities increased by RMB251.0 million, mainly due to increases in contract liabilities, trade and bills payables and interest-bearing bank borrowings.

**Comparison between December 31, 2024 and September 30, 2025:** Our net current assets increased by 10.7% from RMB1,112.7 million as of December 31, 2024 to RMB1,232.2 million as of September 30, 2025, primarily due to (i) an increase in inventories of RMB161.6 million; and (ii) an increase in prepayments, other receivables and other assets of RMB199.9 million, partially offset by a decrease in trade and bills receivables of RMB254.6 million.

**Comparison between December 31, 2023 and December 31, 2024:** Our net current assets increased by 13.4% from RMB980.8 million as of December 31, 2023 to RMB1,112.7 million as of December 31, 2024, primarily due to (i) an increase in trade and bills receivables of RMB356.6 million; (ii) an increase in cash and cash equivalents of RMB203.0 million, partially offset by an increase in interest-bearing bank borrowings of RMB347.6 million.

**Comparison between December 31, 2022 and December 31, 2023:** Our net current assets increased by 107.8% from RMB472.1 million as of December 31, 2022 to RMB980.8 million as of December 31, 2023, primarily due to (i) an increase in trade and bills receivables of RMB239.1 million; (ii) a decrease in interest-bearing bank borrowings of RMB305.7 million, partially offset by an increase in trade and bills payables of RMB154.5 million.

### **Inventories**

The following table sets forth our inventories as of the dates indicated.

	A _ f Dece be . 31,			A _ f
				Se, p e be . 30,
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials . . . . .	366,710	387,647	387,127	599,174
Finished goods . . . . .	49,361	50,131	70,616	106,380
Goods in transit. . . . .	23,590	37,152	113,192	57,277
Work in process . . . . .	24,485	22,087	29,608	53,067
Contract performance cost. . . . .	26,240	29,312	50,009	35,718
Less: impairment allowances on inventories . . . . .	16,219	26,266	33,807	39,460
<b>T a . . . . .</b>	<b>490,386</b>	<b>526,319</b>	<b>650,552</b>	<b>812,156</b>

## FINANCIAL INFORMATION

Our inventories increased by 7.3% from RMB490.4 million as of December 31, 2022 to RMB526.3 million as of December 31, 2023, primarily due to an increase in raw materials as we increased the inventory of memory chips. Our inventories increased by 23.6% from RMB526.3 million as of December 31, 2023 to RMB650.6 million as of December 31, 2024, primarily due to our business expansion and increase in customer orders, which resulted in inventory increase, particularly an increase in goods in transit as a result of the shipment of data transmission modules ordered by our customers. Our inventories increased by 24.8% from RMB650.6 million as of December 31, 2024 to RMB812.2 million as of September 30, 2025, primarily due to an increase in raw materials as we increased the inventory of memory chips.

We believe that by maintaining optimal inventory levels, we can meet our consumer demand and ensure their satisfaction without compromising our liquidity. To this end, we have put in place a set of policies and procedures to manage our inventories. For details, please see “Business — Logistics and Inventory Management.”

The following table sets forth the aging analysis of our inventories:

	F. . . e . . . e . . . ded Dece . be . 31,			F. . . e . . . e . . . e . . . ded Se . p . e . be . 30,
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Under one year . . . . .	440,142	439,573	581,595	739,598
One to two years . . . . .	46,655	69,148	41,307	54,643
Two to three years . . . . .	1,910	17,406	24,289	11,112
Over three years . . . . .	1,679	192	3,361	6,803
<b>T a . . . . .</b>	<b>490,386</b>	<b>526,319</b>	<b>650,552</b>	<b>812,156</b>

The following table sets forth our inventory turnover days for the periods indicated.

	F. . . e . . . e . . . ded Dece . be . 31,			F. . . e . . . e . . . e . . . ded Se . p . e . be . 30,
	2022	2023	2024	2025
Inventory turnover days <sup>(1)</sup> . . . . .	85.1	106.0	87.4	81.3



granted longer credit terms. These customers were typically our major or long-term partners that

## FINANCIAL INFORMATION

The trade and bills receivables aged over five years in 2024 were primarily incurred from the transactions with some of our customers. With respect to three of these customers and the trade and bills receivables over five years from which accounted for a substantial portion of the trade and bills receivables aged over five years in 2024, we have initiated legal proceedings to recover the overdue amounts and our claim for the principal, interest, and associated proceeding costs has received substantial support from the court. The preservation amounts we applied for would cover the full outstanding balance, accrued interest and other expenses, which would substantially mitigate any material recoverability issue. On basis of the above, we do not expect there would be any recoverability issue for such trade receivables.

The following table sets forth our trade and bills receivables turnover days during the periods indicated.

	Fiscal year ended December 31,			Fiscal year ended September 30,
	2022	2023	2024	2025
Trade and bills receivables turnover days <sup>(1)</sup> .....	58.7	91.8	104.0	86.3

*Note:*

- (1) Trade and bills receivables turnover days were calculated based on the average of opening and closing balance of trade and bills receivables less allowance for impairment for the relevant year or period, divided by the revenue for the same year or period and multiplied by 365 days for the year or 274 days for the period.

Our trade receivables turnover days increased from 58.7 days in 2022 to 91.8 days in 2023, and further increased to 104.0 days in 2024, primarily due to an increased proportion of revenue generated from some of our customers to whom we generally granted longer credit terms. Our trade receivables turnover days decreased from 104.0 days in 2024 to 86.3 days in the nine months ended September 30, 2025, primarily attributable to a decrease in trade receivables from Customer A.

---

## FINANCIAL INFORMATION

---

We have implemented a comprehensive credit risk management policy to monitor and manage trade receivables effectively, which are overseen by our general manager. Detailed measures include that (i) the finance department maintains detailed receivables ledgers, prepares monthly aging analysis reports and categorizes overdue amounts by duration to track and address overdue receivables promptly; (ii) the finance and business departments regularly reconcile sales, delivery and receivables data (annual account statements are sent to customers for confirmation, with any discrepancies promptly investigated and resolved); (iii) the sales team monitors and follows up on payments daily (for overdue accounts, the sales department is responsible for daily follow-ups on payments as per contractual terms and reports any irregularities to the finance department; if standard collection efforts do not succeed, the legal department is engaged to pursue collection through legal means); and (iv) a communication platform is established between various departments to ensure efficient coordination, with regular updates on receivables and overdue amounts.

The internal control consultant engaged by us has conducted review on our credit risk management policy and did not identify any material deficiencies that would cause them to question the adequacy or effectiveness of the policy.

Our Directors are of the view that the increase of trade and bills receivables recoverability and turnover days has not had, and will not have, any material impact on our operations and financial performance, on the basis that (i) the increase in trade and bills receivables during the Track Record Period was primarily due to granting longer credit terms to major customers that have demonstrated strong creditworthiness and maintained long-term, stable cooperation with us and it is in line with our strategic goal for revenue and business growth; and (ii) we have implemented internal credit risk management policies and procedures to ensure that the risks associated with trade receivables are effectively managed.

During the Track Record Period, we did not experience any significant losses associated with our trade receivables, and the fluctuation in our trade receivables did not have any material adverse impact on our liquidity or cash flows.

As of January 31, 2026, RMB560.7 million, or 65.2%, of our trade receivables as of September 30, 2025, had been settled.

## FINANCIAL INFORMATION

### *Prepayments, Other Receivables and Other Assets — Current*

The following table sets forth a breakdown of our current prepayments, other receivables and other assets as of the dates indicated.

	As of December 31,			As of
				September 30,
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Value-added tax recoverable . . . . .	21,923	58,732	75,170	114,018
Prepaid income tax . . . . .	1,211	1,712	1	1,052
Rebate receivable from Supplier A . . .	175,239	147,068	154,232	246,710
Other assets . . . . .	1,456	—	—	—
Deferred listing expenses . . . . .	—	—	—	13,046
Deferred mold cost . . . . .	1,202	186	—	—
Prepayments . . . . .	52,371	15,909	16,780	64,700
Other receivables . . . . .	13,647	8,123	7,620	11,577
Due from related parties . . . . .	1,564	868	319	859
Current portion of sublease of right-of-use assets . . . . .	—	—	—	2,055
<b>T a . . . . .</b>	<b><u>268,613</u></b>	<b><u>232,598</u></b>	<b><u>254,122</u></b>	<b><u>454,017</u></b>

Our current prepayments, other receivables and other assets decreased by 13.4% from RMB268.6 million as of December 31, 2022 to RMB232.6 million as of December 31, 2023, primarily due to (i) an increase in our prepayments for procurement of memory chips; and (ii) a decrease in rebate receivable from Supplier A because we reduced our procurement from Supplier A, which resulted in a decrease in procurement rebates we received. Our rebate rate increased from 20.6% in 2022 to 20.8% in 2023. During the Track Record Period, as part of the supplier's pricing strategy, it offered procurement rebates to us based on market condition and supply arrangement in accordance with our rebate agreements. According to Frost & Sullivan, such rebate arrangement is in line with industry practice in the wireless communication module industry.

Our current prepayments, other receivables and other assets increased by 9.3% from RMB232.6 million as of December 31, 2023 to RMB254.1 million as of December 31, 2024, primarily due to (i) an increase in value-added tax recoverable as a result of an increased procurement of raw materials; and (ii) an increase in rebate receivable from Supplier A because we increase our procurement from Supplier A, which resulted in an increase in procurement rebates we received. Our rebate rate decreased from 20.8% in 2023 to 16.5% in 2024.

Our current prepayments, other receivables and other assets increased by 78.7% from

## FINANCIAL INFORMATION

### *Trade and Bills Payables*

The following table sets forth a breakdown of our trade and bills payables as of the dates indicated.

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Bills payables . . . . .	42,207	36,631	—	17,621
Trade payables . . . . .	289,177	449,249	579,916	553,485
<b>T a . . . . .</b>	<b>331,384</b>	<b>485,880</b>	<b>579,916</b>	<b>571,106</b>

Our trade and bills payables increased by 46.6% from RMB331.4 million as of December 31, 2022 to RMB485.9 million as of December 31, 2023, and further increased by 19.4% to RMB579.9 million as of December 31, 2024, primarily because of an increase in our procurement from our suppliers, which was in line with our business and revenue growth. Our trade and bills payables decreased by 1.5% from RMB579.9 million as of December 31, 2024 to RMB571.1 million as of September 30, 2025, primarily because of a decrease in trade and bills payables to major suppliers.

Our Directors are of the view that the growing balance of trade and bills payables have not had, and will not have, any material impact on our operations and financial performance on the basis that (i) the increase in trade and bills payables reflects our operational growth and optimized use of supplier credit terms to manage working capital efficiently; (ii) we maintained stable and cooperative relationships with our major suppliers and have not experienced any material payment delays or disputes with them; and (iii) we have sufficient working capital resources to meet our financial obligations. As of January 31, 2026, we had RMB210.8 million in cash and cash equivalents, RMB1,280.0 million in net current assets, and RMB1,284.5 million of unutilized banking facilities.

## FINANCIAL INFORMATION

The following table sets forth the aging analysis of our trade payables as of the dates indicated.

	As of December 31,			As of
	September 30,			September 30,
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within one year . . . . .	328,133	482,003	554,495	560,168
Over one year . . . . .	3,251	3,877	25,421	10,938
<b>T a . . . . .</b>	<b>331,384</b>	<b>485,880</b>	<b>579,916</b>	<b>571,106</b>

The following table sets forth our trade and bills payables turnover days during the periods indicated.

	Average Year Ended December 31,			Average Year Ended
	September 30,			September 30,
	2022	2023	2024	2025
Trade and bills payables turnover days <sup>(1)</sup> . . . . .	58.0	85.2	79.2	64.0

*Note:*

- (1) Trade and bills payables turnover days were calculated based on the average of opening and closing balance of trade and bills payables for the relevant year or period, divided by the cost of sales for the same year or period and multiplied by 365 days for the year or 274 days for the period.

Our trade and bills payables turnover days increased from 58.0 days 2022 to 85.2 days in 2023, primarily because we secured more favorable payment terms with our suppliers. Our trade and bills payables turnover days decreased from 85.2 days in 2023 to 79.2 days in 2024, and further decreased to 64.0 days, primarily due to our efforts in settling outstanding balance with relevant suppliers.

As of January 31, 2026, RMB496.0 million, or 86.8%, of our trade payables as of September 30, 2025 had been subsequently settled.

### *Other Payables and Accruals*

The following table sets forth our other payables and accruals as of the dates indicated.

	A _ f Dece _ be _ 31,			A _ f
				Se _ e _ be _ 30,
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Payroll payable . . . . .	17,363	16,721	16,193	16,232
Other tax payables . . . . .	2,293	2,838	3,559	3,967
Value-added tax payable . . . . .	28,109	31,064	27,213	21,630
Other payables . . . . .	5,327	6,072	22,903	8,486
Due to related parties <sup>(1)</sup> . . . . .	—	—	11	—
Accruals . . . . .	507	3,342	2,230	3,231
Restricted shares repurchase				
	<hr/>	<hr/>	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



### ***Contract Liabilities***

Our contract liabilities decreased by 22.4% from RMB67.5 million as of December 31, 2022 to RMB52.3 million as of December 31, 2023, primarily because we fulfilled some of our orders

## FINANCIAL INFORMATION

### *Property, Plant and Equipment*

The following table sets forth our property, plant and equipment as of the dates indicated.

	A _ f Dece _ be _ 31,			A _ f
				Se _ p _ e _ be _ 30,
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Buildings . . . . .	2,944	2,741	2,538	2,385
Machinery and equipment . . . . .	1,795	1,332	1,239	1,189
Motor vehicles . . . . .	1,319	1,194	1,757	1,607
Electronic equipment and others . . . . .	18,407	16,002	12,087	11,469
Leasehold improvements . . . . .	640	413	264	118
<b>T a . . . . .</b>	<b>25,105</b>	<b>21,682</b>	<b>17,885</b>	<b>16,768</b>

The carrying amount of our property, plant and equipment decreased by 13.6% from RMB25.1 million as of December 31, 2022 to RMB21.7 million as of December 31, 2023, primarily due to depreciation provided during the year.

The carrying amount of our property, plant and equipment decreased by 17.5% from RMB21.7 million as of December 31, 2023 to RMB17.9 million as of December 31, 2024, primarily due to depreciation provided during the year.

The carrying amount of our property, plant and equipment decreased by 6.2% from RMB17.9 million as of December 31, 2024 to RMB16.8 million as of September 30, 2025, primarily due to depreciation provided during the period.

### *Other Intangible Assets*

	A _ f Dece _ be _ 31,			A _ f
				Se _ p _ e _ be _ 30,
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Software . . . . .	31,404	43,696	48,560	44,894
License rights . . . . .	44,042	74,971	60,518	59,834
<b>T a . . . . .</b>	<b>75,446</b>	<b>118,667</b>	<b>109,078</b>	<b>104,728</b>

---

## FINANCIAL INFORMATION

---

Our other intangible assets increased by 57.4% from RMB75.4 million as of December 31, 2022 to RMB118.7 million as of December 31, 2023, primarily because we purchased additional software and license rights, including the platform licensing fees of one of the platforms developed by one of our major suppliers, a leading technology company, for the research and development of our smart modules. Our other intangible assets decreased by 8.1% from RMB118.7 million as of December 31, 2023 to RMB109.1 million as of December 31, 2024, primarily due to amortization. Our other intangible assets decreased by 4.0% from RMB109.1 million as of December 31, 2024 to RMB104.7 million as of September 30, 2025, primarily due to amortization.

### *Right-of-Use Assets*

As of December 31, 2022, 2023, 2024 and September 30, 2025, our right-of-use assets were RMB40.9 million, RMB24.0 million, RMB9.4 million and RMB7.0 million, respectively.

Our right-of-use assets decreased by 41.3% from RMB40.9 million as of December 31, 2022 to RMB24.0 million as of December 31, 2023, and further decreased by 60.8% to RMB9.4 million as of December 31, 2024, primarily due to depreciation provided during the lease term of these right-of-use assets. Our right-of-use assets decreased by 25.8% from RMB9.4 million as of December 31, 2024 to RMB7.0 million as of September 30, 2025, primarily due to depreciation provided during the lease term of these right-of-use assets, as well as sublease of certain right-of-use assets.

### *Equity Investments at FVTPL*

Our equity investments at FVTPL arise from our investments in equity securities. As of December 31, 2022, 2023, 2024 and September 30, 2025, our equity investments at FVTPL were RMB198.9 million, RMB234.2 million, RMB190.0 million and RMB176.1 million, respectively.

Our equity investments at FVTPL increased by 17.8% from RMB198.9 million as of December 31, 2022 to RMB234.2 million as of December 31, 2023, primarily due to (i) an increase in the fair value of our equity investments; and (ii) additional equity investments we made in 2023. Our equity investments at FVTPL decreased by 18.9% from RMB234.2 million as of December 31, 2023 to RMB190.0 million as of December 31, 2024, primarily because we disposed some of our equity investments in 2024. Our equity investments at FVTPL decreased by 7.3% from RMB190.0 million as of December 31, 2024 to RMB176.1 million as of September 30, 2025, primarily because of disposal of our equity investment.

**Prepayments, Other Receivables and Other Assets — Non-Current**

	A _ f Dece _ be .r31,			A _ f
	Se _ e _ be .r30,			
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Prepayments for property, plant and equipment . . . . .	450	—	—	—
Prepayments for other intangible assets . . . . .	—	1,002	849	1,584
Prepayments for other non-current assets . . . . .	—	2,092	2,025	2,025
Non-current portion of receivables from sublease of right-of-use assets	—	—	—	1,590
	_____	_____	_____	_____
	=====	=====	=====	=====

## FINANCIAL INFORMATION

### *Lease Liabilities — Non-Current*

As of December 31, 2022, 2023, 2024 and September 30, 2025, our non-current lease liabilities were RMB27.1 million, RMB9.3 million, RMB1.4 million and RMB3.9 million, respectively.

Our non-current lease liabilities decreased by 65.7% from RMB27.1 million as of December 31, 2022 to RMB9.3 million as of December 31, 2023, and further decreased by 84.9% to RMB1.4 million as of December 31, 2024, primarily because of lease payments. Our non-current lease liabilities increased by 173.1% from RMB1.4 million as of December 31, 2024 to RMB3.9 million as of September 30, 2025, primarily because we entered into new lease agreements.

### INDEBTEDNESS

The table below sets out the details of our indebtedness as of the dates indicated:

	A . f D e c e m b e r 3 1 ,			A . f	A . f
	2022	2023	2024	S e p t e m b e r 3 0 ,	J a n u a r y 3 1 ,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
					(unaudited)
<b>C . r e d i t</b>					
Interest-bearing bank borrowings . . . .	310,720	5,016	352,606	348,181	420,340
Lease liabilities . . . . .	16,808	16,470	8,592	6,288	6,595
<b>N . o n - c . r e d i t</b>					
Interest-bearing bank borrowings . . . .	60,000	—	—	—	—
Lease liabilities . . . . .	27,078	9,300	1,417	3,870	9,406
<b>T a l e . . . . .</b>	<b>414,606</b>	<b>30,786</b>	<b>362,615</b>	<b>358,339</b>	<b>436,341</b>

### **I n t e r e s t - B e a r i n g B a n k B o r r o w i n g s**

As of December 31, 2022, 2023, 2024, September 30, 2025 and January 31, 2026, our interest-bearing bank borrowings, including current and non-current portion, were RMB370.7 million, RMB5.0 million, RMB352.6 million and RMB348.2 million and RMB420.3 million, respectively. Please see “Selected Balance Sheet Items — Current Assets/Liabilities — Interest-Bearing Bank Borrowings — Current” and “Selected Balance Sheet Items — Non-Current Assets/Liabilities — Interest-Bearing Bank Borrowings — Non-Current” in this section and Note 27 to the Accountants’ Report in Appendix I to this prospectus for details.

---

## FINANCIAL INFORMATION

---

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.

As of the January 31, 2026, our unutilized banking facilities were RMB1,284.5 million.

### **Lease Liabilities**

As of December 31, 2022, 2023 and 2024, and September 30, 2025, our lease liabilities, including current and non-current portion, were RMB43.9 million, RMB25.8 million, RMB10.0 million and RMB10.2 million, respectively. Our lease liabilities increased by 57.5% from RMB10.2 million as of September 30, 2025 to RMB16.0 million as of January 31, 2026. Please see “Selected Balance Sheet Items — Current Assets/Liabilities — Lease Liabilities — Current” and “Selected Balance Sheet Items — Non-Current Assets/Liabilities — Lease Liabilities — Non-Current” in this section and Note 15 to the Accountants’ Report in Appendix I to this prospectus for details.

### **Other Borrowings and Debentures**

Except as disclosed above, as of January 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 January 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.

## FINANCIAL INFORMATION

### CAPITAL EXPENDITURE

The following table sets forth a breakdown of our capital expenditures for the periods indicated.

	Fiscal Year ended December 31,			As of
	September 30,			
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Payment for purchases of items of property, plant and equipment, other intangible assets and other assets . . .	56,126	80,883	14,049	21,966

We funded our capital expenditure requirements during the Track Record Period mainly from cash flow generated from operating activities and financing activities. 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” for further details. We will continue to make capital expenditures to meet the expected growth of our business.

### CAPITAL COMMITMENTS

We did not have capital commitments as of December 31, 2022, 2023, 2024 and September 30, 2025.

### KEY FINANCIAL RATIOS

The following table sets out our key financial ratios as of the dates indicated.

	As of December 31,			As of
	September 30,			
	2022	2023	2024	2025
Current ratio <sup>(1)</sup> . . . . .	1.59	2.57	1.95	2.08
Quick ratio <sup>(2)</sup> . . . . .	0.98	1.73	1.40	1.37

*Notes:*

- (1) Current ratio equals to total current assets divided by total current liabilities as of end of the respective year or period.
- (2) Quick ratio equals to current assets less inventories divided by current liabilities as of the end of the respective year or period.

---

## FINANCIAL INFORMATION

---

### Current Ratio

Our current ratio increased from 1.59 as of December 31, 2022 to 2.57 as of December 31, 2023, primarily due to (i) an increase in trade and bills receivables of RMB239.1 million; and (ii) a decrease in interest-bearing bank borrowings of RMB305.7 million, partially offset by an increase in trade and bills payables of RMB154.5 million.

Our current ratio decreased from 2.57 as of December 31, 2023 to 1.95 as of December 31, 2024, primarily due to (i) an increase in interest-bearing bank borrowings of RMB347.6 million; and (ii) an increase in trade and bills payables of RMB94.0 million, partially offset by an increase in trade and bills receivables of RMB356.6 million.

Our current ratio increased from 1.95 as of December 31, 2024 to 2.08 as of September 30, 2025, primarily due to (i) an increase in inventories of RMB161.6 million; and (ii) an increase in prepayments, other receivables and other assets of RMB199.9 million, partially offset by an increase in contract liabilities of RMB15.7 million.

### Quick Ratio

Our quick ratio increased from 0.98 as of December 31, 2022 to 1.73 as of December 31, 2023, primarily due to (i) an increase in trade and bills receivables of RMB239.1 million; and (ii) a decrease in interest-bearing bank borrowings of RMB305.7 million, partially offset by an increase in trade and bills payables of RMB154.5 million.

Our quick ratio decreased from 1.73 as of December 31, 2023 to 1.40 as of December 31, 2024, primarily due to (i) an increase in interest-bearing bank borrowings of RMB347.6 million; and (ii) an increase in trade and bills payables of RMB94.0 million, partially offset by an increase in trade and bills receivables of RMB356.6 million.

Our quick ratio decreased from 1.40 as of December 31, 2024 to 1.37 as of September 30, 2025, primarily due to (i) a decrease in trade and bills receivables of RMB254.6 million; (ii) a decrease in cash and cash equivalents of RMB26.0 million; and (iii) an increase in contract liabilities of RMB15.7 million, partially offset by an increase in debt investments at fair value through other comprehensive income of RMB16.7 million.

### OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements. We also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of third parties. In addition, we have not entered into any

---

## FINANCIAL INFORMATION

---

derivative contracts that are indexed to our equity interests and classified as owners' equity. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or research and development services with us.

### RELATED PARTY TRANSACTIONS

Related party transactions are set out in Note 37 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

We are exposed to a variety of financial risks, including foreign currency risk, credit risk and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. Our Directors reviewed and agreed the following risk management policies. Please see Note 40 to the Accountants' Report in Appendix I to this prospectus for details.

#### **F . e . B . C . . e . d . y . R .**

Foreign currency risk arises from sales or purchases in currencies other than our functional currencies. For a sensitivity analysis of a reasonably possible change in the foreign currency exchange rates, with all other variables held constant, of our profit before tax for each period of the Track Record Period, see Note 40 to the Accountants' Report set forth in Appendix I to this prospectus.

#### **C . e . d . R .**

We are exposed to credit risk in relation to our financial assets such as cash and cash equivalents, restricted cash, prepayments, other receivables and other assets. 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. For details of our credit risk, please see Note 40 to the Accountants' Report set out in Appendix I to this prospectus.

---

## FINANCIAL INFORMATION

---

### Liquidity Risk

Our objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings and lease liabilities. We monitor our risk to a shortage of funds using a recurring liquidity planning tool that considers the maturity of our financial instruments and financial assets, such as trade and bills receivables and projected cash flows from operations. For details of our liquidity risk, please see Note 40 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 shareholders' value. We manage our capital structure and make adjustments 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 the debt-to-asset ratio, which is total liabilities divided by total assets. For more details of our capital management, please see Note 40 to the Accountants' Report set out in Appendix I to this prospectus.

### DIVIDENDS

Dividend distribution to our shareholders is recognized as a liability in the period in which the dividends are approved by our shareholders or Directors, as appropriate. During the Track Record Period, we paid dividends of RMB24.8 million, RMB25.9 million, RMB25.8 million and RMB33.9 million in 2022, 2023, 2024 and the nine months ended September 30, 2025, respectively. As of the Latest Practicable Date, no dividends had been declared or remained unpaid by us.

We do not have a fixed dividend distribution ratio. According to the PRC Company Law (《中華人民共和國公司法》) and the No. 3 Guideline for the Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies (2025 Revision) (《上市公司監管指引第3號 — 上市公司現金分紅(2025年修訂)》), and the Articles of Association, we are required to pay cumulative cash dividends of any three fiscal years that account for not less than 30% of our average net profits for those three fiscal years that are available for distribution, calculated in accordance with PRC GAAP, provided that, among others, the sustainable operation and long term development of the Company will not be impacted and there is no plan for significant capital expenditure. Future profit distributions may be carried out in the form of cash dividends or stock dividends or a combination of cash dividends and stock dividends. Any proposed distribution of dividends is subject to the discretion of our Board and the approval at our Shareholders' meetings. Our Board



---

## FINANCIAL INFORMATION

---

### DISCLOSURE REQUIRED UNDER LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, they were not aware of any circumstances that would give rise to a disclosure requirement under Rule 13.13 to Rule 13.19 of the Listing Rules.

### PROFIT ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2025

On the basis set out in Appendix IIB to this Prospectus, and in the absence of unforeseen circumstances, we estimate that our unaudited consolidated profit attributable to owners of our Company for the year ended December 31, 2025 is as follows:

Estimated consolidated profit attributable to owners of our Company. . . . .	Not less than RMB140 million
---	------------------------------

Our Directors have prepared the estimate of the consolidated profit attributable to owners of our Company for the year ended December 31, 2025 (the “**P r o f i t E s t i m a t e**”) on the basis of (i) the audited consolidated results of our Group for the nine months ended September 30, 2025; and (ii) the unaudited consolidated results of our Group for the remaining three months ended December 31, 2025 based on the management accounts of our Group.

The Profit Estimate has been prepared on the basis of the accounting policies consistent in all material respects with those currently adopted by our Group as summarized in the Accountants’ Report as set out in Appendix I to this Prospectus.

---

## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

---

### OVERVIEW

As of the Latest Practicable Date, our Company was held as to (i) 39.13% by Mr. WANG Ping; and (ii) 10.03% by ZhaoGe Investment, which was ultimately controlled by Mr. WANG Ping as its general partner, representing 39.13% and 10.03% of the voting power at general meetings of our Company, respectively. For details, please see “History and Corporate Structure — Corporate Structure” in this prospectus.

Accordingly, immediately following the completion of the Global Offering (assuming that no additional Shares are issued pursuant to our Equity Incentive Plans), Mr. WANG Ping, directly and indirectly through ZhaoGe Investment, will be entitled to exercise a total of 43.36% of the voting power at general meetings of our Company. Upon Listing, each of Mr. WANG Ping and ZhaoGe Investment 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/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.

### NON-COMPETITION UNDERTAKINGS

In June 2017, for the purpose of the listing of our A Shares on the Shenzhen Stock Exchange and in order to avoid potential competition with our Company, Mr. WANG Ping provided a non-competition undertaking in favor of our Company, confirming that (i) he has not, directly or indirectly, engaged in any business activities that are identical with, similar to, or compete with the Group’s business in any respect (“**C o m p e t i t i o n**”); (ii) he has not held any positions or act as a director, senior management member, or key technical personnel in enterprises, institutions or other organizations engaging in Competing Business; (iii) he will not engage in or assist any Competing Business; (iv) if there are any business opportunities within the scope of our Company’s principal business in the future, he or entities controlled by him would give priority in referring those opportunities to the Group upon the request of the Company; and (v) if he fails to fulfill the above undertakings, he would indemnify the Group for any loss suffered as a result thereof. The above undertakings are legally binding on each of our Controlling Shareholders and expire on the date when he/it ceases to be a controlling shareholder, actual controller or person acting in concert with the actual controller of our Company.

---

## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

---

### 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 respective close associates upon Listing.

#### Material Independence

Upon Listing, our Board will comprise seven Directors, including four executive Directors and three independent non-executive Directors. 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 and have substantial and extensive relevant industry experience and expertise as set out in “Directors and Senior Management.” Save for Mr. WANG Ping, our Controlling Shareholder and executive Director, who serves as a general partner of ZhaoGe Investment, an investment platform established for our equity incentive plans, none of our Directors or members of the senior management is a controlling shareholder or holds any directorship or executive position in our Controlling Shareholder or their close associates.

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 avoid any conflict between his or her duties as a Director and his or her personal interests;
- (ii) 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;
- (iii) in the event that there is a potential conflict of interest arising from any transaction 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;
- (iv) all of the other Directors are independent from our Controlling Shareholders, and decisions of the Board require the approval of a majority vote from the Board; and



---

## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

---

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

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 provides 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 and non-executive Directors (including independent non-executive Directors). We have appointed three independent non-executive Directors, who we believe possess sufficient experience and are free from 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 see "Directors and Senior Management — Directors — Independent Non-Executive Directors" in this prospectus; and
- (v) we have appointed Somerley 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.

---

## SHARE CAPITAL

---

### BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, the issued share capital of our Company consisted of 261,756,700 A Shares with a nominal value of RMB1.00 each, all of which are listed on the Shenzhen Stock Exchange.

### UPON COMPLETION OF THE GLOBAL OFFERING

Immediately following the completion of the Global Offering (assuming that (i) no new Shares are issued under our 2024 Equity Incentive Plans, (ii) the Offer Size Adjustment Option is not exercised and (iii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the Listing Date), the issued share capital of our Company will be as follows:

	Number of Shares	Approximate % of issued share capital
A Shares in issue . . . . .	261,756,700	88.21%
H Shares to be issued pursuant to the Global Offering . . . . .	35,000,000	11.79%
<b>T a</b> . . . . .	<u>296,756,700</u>	<u>100.00%</u>

### OUR SHARES

Upon the completion of the Global Offering, our Shares will consist of A Shares and H Shares. The A Shares and H Shares are all ordinary Shares in the share capital of our Company. Apart from certain qualified domestic institutional investors in Chinese mainland, the qualified investors in Chinese mainland under the Shenzhen-Hong Kong Stock Connect (if our H Shares are eligible securities for that purpose) and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural persons in Chinese mainland.

Shenzhen-Hong Kong Stock Connect has established a stock connect mechanism between Chinese mainland and Hong Kong. Our A Shares can be traded by investors in Chinese mainland, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shenzhen-Hong Kong Stock Connect. If our H Shares are eligible securities under the Southbound Trading Link, they can also be traded by investors in Chinese mainland in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

Our A Shares and our H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and our H Shares may be different after the Global Offering. The Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請“全流通”業務指引》) announced by the CSRC are not applicable to companies dual listed in the PRC and on the Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A Shareholders may convert A shares held by them into H shares for listing and trading on the Stock Exchange.

## **RANKING**

Our A Shares and our H Shares are regarded as one class of Shares under our Articles of Association and shall rank *pari passu* with each other in all other respects and, in particular, with the

Shareholders of the Company. The H Shares shall rank *pari passu* with the A Shares in all other respects and, in particular, with the

---

## SHARE CAPITAL

---

- (iv) **Price de émission**. The issue price of the H Shares will be determined, among others, after due consideration of the interests of existing shareholders of our Company, acceptance of investors and the risks related to the offering, according to international practice, through the demands for orders and book building process, subject to the domestic and overseas capital market conditions and by reference to the valuation level of comparable companies in domestic and overseas markets; and
- (v) **Validité**. The issue of H Shares and listing of H Shares on the Stock Exchange shall be completed within 24 months from the date when the Shareholders' meeting was held on June 5, 2025.

There is no other approved offering plan for the Shares except the Global Offering.

### GENERAL MEETINGS

For details of circumstance under which our general meetings are required, please see “Summary of the Articles of Association — Shareholders and Shareholders' General Meetings” in Appendix V to this prospectus.

### SHARE SCHEMES

For details of our share schemes, please see “Statutory and General Information — D. 2024 Equity Incentive Plans” in Appendix VI to this prospectus.

## SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Global Offering (assuming no changes to our issued and outstanding shares between the Latest Practicable Date and the Listing), the following persons will have an interest or short position in Shares and/or underlying Shares of our Company which would fall to be disclosed to our Company under 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 issued voting Shares of our Company.

Name of Shareholder	Name of Beneficial Owner <sup>(1)</sup>	Number of Shares Held		Class of Shares	Percentage of Issued Shares <sup>(2)</sup>	Percentage of Issued Shares <sup>(2)</sup>	Percentage of Issued Shares <sup>(2)</sup>
		Number of Shares Held	Class of Shares				
Mr. WANG Ping <sup>(3)</sup>	Beneficial owner	102,417,560	A Shares		39.13%	39.13%	34.51%
	Interest in controlled corporation	26,248,240	A Shares		10.03%	10.03%	8.85%
ZhaoGe Investment <sup>(3)</sup>	Beneficial owner	26,248,240	A Shares		10.03%	10.03%	8.85%

*Notes:*

- (1) All interests stated are long positions.
- (2) The calculation is based on the total number of 296,756,700 Shares in issue immediately following the completion of the Global Offering.
- (3) As of the Latest Practicable Date, ZhaoGe Investment was ultimately controlled by Mr. WANG Ping as its general partner. By virtue of the SFO, Mr. WANG Ping is deemed to be interested in the Shares held by ZhaoGe Investment. For details, please see “History and Corporate Structure — Corporate Structure” in this prospectus.

For details of shareholders who will be, directly or indirectly, interested in 10% or more of the issued voting shares of other members of our Group, please see “Statutory and General Information — C. Further Information About Our Directors and Substantial Shareholders — 1. Disclosure of Interests” in Appendix VI to this prospectus.

---

## SUBSTANTIAL SHAREHOLDERS

---

### SHARE PLEDGES BY MR. WANG PING

Mr. WANG Ping has from time to time pledged the A Shares he owned to certain PRC financial institutions as collateral in order to obtain financing. As of the Latest Practicable Date, Mr. WANG has pledged 12,850,000 A Shares, representing approximately 4.91% of the total issued share capital of our Company. To the best knowledge of our Directors having made all reasonable enquiries, there has not been any adverse credit records against Mr. WANG Ping in respect of any breach of repayment obligations under his indebtedness. Mr. WANG Ping has confirmed that, if any circumstances arise which results in a margin call or top-up mechanism being triggered under any of the share pledges, Mr. WANG Ping shall take all necessary actions, such as provision of additional collateral/and repayment of the relevant indebtedness, to ensure no enforcement of the pledged A Shares will result.

## **OVERVIEW**

Upon the Listing, our Board will comprise seven Directors, including four executive Directors, and three independent non-executive Directors, namely:

---



**Mr. DU Guobin (杜國彬)**, aged 45, has been our executive Director. Mr. Du joined our Group in April 2014 as vice general manager. He was appointed as vice chairman of the Board on July 12, 2021. He served as our vice general manager from May 2015 to July 12, 2021. He is primarily responsible for overseeing business and daily operations of our Group and leading the overall technology development of our Group.

Mr. Du has over 20 years of experience in the R&D, design and technology management. Prior to joining our Group, Mr. Du worked at Zhongfu Technology (Suzhou) Co., Ltd. (

Mr. Xia obtained his bachelor's degree in management from Hunan Business School (湖南商學院) (currently known as Hunan University of Technology and Business (湖南工商大學

---

## DIRECTORS AND SENIOR MANAGEMENT

---

(stock code: 300331) from October 2021 to June 2024; and (iv) Sunpower Group Ltd. (中聖集團有限公司), a company whose shares are listed on the Singapore Exchange (stock code: 5GD), since November 2017.

Mr. Yang obtained his bachelor's degree in political economics from Anhui University (安徽大學) in the PRC in July 1982. He also obtained the qualification of Chinese certified public accountant from The Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in May 2000. Mr. Yang was a member of the National Audit Information Standardization Technical Committee (全國審計信息化標準化技術委員會), and was awarded the second prize of the China Standard Innovation Contribution Award (中國標準創新貢獻獎) in September 2009.

**D. MA L.** (馬利軍), aged 46, has been our independent Director since February 2, 2021, and was redesignated as an independent non-executive Director on June 5, 2025. He is primarily responsible for providing independent advice on the operations and management of our Group.

Since September 2007, Dr. Ma has worked at the Management School of Shenzhen University (深圳大學), holding roles including lecturer, associate professor, professor and department head. From October 2017 to October 2023, he was an independent director of Guangzhou Huayan Precision Machinery Co., Ltd. (廣州市華研精密機械股份有限公司), a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 301138).

Dr. Ma obtained his bachelor's degree in management science and computer science and technology and his master's degree in management science and engineering from University of Science and Technology of China (中國科學技術大學) in June 2001 and July 2003, respectively. He obtained his Ph.D. degree in systems engineering and engineering management from The Chinese University of Hong Kong (香港中文大學) in December 2008.

**M. LIU J.a** (劉佳), aged 38, was appointed as our independent non-executive Director on June 5, 2025 with effect from the Listing Date. She is primarily responsible for providing independent advice on the operations and management of our Group.

Ms. Liu has abundant experience in corporate financing transactions, covering, among others, cross-border mergers and acquisitions, initial public offerings, private equity investments, digital assets, and compliance matters. From February 2013 to March 2014, she served at Greka Gas China Ltd., primarily responsible for coordination and management of legal affairs of the group. From May 2014 to May 2016, she served at Skadden, Arps, Slate, Meagher & Flom LLP, mainly involving in legal services including corporate financings and initial public offerings. From June 2016 to June 2018, she served as a legal counsel at Tencent Technology (Shenzhen) Company Limited (騰訊科技(深圳)有限公司), primarily responsible for legal and compliance matters related to the group's investments, strategic transactions and general compliance. Since 2018, she has held

leadership roles at HashKey Group, including serving as head of legal department where she provided comprehensive legal support for its operations in Hong Kong, Singapore, Japan, and other jurisdictions, and oversaw the application and ongoing maintenance of regulatory licenses in these regions. She has also been serving as chief executive officer of HashKey Group's

---

## DIRECTORS AND SENIOR MANAGEMENT

---

### 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 June 12, 2025 and June 13, 2025, respectively; 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 the 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 appointments.

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 or 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. None of our Directors or members of senior management is related to other Directors or members of senior management.

Except as disclosed above, to the best knowledge, information and belief of the Directors having made all reasonable inquiries, there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules, and there were no other matters with respect to the appointment of the Directors that need to be brought to the attention of the Shareholders.

### MANAGEMENT AND CORPORATE GOVERNANCE

#### **B a d C . . . ee**

#### *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 “**C o r p o r a t e G o v e r n a n c e C o d e**”). The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of our Group, review and approve connected transactions and provide advice and comments to the

Board. The Audit Committee comprises Mr. YANG Zheng, Dr. MA Lijun and Ms. LIU Jia, with Mr. YANG Zheng (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

Pursuant to code provision C.2.1 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, companies listed on the Stock Exchange are expected to comply with but

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.

**REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT**

Our Directors receive remuneration in the form of fees, basic salaries, allowances and benefits in kind, contributions to pension schemes and discretionary bonuses. 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, 2022, 2023 and 2024 and the nine months ended September 30, 2025 were RMB5.4 million, RMB5.1 million, RMB5.0 million and RMB2.3 million, respectively. None of our Directors waived or agreed to waive any emolument during the same periods.

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, 2025 to be approximately RMB5.2 million.

The five highest paid individuals of our Group for the years ended December 31, 2022 and 2023 and 2024 and the nine months ended September 30, 2025 included three, three, two and nil Director(s), respectively. During the same periods, the aggregate amount of remuneration of the

highest paid individuals of our Group for the years ended December 31, 2022 and 2023 and 2024 and the nine months ended September 30, 2025 were RMB39.4 million, RMB39.8 million, RMB39.6 million and RMB39.4 million, respectively. None of our Directors waived or agreed to waive any emolument during the same periods.

of the remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2025 to be approximately RMB5.2 million.

of the remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2025 to be approximately RMB5.2 million.

of the remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2025 to be approximately RMB5.2 million.

of the remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2025 to be approximately RMB5.2 million.

of the remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2025 to be approximately RMB5.2 million.

of the remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2025 to be approximately RMB5.2 million.

of the remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2025 to be approximately RMB5.2 million.

of the remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2025 to be approximately RMB5.2 million.

of the remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2025 to be approximately RMB5.2 million.

of the remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2025 to be approximately RMB5.2 million.

of the remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2025 to be approximately RMB5.2 million.

of the remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2025 to be approximately RMB5.2 million.

of the remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2025 to be approximately RMB5.2 million.

of the remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2025 to be approximately RMB5.2 million.

of the remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2025 to be approximately RMB5.2 million.

of the remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2025 to be approximately RMB5.2 million.

of the remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2025 to be approximately RMB5.2 million.

of the remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2025 to be approximately RMB5.2 million.

of the remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2025 to be approximately RMB5.2 million.

of the remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2025 to be approximately RMB5.2 million.

of the remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2025 to be approximately RMB5.2 million.

of the remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2025 to be approximately RMB5.2 million.

---

## DIRECTORS AND SENIOR MANAGEMENT

---

### 2024 EQUITY INCENTIVE PLANS

In order to incentivize employees for their contribution to the Group and to attract and retain suitable personnel to the Group, the Company adopted the 2024 Equity Incentive Plans. For further details, please see “Statutory and General Information — D. 2024 Equity Incentive Plans” in Appendix VI to this prospectus.

### COMPLIANCE ADVISOR

We have appointed Somerley 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, sales or transfers of treasury shares 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.

---

## CORNERSTONE INVESTORS

---

### 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 to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, at the Offer Price, for such number of Offer Shares (rounded down to the nearest whole board lot of 100 H Shares) that may be purchased for an aggregate amount of approximately HK\$458.52 million, calculated based on an exchange rate of US\$1.00 to HK\$7.8162 (assuming an indicative Offer Price of HK\$28.86 being the maximum Offer Price) and exclusive of brokerage fee, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee (the “Cornerstone Placement”).

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 Cornerstone Investors). As the 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 Placement Allocation Limit”). Each of the Cornerstone Investors has agreed in their respective Cornerstone Investment Agreements that the Company, the Sole Sponsor and the Overall Coordinators 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, the Company, the Sole Sponsor and the Overall Coordinators 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 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 the Company to be published on or around Monday, March 9, 2026.

Based on the Offer Price of HK\$28.86 per Offer Share, being the maximum Offer Price, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 15,887,400 H Shares. The table below reflects the shareholding percentage immediately after the completion of the Global Offering assuming there is no other change made to the issued share capital of the Company between the Latest Practicable Date and the Listing.



---

## CORNERSTONE INVESTORS

---

subscription of the Offer Shares, and each Cornerstone Investor has sufficient funds to settle its respective investment under the Cornerstone Placing; and (v) each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing and that no specific approval from any stock exchange (if relevant) is required for the relevant Cornerstone Placing. In addition, to the best knowledge of the Company, save as otherwise disclosed, each of the Cornerstone Investors is independent from each other and makes independent investment decisions.

The Cornerstone Investors have agreed to pay for the relevant Offer Shares that they have subscribed for before dealings in the H Shares commence on the Stock Exchange. There will be no delayed settlement of payment. Some of the Cornerstone Investors have agreed that, we, the Sole Sponsor and the Overall Coordinators may in their sole discretion defer the delivery of all or part of the Offer Shares it will subscribe for on a date later than the Listing Date. There will be no delayed delivery. Where delayed delivery takes place, each of such Cornerstone Investors that may be affected by such delayed delivery has agreed that it shall nevertheless pay for the relevant Offer Shares before the Listing. Accordingly, there will be no deferred settlement of the Offer Shares to be subscribed by the Cornerstone Investors.

Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of the Company to be published on or around Monday, March 9, 2026.

To the best knowledge of the Company and the Overall Coordinators, and based on the indicative interest of investment of the Cornerstone Investors and/or their close associates as of the date of this prospectus, certain Cornerstone Investors and/or their close associates may participate in the International Offering as placees and subscribe for further Offer Shares in the Global Offering. The Company will seek the Stock Exchange's consent and/or waiver to allow the Cornerstone Investors and/or their close associates to participate in the International Offering as placees pursuant to Chapter 4.15 of the Guide for New Listing Applicants. Whether such Cornerstone Investors and/or their close associates will place orders in the International Offering are uncertain and will be subject to the final investment decisions of such investors and the terms and conditions of the Global Offering.

# CORNERSTONE INVESTORS

## THE CORNERSTONE INVESTORS

The table below sets forth details of the Cornerstone Placing:

Cornerstone Investor	As a percentage of the Offer Shares Available for Subscription			As a percentage of the Offer Shares Available for Subscription				
	Subscription	Number of Offer Shares	Offer Shares	Subscription	Offer Shares	Subscription	Offer Shares	Subscription
(HK\$) <sup>(1)(2)</sup>	Share <sup>(3)</sup>	Offer Shares	Share	Subscription	Share <sup>(4)</sup>	Share	Subscription	Share
<b>Base Offer Price of HK\$28.86 (before Offer Price Adjustment)</b>								
Baoyue Lake Shenzhen Industrial Investment Win-Win Enterprise Management Limited (寶月湖深產投共贏企業管理有限公司) (“Baoyue W-W”)	223,000,000	7,726,900	24.53%	22.08%	2.60%	21.03%	19.20%	2.56%
Meiko Elec. Hong Kong Co., Limited (“Meiko HK”)	39,081,000	1,354,100	4.30%	3.87%	0.46%	3.68%	3.36%	0.45%
Streamax Electronics Limited (銳明電子有限公司) (“Streamax Elec. Co.”)	31,264,800	1,083,300	3.44%	3.10%	0.37%	2.95%	2.69%	0.36%
Harvest International Premium Value (Secondary Market) Fund SPC on behalf of Harvest Oriental SP (“Harvest”)	50,000,000	1,732,500	5.50%	4.95%	0.58%	4.71%	4.30%	0.57%
Jinyi Capital Multi-Strategy Fund SPC Ltd. (“J. Y. Capital”)	11,724,300	406,200	1.29%	1.16%	0.14%	1.11%	1.01%	0.13%
Open Wealth Management Limited (開盤財富管理有限公司) (“Open Wealth”)	30,000,000	1,039,500	3.30%	2.97%	0.35%	2.83%	2.58%	0.34%
China Winning Limited (“China Winning”)	23,448,600	812,400	2.58%	2.32%	0.27%	2.21%	2.02%	0.27%
Chau Tsang Cheong (周增昌) (“M.C.C.”)	50,000,000	1,732,500	5.50%	4.95%	0.58%	4.71%	4.30%	0.57%
<b>Total</b>	<b>458,518,700</b>	<b>15,887,400</b>	<b>50.44%</b>	<b>45.39%</b>	<b>5.35%</b>	<b>43.23%</b>	<b>39.47%</b>	<b>5.26%</b>

**Notes:**

- Exclusive of brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy, and to be converted to Hong Kong dollars based on the exchange rate as disclosed in this prospectus.
- Each of the Cornerstone Investors has agreed in their respective Cornerstone Investment Agreements that the Company, the Sole Sponsor and the Overall Coordinators 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

---

## CORNERSTONE INVESTORS

---

Investor to ensure compliance with the Listing Rules, including the Cornerstone Placing Allocation Limit. The Company, the Sole Sponsor and the Overall Coordinators 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 the Company to be published on or around Monday, March 9, 2026.

- (3) Rounded down to the nearest whole board lot of 100 H Shares.
- (4) Assuming that the Offer Size Adjustment Option is exercised in full to cover the excess demand in International Offering.

The information about the Cornerstone Investors sets forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing.

### Baoyue Win-Win

Baoyue Win-Win is wholly-owned by Nantong Baoyue Lake Shenchantou Win-Win Enterprise Management Partnership (Limited Partnership) (南通寶月湖深產投共贏企業管理合夥企業(有限合夥)) (“Baoyue Lake Shenca”).

Baoyue Lake Shenchantou is a limited partnership established on January 7, 2026, with a total capital contribution of RMB200.1 million. It was co-founded by Nantong Baoyue Lake Technology Equity Investment Fund Partnership Enterprise (Limited Partnership) (南通寶月湖科技股權投資基金合夥企業(有限合夥)) (“Baoyue Lake Tech Fund I”), Nantong Baoyue Lake Phase II Technology Equity Investment Fund Partnership Enterprise (Limited Partnership) (南通寶月湖二期科技股權投資基金合夥企業(有限合夥)) (“Baoyue Lake Tech Fund II”, together with Baoyue Lake Tech Fund I, the “Baoyue Lake Tech Fund”), and Shenzhen New Capital Private Equity Fund Management Co., Ltd. (深圳新產投私募股權基金管理有限公司) (“Shenca”). Baoyue Lake Shenchantou is managed by Shenchantou. As of the Latest Practicable Date, the partnership interest in Baoyue Lake Shenchantou is held as to 84.96% by Baoyue Lake Tech Fund II as a limited partner, 14.99% by Baoyue Lake Tech Fund I as a limited partner and 0.05% by Shenchantou as a general partner.

The partnership interest in each of Baoyue Lake Tech Fund I and Baoyue Lake Tech Fund II is held as to 99% by Nantong Kechuang Innovation Entrepreneurship Investment Management Co., Ltd. (南通科創創業投資管理有限公司) (“Nantong Kechuang Management”) as a limited partner, 0.5% by Shenchantou as a general partner, and 0.5% by Nantong Baoyue Lake Kechuang Investment Group Co., Ltd. (南通寶月湖科創投資集團有限公司) (“Nantong Kechuang Group”) as a general partner. Both Nantong Kechuang Management and Nantong Kechuang Group are ultimately controlled by the State-owned Assets Supervision and Administration Office of the People’s Government of Chongchuan District, Nantong (南通市崇川區政府國有資產監督管理辦公

室). The Baoyue Lake Tech Funds focus on developing industrial chains in four key sectors, namely, integrated circuit semiconductors, new materials, high-end equipment, and healthcare. Baoyue Lake Tech Funds cooperate with general partners at the sub-fund level that possess industrial backgrounds or resources to establish corresponding industry-specific sub-funds, primarily utilizing industrial corporate venture capital. This strategy promotes the synergistic development of upstream and downstream enterprises within the industrial chain, forming an ecosystem that unites funds and industries.

Shenchantou is an asset management company centered on technology innovation investment and services. Its core management team possesses over a decade of experience in equity fund management and operation. Leveraging its profound industrial backgrounds and investment experience, the team focuses on strategic emerging industries to build an industrial investment ecosystem that unites industry, capital, and platforms. Shenchantou's principal businesses include the management of local government fund-of-funds, industrial direct investment fund management, and industrial ecosystem services. Shenchantou is ultimately beneficially owned and controlled by Ms. Dai Shuxiang (代淑香), an Independent Third Party.

**Me . HK**

---

## CORNERSTONE INVESTORS

---

traffic accidents and cargo losses, and ensuring that vehicles and driving behavior comply with increasingly stringent regulatory requirements. During the Track Record Period, Streamax Electronics is one of our customers of data transmission modules and smart modules and has long-term business collaboration with us since 2018.

### Harvest

Harvest Oriental SP (“**Harvest Oriental**”) is a fund launched in October 2024. Harvest Oriental is a segregated portfolio of Harvest International Premium Value (Secondary Market) Fund SPC, which is a segregated portfolio company incorporated in the Cayman Islands and is an Independent Third Party. 91% of the management shares of Harvest International Premium Value (Secondary Market) Fund SPC are held by Harvest Global Investments Limited (“**HGI**”) and 9% of the management shares are held by Harvest Global Capital Investments Limited (“**HGCI**”). Incorporated in Hong Kong in 2008, HGI is a wholly-owned subsidiary of Harvest Fund Management Co., Ltd. (“**HFM**”).

HFM is owned as to 40% by China Credit Trust Co., Ltd. (中誠信託有限責任公司) (“**China Credit Trust**”), 30% by Lixin Investment Co., Ltd. (立信投資有限責任公司) (“**Lixin Investment**”) and 30% by DWS Investments Singapore Limited (“**DWS**”), all of which are Independent Third Parties. China Credit Trust was owned by China Credit Trust Co., Ltd., which is held as to 32.92% by The People’s Insurance Company (Group) of China Limited (中國人民保險集團股份有限公司) (stock code:1339) where the Ministry of Finance of the People’s Republic of China owns 60.84% of its total issued shares. Except for Tongyuan Holding Co., Ltd. (通元控股有限公司) (“**Tongyuan Holding**”) owning 54% of the total issued shares of Lixin Investment, none of the other shareholders held more than 30% interests therein. Tongyuan Holding was ultimately controlled by Beijing Sai’ang Media Investment Co., Ltd (北京賽昂傳媒投資有限公司), which was owned by Zhao Hongzheng (趙宏征) and Wang Boyu (王伯彥) as to 65% and 35%, respectively. None of ultimate beneficial owners of DWS holds 30% or more interests therein.

HGCI, the investment manager of Harvest Oriental on a discretionary basis, is a company incorporated in Hong Kong in 2011 and licensed to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO in Hong Kong by the SFC. HGCI is principally engaged in asset management and investment advisory business. Chen Di, an Independent Third Party, is the beneficial owner who holds the largest portion of the ultimate beneficial ownership of HGCI. Harvest Oriental has four participating shareholders other than Chen Di, none of which holds 30% or more interests therein.

---

## CORNERSTONE INVESTORS

---

### **J. Y. Capital**

JinYi Capital is an exempted company incorporated in the Cayman Islands. JinYi (Tianjin) Asset Management Co., Ltd. (進益(天津)資產管理有限責任公司) is the investment manager of JinYi Capital and is ultimately controlled by Fan Xiang.

Save for Fan Xiang holding 65% of partnership interests in JinYi Capital, an Independent Third Party, there is no other ultimate beneficial owner holding 30% or more interest therein. The funding of JinYi Capital Multi-Strategy Fund SPC Ltd. — Structured Credit SP Fund, which is participating in the Global Offering, are from Tsinghua University Education Foundation (清華大學教育基金會). Tsinghua University Education Foundation was established in 1994 and is a national non-public fundraising foundation registered with and approved by the Ministry of Civil Affairs of the PRC, with the Ministry of Education of the PRC as its supervising authority. Tsinghua University Education Foundation was initiated by Tsinghua University, with its funding principally from social donations. Pursuant to the Interim Measures for the Administration of Preservation and Appreciation of Assets of Charitable Organizations (《慈善組織保值增值投資活動管理暫行辦法》) and other applicable regulations, the foundation may invest in financial products that comply with the relevant requirements, including but not limited to wealth management products, publicly offered securities, private funds, and private asset management products, for the purpose of preserving and enhancing the value of its assets and supporting the development of educational and charitable causes.

### **Open Wealth**

Open Wealth is an exempted company with limited liability incorporated in the Cayman Islands, primarily engaging in investment. It is owned by You Yiyang (游弋洋) and BD Capital Investment Limited (博達投資有限公司), a company wholly owned by Bai Bin (白斌), as to 75% and 25%, respectively. Each of You Yiyang and Bai Bin is an Independent Third Party. Open Wealth participates in this Global Offering as it recognizes the business prospects and growth potential of the Company.

### **China Winning**

China Wining was incorporated in the British Virgin Islands as a BVI business company, primarily engaging in investment. It is wholly owned by Fok Kuong Investment Company Limited (復廣投資有限公司), a company owned by Huang Rongyao (黃榮耀) and Liu Lingling (劉凌菱) as to 98% and 2%, respectively. Each of Huang Rongyao and Liu Lingling is an Independent Third Party. China Winning participates in this Global Offering as it has faith in the Company's business performance and future development.

---

## CORNERSTONE INVESTORS

---

### Mr. C. a

Mr. Chau is an individual investor with over 20 years of experience in construction industry and also has experience in fund and stock investments. He is currently an executive director and the sole shareholder of Eurostone Engineering Co Limited (歐羅石材工程有限公司), a company incorporated in Hong Kong. Mr. Chau is an Independent Third Party. Mr. Chau participates in this Global Offering as he recognizes the Company's strong positioning in the IoT and intelligent connected vehicle sectors and is confident in the Company's business and prospects.

### 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 the Company and the Overall Coordinators (for themselves 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) no laws shall have been enacted or promulgated by any governmental authorities which prohibits the consummation of the transactions contemplated in the Global Offering or in the respective Cornerstone Investment Agreements, and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and

- (v) the respective agreements, representations, warranties, undertakings, confirmations and acknowledgements of the relevant Cornerstone Investor under the respective Cornerstone Investment Agreement are accurate and true in all respects and not misleading and that there is no 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 “**L i s t i n g D a t e**”), dispose of, in any way, any of the Offer Shares or any interest in any company or entity

---

## FUTURE PLANS AND USE OF PROCEEDS

---

### FUTURE PLANS

Please see “Business — Our Strategies” for a detailed description of our future plans.

### USE OF PROCEEDS

Based on the maximum Offer Price of HK\$28.86 per H Share and assuming the Offer Size Adjustment Option is not exercised, we estimate that we will receive net proceeds of approximately HK\$944.5 million (equivalent to approximately RMB838.6 million) from the Global Offering after deducting the underwriting commission and other estimated expenses paid and payable by us in connection with the Global Offering. In line with our strategies, we intend to use our proceeds from the Global Offering for the purposes and in the amounts set forth below:

- approximately 55% of the net proceeds, or HK\$519.6 million (equivalent to approximately RMB461.3 million), are expected to be used for enhancing our R&D and innovation capabilities.
  - (i) approximately 19% of the net proceeds, or HK\$179.5 million (equivalent to approximately RMB159.4 million), will be used for mid- to long-term R&D and innovation in foundational technologies. Leveraging our expertise in wireless connection, we will continue to align our research efforts with market trends and customer needs, with a particular focus on 6G connection, SoC integration and connection, integrated storage and computing technologies and AI agent applications.
    - o approximately 12% of the net proceeds, or HK\$113.3 million, are expected to be used to recruit and retain approximately 90 to 110 R&D talents with expertise in software and hardware development, testing, and product and project management. The annual average salary for each talent is expected to range from RMB150.0 thousand and RMB600.0 thousand. We plan to recruit these talents by 2030;
    - o approximately 1% of the net proceeds, or HK\$9.4 million, are expected to be used to procure relevant software and hardware, including (i) hardware primarily consisting of test equipment, such as millimeter-wave test equipment, signal synthesis test equipment and simulation test equipment; and (ii) software, primarily consisting of PCB simulation and electronics design automation software; and

---

## FUTURE PLANS AND USE OF PROCEEDS

---

- o approximately 6% of the net proceeds, or HK\$56.7 million, are expected to be used for platform licensing, such as the latest chip platforms developed by our major suppliers, and testing fees related to the mid- to long-term R&D and innovation in foundational technologies.
- (ii) approximately 16% of the net proceeds, or HK\$151.1 million (equivalent to approximately RMB134.2 million), will be used to invest in the research and development of modules and solutions applied in ICV, including 5G connection, AI cockpit and integrated cabin and driving system, to meet the needs of global automotive OEMs and Tier 1 suppliers in the automotive industry. Specifically,
  - o approximately 9% of the net proceeds, or HK\$85.0 million, are expected to be used to recruit and retain approximately 80 to 100 R&D talents with expertise in software and hardware development, testing, and product and project management. The annual average salary for each talent is expected to range from RMB150.0 thousand and RMB600.0 thousand. We plan to recruit these talents by 2030;
  - o approximately 2% of the net proceeds, or HK\$18.9 million, are expected to be used to procure relevant software and hardware, including (i) hardware primarily consisting of test equipment, such as millimeter-wave test equipment, signal synthesis test equipment and simulation test equipment; and (ii) software, primarily consisting of PCB simulation and electronics design automation software; and
  - o approximately 5% of the net proceeds, or HK\$47.2 million, are expected to be used for platform licensing, such as automotive-grade chip platforms developed by our major suppliers, and testing fees related to the development of modules and solutions applied in ICV.
- (iii) approximately 10% of the net proceeds, or HK\$94.5 million (equivalent to approximately RMB83.9 million), will be used to invest in the research and development of modules and solutions applied in embodied AI, including humanoid robots, industrial robots and service robots. Specifically, we plan to develop (a) 5G and 5G-A connection products and (b) high-computing-power smart modules applied in brain-inspired robotic cognition for embodied AI applications. Specifically,

---

## FUTURE PLANS AND USE OF PROCEEDS

---

- o approximately 6% of the net proceeds, or HK\$56.7 million, are expected to be used to recruit and retain approximately 50 to 70 R&D talents with expertise in software and hardware development, testing, and product and project management. The annual average salary for each talent is expected to range from RMB150.0 thousand and RMB600.0 thousand. We plan to recruit these talents by 2030;
  
  - o approximately 3% of the net proceeds, or HK\$28.3 million, are expected to be used to procure relevant software and hardware, including (i) hardware primarily consisting of test equipment, such as millimeter-wave test equipment, signal synthesis test equipment and simulation test equipment; and (ii) software, primarily consisting of PCB simulation and electronics design automation software; and
  
  - o approximately 1% of the net proceeds, or HK\$9.4 million, are expected to be used for platform licensing, such as 5G-A baseband chip platforms and computing chip platforms for industrial applications and robotics developed by our major suppliers, and testing fees related to the development of modules and solutions applied in embodied AI.
- (iv) approximately 10% of the net proceeds, or HK\$94.5 million (equivalent to approximately RMB83.9 million), will be used to invest in the research and development of high-computing-power smart modules in on-device AI applications in response to the transition from data transmission modules to modules that emphasize intelligence and high computing power in the wireless communication module industry and our vision to meet the growing demand from our overseas customers for smart applications. Specifically, we plan to (a) continue to develop new high-computing-power smart modules, including those with higher computing power; (b) expand the compatibility of our high-computing-power smart modules with AI technologies such as base AI, generative AI and cloud AI; and (c) apply our high-computing-power smart modules and solutions embedded with AI technologies to application scenarios such as AR/VR, robotic vision and consumer IoT. Specifically,
- o approximately 6% of the net proceeds, or HK\$56.7 million, are expected to be used to recruit and retain approximately 40 to 60 R&D talents with expertise in software and hardware development, testing, and product and project management. The annual average salary for each talent is expected to range from RMB150.0 thousand and RMB600.0 thousand. We plan to recruit these talents by 2030;

- o approximately 2% of the net proceeds, or HK\$18.9 million, is expected to be used to procure relevant software and hardware, including (i) hardware primarily consisting of test equipment, such as millimeter-wave test equipment, signal synthesis test equipment and simulation test equipment; and (ii) software, primarily consisting of PCB simulation and electronics design automation software; and
- o approximately 2% of the net proceeds, or HK\$18.9 million, are expected to be used for platform licensing and testing fees related to the development of the on-device AI applications.

The table below sets forth some details of our latest products to be developed:

P r o d u c t	A p p l i c a t i o n	S t a g e	T i m e
48 TOPS high-computing-power modules customized for intelligent cockpits for large automobile factories . . . . .	ICV	Under R&D	To be commercialized in 2026
high-computing-power modules based on Supplier A’s latest chip platform <sup>(1)</sup> . . . . .	General IoT	Under R&D	To be commercialized in 2026
high-computing-power modules based on a domestically produced chip platform . . . . .	General IoT	Under R&D	To be commercialized in 2026
high-computing power intelligent cockpit module based on Supplier A’s next-generation chip platform <sup>(1)</sup> . . . . .	ICV	Pre-planning and design	To be set up in 2025, under R&D in 2026, and commercialized in 2027
high-computing power module based on Supplier A’s chip platform <sup>(1)</sup> . . . . .	General IoT	Pre-planning and design	To be set up in 2026, and commercialized in 2027

*Note:*

(1) Different chip platforms represent distinct hardware and software foundation, and thus require our dedicated development efforts for specific design, compatibility and optimization work to ensure our module products based on different chip platforms meet the desired performance and functionality.

## FUTURE PLANS AND USE OF PROCEEDS

The following table sets forth the expected implementation timetable of our planned use of proceeds expected to be used for enhancing our R&D and innovation capabilities:

	Year ended December 31,					Total
	2026	2027	2028	2029	2030	
	<i>(Hong Kong dollars in millions)</i>					
<b>R&amp;D and innovation capabilities</b>	<b>86.9</b>	<b>90.4</b>	<b>100.9</b>	<b>111.3</b>	<b>130.1</b>	<b>519.5</b>
<b>Mid-term R&amp;D and innovation</b>						
Recruit and retain R&D talents	23.9	30.2	35.3	42.6	47.5	179.5
Software and hardware	9.9	15.1	24.0	30.2	34.2	113.3
Platform licensing and testing fees	4.7	4.7	—	—	—	9.4
<b>R&amp;D funded by ICV</b>	<b>23.1</b>	<b>24.0</b>	<b>30.9</b>	<b>32.7</b>	<b>40.4</b>	<b>151.1</b>
Recruit and retain R&D talents	5.3	11.5	18.3	22.1	27.9	85.0
Software and hardware	11.4	4.8	2.7	—	—	18.9
Platform licensing and testing fees	6.4	7.8	9.9	10.6	12.5	47.2
<b>R&amp;D funded by e-bid AI</b>	<b>20.9</b>	<b>22.0</b>	<b>15.7</b>	<b>15.7</b>	<b>20.3</b>	<b>94.5</b>
Recruit and retain R&D talents	3.6	7.5	11.3	14.9	19.3	56.7
Software and hardware	13.8	10.8	3.8	—	—	28.3
Platform licensing and testing fees	3.5	3.7	0.6	0.8	0.9	9.4
<b>R&amp;D funded by core business AI application</b>	<b>19.0</b>	<b>14.2</b>	<b>19.0</b>	<b>20.3</b>	<b>21.9</b>	<b>94.5</b>
Recruit and retain R&D talents	3.2	7.2	12.7	16.1	17.4	56.7
Software and hardware	12.9	3.5	2.5	—	—	18.9
Platform licensing and testing fees	2.9	3.5	3.8	4.2	4.5	18.9

- approximately 10% of the net proceeds, or HK\$94.5 million (equivalent to

- o approximately 1% of the net proceeds, or HK\$9.4 million, are expected to be used to rent office space for our new sales center to expand our sales coverage and provide prompt sales services to overseas customers. Specifically, we plan to (i)

---

## FUTURE PLANS AND USE OF PROCEEDS

---

- approximately 15% of the net proceeds, or HK\$141.7 million (equivalent to approximately RMB125.8 million), are expected to be allocated for the repayment of certain interest-bearing bank borrowings, with interest rates ranging between 1.95% and 2.27% that are maturing after June 2025, so as to optimize our financial structure and reduce our borrowing cost. We incurred such borrowings primarily for working capital purposes.
  
- approximately 10% of the net proceeds, or HK\$94.5 million (equivalent to approximately RMB83.9 million), are expected to be used for working capital and general corporate uses.

To the extent that the net proceeds from the Global Offering are more or less than expected (including as a result of the Offer Price being set at a price lower than the maximum Offer Price), we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would render the development of any of our projects not viable, or the occurrence of force majeure events, we will carefully evaluate the situation and may reallocate the net proceeds from the Global Offering.

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 plan as intended, and to the extent permitted by the relevant laws and regulations, 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 Futures Ordinance or the applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

**HONG KONG UNDERWRITERS**

Subject to (i) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares pursuant to the Global Offering (including additional H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option) on the Main Board of the Stock Exchange and such approval not having been withdrawn; and (ii) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally and not jointly to apply or procure applications, on the terms and conditions of this prospectus, for their respective applicable proportions of the Hong Kong Offer Shares which are being offered but are not taken up under the Hong Kong Public Offering.

The Hong Kong Underwriting Agreement is conditional on, among other things, the International Underwriting Agreement having been signed and becoming unconditional and not

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

- (c) 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

---

## UNDERWRITING

---

- (h) the imposition of sanctions or export controls in whatever form, directly or indirectly, on any group company 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
- (i) any valid demand by creditors for payment or repayment of indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or
- (j) any non-compliance of this Prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares), the CSRC filings or any aspect of the Global Offering with the Listing Rules or any other applicable laws; or
- (k) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against any member of the Group or any Controlling Shareholder or any Director or senior management members as named in this Prospectus; or
- (l) any contravention by any group company or any Director of the Listing Rules or applicable Laws; or
- (m) 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 vacating his/her office; or
- (n) 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
- (o) an order or petition is presented for the winding-up or liquidation of any member of the Group, or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or

---

## UNDERWRITING

---

- (p) 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 Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

- (A) has or will or may have a material adverse effect;
- (B) has or will or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of indications of interest under the International Offering; or
- (C) makes or will make or may make it impracticable, inadvisable, inexpedient or incapable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged, or for the Hong Kong Public Offering and/or the Global Offering to proceed, or to market the Global Offering or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the offering documents; or
- (D) has or will or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

there has come to the notice of the Sole Sponsor and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) that:

- (q) 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 “**G l o b a l O f f e r i n g D o c u m e n t s**”) 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

- (r) 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
- (s) any breach of, or any event or circumstance rendering untrue or incorrect or misleading in any respect, any of the representations, warranties and undertakings given by our Company in the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or
- (t) any event, act or omission which gives rise or is likely to give rise to any liability of the indemnifying party pursuant to the indemnities in the Hong Kong Underwriting Agreement; or
- (u) any breach of any of the obligations or undertakings imposed upon our Company to the Hong Kong Underwriting Agreement; or
- (v) there is any change or development involving a prospective change, constituting or having a material adverse effect; or
- (w) 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

- (aa) 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 Overall Coordinators, the issue or requirement to issue by our Company of a supplement or amendment to the CSRC filings pursuant to the CSRC rules or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC filings with the CSRC rules or any other applicable laws; or
- (bb) that (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, as a result of the payment of the relevant investment amount not being received or settled in the stipulated time and manner or otherwise.

**U n d e r a . . . e S . c E / c a B e . . . a . . . e L . . . B R e**

*Undertakings by our Controlling Shareholders*

Pursuant to Rule 10.07 of the Listing Rules, each of our Controlling Shareholders has undertaken to us and to the Stock Exchange that, except pursuant to the Global Offering, he/it shall not, and shall procure that the relevant registered holders of the Shares in which he/it is beneficially interestedestestedrocessre537orS678(r))-he62678(r)“holders.



equity securities of our Company, as applicable, or any interests in any of the foregoing (including, but not limited to, any securities that are convertible into or exercisable or exchangeable for, or that represent the right to receive, or any warrants or other rights to subscribe for, any H Shares or other equity securities of our Company, as applicable, or any interests in any of the foregoing), or deposit any H Shares or other equity securities of our Company, as applicable, 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 subscription or ownership (legal or beneficial) of any H Shares or other equity securities of our Company, as applicable, or any interest therein (including, without limitation, any securities of which are convertible into or exchangeable or exercisable for, or represent the right to receive, or any warrants or other rights to purchase, any H Shares or other equity securities of our Company, as applicable, or any interests in any of the foregoing); or
- (iii) enter into any transaction with the same economic effect as any transaction described in paragraphs (i) or (ii) above; or
- (iv) offer to or contract to or agree to or announce, or publicly disclose that our Company will or may enter into any transaction described in paragraphs (i), (ii) or (iii) above,

in each case, whether any of the transactions specified in paragraphs (i), (ii) or (iii) above is to be settled by delivery of H Shares or other equity securities of our Company, as applicable, in cash or otherwise (whether or not the issue of such H Shares or other shares or securities of our Company

### *Undertakings by our Controlling Shareholders*

Pursuant to the Hong Kong Underwriting Agreement, each of our Controlling Shareholders has undertaken to each of our Company, the Sole Sponsor, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries that, without the prior written consent of the Sole Sponsor and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters and the Capital Market Intermediaries) and unless in compliance with the Listing Rules (including pursuant to Note (2) to Rule 10.07 of the Listing Rules):

- (a) During the First Six-Month Period, each of our Controlling Shareholders will not:
  - (i) offer, pledge, charge, sell, offer to sell, contract or agree to 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, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend 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 equity securities of our Company or any interest in any of the foregoing (including, but not limited to, any securities that are 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 other securities of our Company, or deposit with a depository in connection with the issue of depository receipts any Shares or other securities of our Company beneficially owned by him as at the Listing Date (the “**L. c ed- p Sec . . e**”));
  - (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of, any Locked-up Securities;
  - (iii) enter into any transaction with theit(iii)other arrange( arrange.)r8other aoth408ssion

---

## UNDERWRITING

---

- (b) in Second Six Month Period, each of our Controlling Shareholders will not and will procure that the relevant registered holder(s) will not enter into any of the transactions specified in the Hong Kong Underwriting Agreement or offer to or agree to do any of the foregoing or announce any intention to do so if, immediately following such transaction or action, will cease to be the controlling shareholder (as defined in the Listing Rules) of our Company; and until the expiry of the Second Six-Month Period, in the event that into any such transactions described in paragraphs (i), (ii) or (iii) above or offers to or agrees to or announce any intention to effect any such transaction, will take all reasonable steps to ensure that they will not create a disorderly or false market in the Shares or other securities of our Company.

### INTERNATIONAL OFFERING

#### **I n t e r n a t i o n a l U n d e r w r i t i n g A g r e e m e n t**

In connection with the International Offering, it is expected that our Company will enter into the International Underwriting Agreement with the Sole Sponsor, the Overall Coordinators and the International Underwriters. Under the International Underwriting Agreement, the International Underwriters will, subject to certain conditions set out therein, severally and not jointly, agree to procure subscribers or purchasers for, or to purchase, their respective proportions of the International Offer Shares being offered under the International Offering (subject to, among other, any reallocation between the International Offering and the Hong Kong Public Offering).

It is expected that the International Underwriting Agreement may be terminated on similar grounds as those in the Hong Kong Underwriting Agreement. Potential investors should note that if the International Underwriting Agreement is not entered into, or is terminated, the Global Offering will not proceed.

Our Company has agreed to indemnify the International Underwriters against certain liabilities, including liabilities under the U.S. Securities Act.

### OFFER SIZE ADJUSTMENT OPTION

Our Company has an Offer Size Adjustment Option which will allow the Company to, upon signing of the Hong Kong Underwriting Agreement, issue up to an aggregate of 5,250,000 additional Offer Shares, representing approximately 15.0% of the Offer Shares initially offered under the Global Offering at the Offer Price to cover excess demand. The Offer Size Adjustment Option provides flexibility for the Company to increase the number of Offer Shares available for purchase 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.

---

## UNDERWRITING

---

### UNDERWRITING COMMISSIONS AND LISTING EXPENSES

The Underwriters and the Capital Market Intermediaries will receive an underwriting commission equal to 2.65% of the aggregate Offer Price payable for the Offer Shares, out of which they will pay any sub-underwriting commissions and other fees (the “Fixed Fee”). Our Company may, at our sole and absolute discretion, pay to one or more Underwriters or Capital Market Intermediaries an additional incentive fee up to 1% of the Offer Price payable for the Offer Shares (the “Discretionary Fee”). The ratio of the Fixed Fees and the Discretionary Fees (if fully paid) payable to all Underwriters and Capital Market Intermediaries is therefore approximately 54.5%:45.5%. 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 (including the incentive fees and assuming full payment), together with the Stock Exchange listing fees, the SFC transaction levy, AFRC transaction levy, the Stock Exchange trading fee, legal and other professional fees, printing and other expenses relating to the Global Offering, are estimated to be approximately HK\$34.87 million (assuming an Offer Price of HK\$28.86 per Offer Share, the full payment of the HK\$34.87 million).

### ACTIVITIES BY SYNDICATE MEMBERS

We describe below a variety of activities that each of the Underwriters and the Capital Market Intermediaries of the Hong Kong Public Offering and the International Offering (together, the “Syndicate Members”) and their affiliates, may individually undertake, and which do not form part of the underwriting process. When engaging in any of these activities, it should be noted that the Syndicate Members are subject to restrictions, including the following:

- (a) under the agreement among the Syndicate Members, all of them must not make bids or purchases or effect any other transactions (including but not limited to issuing any option or derivative or structured product which has, as its underlying asset, any Offer Shares), whether in the open market or otherwise, for the purpose of or with a view to creating actual, or apparent, active trading in the Offer Shares or raising, stabilizing or maintaining the price of the Offer Shares to or at levels other than those which might otherwise prevail in the open market; and
- (b) all of them 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.

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 accounts of others. In relation to the H Shares, those activities could include acting as agent for buyers and sellers of the H Shares, 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 the H Shares as their or part of their underlying assets. Those activities may require hedging activity by those entities involving, directly or indirectly, buying and selling the H Shares. All such activity 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 the 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 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.

These 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 H Shares' share price, and the extent to which this occurs from day to day cannot be estimated.

## **UNDERWRITERS' AND CAPITAL MARKET INTERMEDIARIES' INTEREST IN OUR GROUP**

Except as disclosed in this prospectus and the obligations under the Hong Kong Underwriting

## **THE GLOBAL OFFERING**

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises:

- (i) the Hong Kong Public Offering of initially 3,500,000 Offer Shares (subject to reallocation and the Offer Size Adjustment Option as mentioned below) in Hong Kong as described in “The Hong Kong Public Offering” below in this section; and
- (ii) the International Offering of initially 31,500,000 Offer Shares (subject to reallocation and the Offer Size Adjustment Option) outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales occur, as described in “The International Offering” below in this section.

Investors may either apply for the Hong Kong Offer Shares under the Hong Kong Public Offering, or apply for or indicate an interest for the International Offer Shares under the International Offering, but may not do both.

The 35,000,000 Offer Shares in the Global Offering will represent approximately 11.79% of

## **THE HONG KONG PUBLIC OFFERING**

### **Number of Offer Shares and Initial Offered**

Our Company is initially offering 3,500,000 Offer Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10% of the total number of Offer Shares

---

## STRUCTURE OF THE GLOBAL OFFERING

---

Pool A: ..... the Offer Shares will be allocated on an equitable basis to applicants who have applied for the Hong Kong Offer Shares with an aggregate subscription price of HK\$5 million (excluding the brokerage, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable) or less; and

Pool B: ..... the Offer Shares will be allocated on an equitable basis to applicants who have applied for the Hong Kong Offer Shares with an aggregate subscription price of more than HK\$5 million (excluding the brokerage, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable) and up to the total value of pool B.

Applicants should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If the Hong Kong Offer Shares in one (but not both) of the pools are under-subscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in the pool and be allocated accordingly.

For the purpose of this subsection only, the “subscription price” for the Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B but not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 1,750,000 Hong Kong Offer Shares (being approximately 50% of the Hong Kong Offer Shares initially available under the Hong Kong Public Offering (assuming the Offer Size Adjustment Option is not exercised)) will 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 Overall Coordinators. Subject to the allocation cap described in the subsequent paragraph, the Overall Coordinators may in their 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 Overall Coordinators will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators

up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering, and such applicant's application under the International Offering is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be).

The listing of the Offer Shares on the Stock Exchange is sponsored by the Sole Sponsor. Applicants under the Hong Kong Public Offering are required to pay, on application (subject to application channel), the maximum Offer Price of HK\$28.86 per H Share in addition to any brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK\$2,915.10 for one board lot of 100 H Shares. If the Offer Price, as finally determined in the manner described in the sub-section headed "Pricing and Allocation" in this section below, is less than the maximum Offer Price of HK\$28.86 per Offer Share, appropriate refund payments (including the brokerage, the SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants (subject to application channels), without interest. Further details are set out below in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

## **THE INTERNATIONAL OFFERING**

**N** **be . . f Offer .S. a .e Offer .ed**

International Offering they would be prepared to acquire. This process, known as “book-building”, is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

Allocation of International Offer Shares pursuant to the International Offering will be determined by the Overall Coordinators (for themselves and on behalf of the Underwriters) and will be 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 shares.

a Share Offer

to be undertaken  
and as a

the Overall Coordinators (for themselves and on behalf of the Underwriters) may acquire say  
investor as a result of the International Offer Shares under (the) 952.8(I).1(International)-952.8(o)(f)17.9(r).1(erin  
horasdl

The Offer Price will not be more than HK\$28.86 per Offer Share, unless otherwise announced, as further explained below. If you apply for the Offer Shares under the Hong Kong Public Offering, you must pay the maximum Offer Price of HK\$28.86 per Offer Share, on application (subject to application channel), plus 1.0% brokerage, 0.0027% SFC transaction levy, 0.00015% AFRC transaction levy and 0.00565% Stock Exchange trading fee, amounting to a total of HK\$2,915.10 for one board lot of 100 H Shares.

**De e. . . . B . e Offer .P. .ce**

The International Underwriters are smneliing sfrom-314(sp0(riospct)iv)-714(si.1(onvestos)-714(aindcation).

orequirdopercify-4383.3tfferoefferoe



## **Allocation of the Offer Price and Basis of Allocation**

The Offer Price, 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 the Hong Kong Offer Shares — Publication of Results”.

## **OFFER SIZE ADJUSTMENT OPTION**

In order to provide flexibility for the Company to increase the number of Offer Shares available for purchase to cover additional market demand, the Company has an Offer Size Adjustment Option which will allow the Company to, upon signing of the Hong Kong Underwriting Agreement, issue up to an aggregate of 5,250,000 additional Offer Shares (representing approximately 15% of the Offer Shares initially offered under the Global Offering) at the Offer Price to cover excess demand.

The dilution effect of the Offer Size Adjustment Option is set out below:

Number of H Shares issued under the Global Offer Size Adjustment Option (before Offer Size Adjustment Option exercise)	Approximate percentage of authorized share capital by the Offer Size Adjustment Option	Number of H Shares issued under the Global Offer Size Adjustment Option (before Offer Size Adjustment Option exercise)	Approximate percentage of authorized share capital by the Offer Size Adjustment Option (before Offer Size Adjustment Option exercise)
35,000,000	11.79%	40,250,000	13.33%

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 Company will disclose in its allotment results announcement if and to what extent the Offer Size Adjustment Option has been exercised, or will confirm in the announcement that, if the Offer Size Adjustment Option has not been exercised by then, the Offer Size Adjustment Option has lapsed and cannot be exercised on any future date.

---

## STRUCTURE OF THE GLOBAL OFFERING

---

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any notice of a reduction in the number of Offer Shares and/or the Offer Price may not be made until the last day for lodging applications under the Hong Kong Public Offering. In the absence of any such notice so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon with our Company and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) will under no circumstances be set outside the Offer Price stated in this prospectus. However, if the number of Offer Shares and/or the Offer Price is reduced, the Company will issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

The final Offer Price, the indication of the level of interest in the International Offering, the basis of allotment of the Offer Shares available under the Hong Kong Public Offering and the results of allocations in the Hong Kong Public Offering are expected to be made available in a variety of channels in the manner described in the section headed “How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of Share Certificates and Refund of Application Monies” in this prospectus.

### UNDERWRITING AGREEMENT

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is conditional upon the International Underwriting Agreement being signed and becoming unconditional.

We expect to enter into the International Underwriting Agreement relating to the International Offering on or around the Price Determination Date. The underwriting arrangements under the Hong Kong Underwriting Agreement and the International Underwriting Agreement are summarized in the section headed “Underwriting” in this prospectus.

### CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Hong Kong Offer Shares is conditional on, among others:

- (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 on the Main Board of the Stock Exchange and such approval not subsequently having been withdrawn or revoked prior to the Listing Date;
- (b) the Offer Price having been agreed between the Overall Coordinators and our Company;

- (c) the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and
- (d) the obligations of the Hong Kong Underwriters and the Capital Market Intermediaries under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters and the Capital Market Intermediaries under the International Underwriting Agreement becoming unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the Hong Kong Underwriting Agreement

---

## **STRUCTURE OF THE GLOBAL OFFERING**

---

Except that we have applied for the Listing on the Stock Exchange, no part of our Company's share or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to deal is being or proposed to be sought in the near future.

### **H SHARES WILL BE ELIGIBLE FOR CCASS**

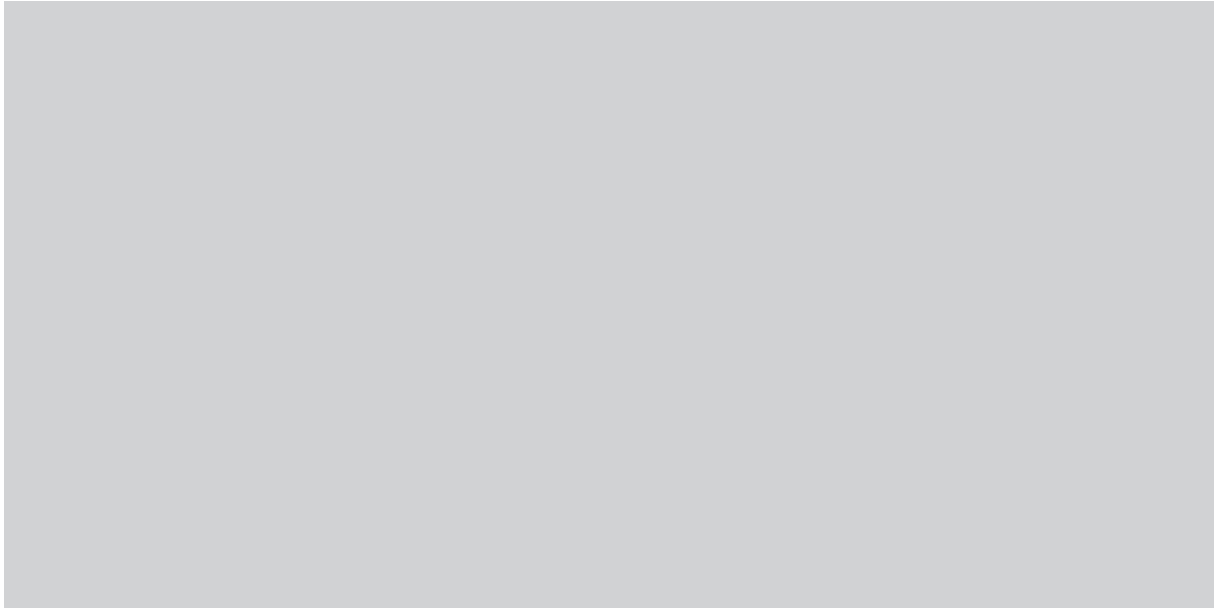
All necessary arrangements have been made to enable the H Shares to be admitted into CCASS. If the Stock Exchange grants the listing of, and permission to deal in, the H Shares and our Company complies with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

### **DEALING ARRANGEMENTS**

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Tuesday, March 10, 2026, it is expected that dealings in our H Shares on the Stock Exchange will commence at 9:00 a.m. on Tuesday, March 10, 2026.

Our H Shares will be traded in board lots of 100 H Shares each and the stock code of the H Shares is 3268.







---

## HOW TO APPLY FOR HONG KONG OFFER SHARES

---

### 3. Information Required by Applicant<sup>1</sup>

You must provide the following information with your application:

F.I.D./J.A. Applicant	F.C.I.A. Applicant
<ul style="list-style-type: none"> <li>• Full name(s)<sup>2</sup> as shown on your identity document</li> <li>• Identity document's issuing country or jurisdiction</li> <li>• Identity document type, with order of priority:                             <ul style="list-style-type: none"> <li>i. HKID card; or</li> <li>ii. National identification document; or</li> <li>iii. Passport; and</li> </ul> </li> <li>• Identity document number</li> </ul>	<ul style="list-style-type: none"> <li>• Full name(s)<sup>2</sup> as shown on your identity document</li> <li>• Identity document's issuing country or jurisdiction</li> <li>• Identity document type, with order of priority:                             <ul style="list-style-type: none"> <li>i. LEI registration document; or</li> <li>ii. Certificate of incorporation; or</li> <li>iii. Business registration certificate; or</li> <li>iv. Other equivalent document; and</li> </ul> </li> <li>• Identity document number</li> </ul>

*Notes:*

- (1) If you are applying through the White Form eIPO service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card.
- (2) The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for Hong Kong Offer Shares. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

---

## HOW TO APPLY FOR HONG KONG OFFER SHARES

---

- (3) If the applicant is a trustee, the client identification data (“**CID**”) of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.
- (4) The maximum number of joint applicants on FINI is capped at 4 in accordance with market practice.
- (5) If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document’s issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.
- (6) If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

“Unlisted company” means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

“Statutory control” means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through **HKSCC EIPO** channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney’s authority.

Failing to provide any required information may result in your application being rejected.

4. Performed Net benefit H ~~B~~K ~~B~~ Offer S a e f ~~A~~ ~~app~~ -ca

B a d e . . . . . : 100 H Shares

Performed net benefit

H ~~B~~K ~~B~~ Offer

S a e f ~~A~~ ~~app~~ -ca

a d a ~~A~~ ~~app~~ a b e

~~A~~ ~~app~~ -ca / cce f

a e . . . . .



## 6. Terms and Conditions of Application

By applying for Hong Kong Offer Shares through the **WebFEIPO** 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 authorise us and/or the Overall Coordinators, as our agent, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the **HKSCC EIPO** channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;
- (ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **WebFEIPO** 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



**B. PUBLICATION OF RESULTS**

**Re . . . . . f A . . . . . ca . . . . .**

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

**P a f . . . . .** \_\_\_\_\_ **Da e/T . . . . . e** \_\_\_\_\_

Applying through **W . . . . . e F . . . . . eIPO** service or **HKSCC EIPO** channel:

**Web . . . . . e . . . . .** The designated results of allocation

at **www . . . . . e . . . . . .c . . . . .**

(alternatively:

---

## HOW TO APPLY FOR HONG KONG OFFER SHARES

---

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

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Friday, March 6, 2026 on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

### A. Announcement

We expect to announce the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at [www.hkex.com.hk](http://www.hkex.com.hk) and our website at [www.hkex.com.hk](http://www.hkex.com.hk) by no later than 11:00 p.m. on Monday, March 9, 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 rejected:**

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 are able to accept or decline to accept your application:**

We, the Overall Coordinators, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

**3. If the allocation of Hong Kong Offer Shares is void:**

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or

---

## HOW TO APPLY FOR HONG KONG OFFER SHARES

---

- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

#### 4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed “A. Application for Hong Kong Offer Shares — 5. Multiple Applications Prohibited” in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Overall Coordinators believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

#### 5. If, due to a money settlement failure by a HKSCC Participant:

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.

**T**he amount of a 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 SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one 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 Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application.

Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date, provided that the Global Offering has become unconditional and the right of termination described in the section headed “Underwriting” has not been exercised. Investors who trade Shares prior to the receipt of Share certificates or the Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	<u>W . e F . . . e IPO e . . ce</u>	<u>HKSCC EIPO c a . e</u>
De . . . a c /c . . . . . f S . a e ce . . f ca e <sup>1</sup>		
F . . . . . Y . ca H S . a . e ce . . f ca e . f 1,000,000 . . . . . . e H . . . . . K . . . . . B Offe . . S . a . e . . . ed . . de . . Y . . . . . . . w . . a e	Collection in person from our H Share Registrar at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong.  T . e: from 9:00 a.m. to 1:00 p.m. on Tuesday, March 10, 2026 (Hong Kong time)	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

---

## HOW TO APPLY FOR HONG KONG OFFER SHARES

---

### W . e F . . e IPO e . . ce

### HKSCC EIPO c a . e

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.

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 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.

F . . . Y . ca . . a . e ce . . f ca e  
f e . . a 1,000,000 Offe . .  
S a e . . ed . de . Y . . .  
. w . . a e

Your Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk.

**T e:** Monday, March 9, 2026

---

## HOW TO APPLY FOR HONG KONG OFFER SHARES

---

### W . e F . . e IPO e . . ce

### HKSCC EIPO c a . e

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.

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 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 the purpose of the H Share certificate, a maximum of 1,000,000 HK Offer Shares will be issued.

Your Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk

**Date:** Monday, March 9, 2026

## HOW TO APPLY FOR HONG KONG OFFER SHARES

	W . e F . . e IPO e . . ce	HKSCC EIPO c a . e
Ref . d ec a . . f . . . . . a . . . . . e . . . . .		
Date	Tuesday, March 10, 2026	Subject to the arrangement between you and your broker or custodian
Re . . . . . b e . . . . .	H Share Registrar	Your broker or custodian
A . . . . . c a . . . . . e . . . . . a . . . . . d . . . . . . . . . . B . . . . . B e . . . . . b a . . . . . a . . . . . c . . . . .	W . . e F . . . . e-Refund payment instructions to your designated bank account	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it
A . . . . . c a . . . . . e . . . . . a . . . . . d . . . . . . . . . . B . . . . . e . . . . . b a . . . . . a . . . . . c . . . . .	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 Offer and C . . . . . B . . . . . f . . . . . e A . . . . . c a . . . . . L . . . . .

The application lists will not open or close on Thursday, March 5, 2026 if, there is/are:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- an “extreme conditions” announcement issued after a super typhoon (“E . . . . . e . . . . . C . . . . . d . . . . . ”),

(collectively, “Se . . . . . e . . . . . Wea . . . . . e . . . . . S . . . . . B . . . . . a . . . . . ”),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, March 5, 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.hkex.com.hk](http://www.hkex.com.hk) and our website at [www.ebasc.com](http://www.ebasc.com) of the revised timetable.

If a Severe Weather Signal is hoisted on Monday, March 9, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the share certificates to the CCASS Depository’s service counter so that they would be available for trading on Tuesday, March 10, 2026.

If a Severe Weather Signal is hoisted on Tuesday, March 10, 2026: for physical share certificates of 1,000,000 or more Hong Kong Offer Shares issued under your own name, you may collect your Share certificate in person from the H Share Registrar’s office after the Severe Weather Signal is lowered or cancelled (e.g. in the afternoon of Tuesday, March 10, 2026 or on Wednesday, March 11, 2026).

If a Severe Weather Signal is hoisted on Monday, March 9, 2026: for physical share certificates of less than 1,000,000 of Hong Kong Offer Shares issued under your own name, despatch 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 Monday, March 9, 2026 or on Tuesday, March 10, 2026).

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.hkex.com.hk](http://www.hkex.com.hk) and our website at [www.ebasc.com](http://www.ebasc.com) of the revised timetable.

**F. ADMISSION OF THE SHARES INTO CCASS**

If the Stock Exchange grants the listing of, and permission to deal in, the Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the 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 Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

---

## HOW TO APPLY FOR HONG KONG OFFER SHARES

---

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

### G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the H Share Registrar, the receiving 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. Purpose of Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

#### 2. Reason for Collection of Your Personal Data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

#### 3. Purpose

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

---

## HOW TO APPLY FOR HONG KONG OFFER SHARES

---

- processing your application and refund cheque and White Form e-Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the Shares and identifying any duplicate applications for the Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the H Share Registrar to discharge their obligations to applicants and holders of the Shares and/or regulators and/or any other purposes to which applicants and holders of the Shares may from time to time agree.

#### **4. T.a. f.e.r.f P.e.r.s.o.n.a.l D.a.t.a**

Personal data held by the Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers, receiving bank and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative,

*The following is the text of a report, prepared for the purpose of incorporation in this prospectus, received from the independent reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong.*

Ernst & Young  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay, Hong Kong

安永會計師事務所  
香港鰂魚涌英皇道979號

**Responsibility of the Reporting Accountants**

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2022, 2023 and 2024 and 30 September 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

**Review of Interim Comparative Financial Information**

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group for the nine months ended 30 September 2024 and other explanatory information (the "Interim Comparative Financial Information").

Interim Comparative Financial Information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation 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 prepared by the Chartered Accountants in Hong Kong, Messrs. B. L. & B. F. Sec. & Co., Chartered Accountants (Limited Liability Partnership) (Incorporated in Hong Kong)

*Adjustments*

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

**Dividends**

We refer to note 11 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Periods.

*Certified Public Accountants*  
 Hong Kong  
 27 February 2026

**I. HISTORICAL FINANCIAL INFORMATION****P. e. a. a . . . . f H . . . . ca F. . a. c. a I. f. . . a . . . .**

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 “**U. de. Y. . . B F. . a. c. a S a e e . . .**”).

The Historical Financial Information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Notes	Year ended 31 December			Year ended 30 September	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(unaudited)	
<b>REVENUE</b> . . . . .	5	2,305,932	2,147,336	2,941,374	2,182,028	2,821,288
Cost of sales . . . . .		(1,900,557)	(1,751,198)	(2,456,712)	(1,837,399)	(2,464,709)
<b>Gain of . . . . .</b>		405,375	396,138	484,662	344,629	356,579
Other income and gains . . . . .	5	69,733	47,138	20,015	11,929	27,948
Selling and marketing expenses . . . . .		(46,359)	(63,800)	(59,190)	(42,955)	(46,171)
Administrative expenses . . . . .		(59,167)	(66,752)	(70,676)	(49,784)	(54,353)
Research and development expenses . . . . .		(185,909)	(213,877)	(208,136)	(148,287)	(153,125)
(Provision for)/reversal of impairment losses on financial assets . . . . .		(7,318)	(14,231)	6,556	11,200	6,296
Other expenses . . . . .		(6,987)	(6,764)	(29,947)	(18,198)	(1,191)
Finance costs . . . . .	7	(13,886)	(8,644)	(6,297)	(5,051)	(7,348)
Share of profits and losses of joint ventures . . . . .	16	(618)	(511)	(860)	(580)	(568)
Share of profits and losses of associates . . . . .	17	(5,279)	(5,570)	(11,986)	(8,364)	(5,927)
<b>PROFIT BEFORE TAX</b> . . . . .	6	149,585	63,127	124,141	94,539	122,140
Income tax credit/(charge) . . . . .	10	(22,970)	(518)	10,234	(4,041)	(8,970)
<b>PROFIT FOR THE YEAR/PERIOD</b> . . . . .		<u>126,615</u>	<u>62,609</u>	<u>134,375</u>	<u>90,498</u>	<u>113,170</u>
Attributable to:						
Owners of the parent . . . . .		127,836	64,509	135,572	91,356	113,170
Non-controlling interests . . . . .		(1,221)	(1,900)	(1,197)	(858)	—
		<u>126,615</u>	<u>62,609</u>	<u>134,375</u>	<u>90,498</u>	<u>113,170</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	12					
Basic (RMB per share) . . . . .		0.54	0.25	0.52	0.35	0.43
Diluted (RMB per share) . . . . .		0.54	0.25	0.52	0.35	0.43

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>PROFIT FOR THE YEAR/PERIOD . . . . .</b>	<u>126,615</u>	<u>62,609</u>	<u>134,375</u>	<u>90,498</u>	<u>113,170</u>
<b>OTHER COMPREHENSIVE INCOME</b>					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations . . . . .	<u>2,134</u>	<u>212</u>	<u>1,877</u>	<u>(414)</u>	<u>(2,468)</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods . . . . .	<u>2,134</u>	<u>212</u>	<u>1,877</u>	<u>(414)</u>	<u>(2,468)</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR/PERIOD, NET OF TAX . . . . .</b>	<u>2,134</u>	<u>212</u>	<u>1,877</u>	<u>(414)</u>	<u>(2,468)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD . . . . .</b>	<u><u>128,749</u></u>	<u><u>62,821</u></u>	<u><u>136,252</u></u>	<u><u>90,084</u></u>	<u><u>110,702</u></u>
Attributable to:					
Owners of the parent . . . . .	129,970	64,721	137,449	90,942	110,702
Non-controlling interests . . . . .	(1,221)	(1,900)	(1,197)	(858)	—
	<u>128,749</u>	<u>62,821</u>	<u>136,252</u>	<u>90,084</u>	<u>110,702</u>

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	A a 31 Dec e b e . r			A a 30 S e p e b e . r
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment . . . . .	13	25,105	21,682	17,885	16,768
Other intangible assets . . . . .	14	75,446	118,667	109,078	104,728
Right-of-use assets . . . . .	15	40,900	24,037	9,405	6,975
Investment in joint ventures . . . . .	16	2,399	1,888	1,479	2,260
Investment in associates. . . . .	17	63,663	58,168	46,181	54,583
Equity investments at fair value through profit or loss ("FVTPL") . . . . .	18	198,875	234,246	189,971	176,137
Prepayment, other receivables and other assets .	22	9,693	21,190	16,536	23,982
Deferred tax assets . . . . .	29	41,085	59,564	88,410	89,704
Total non-current assets . . . . .		457,166	539,442	478,945	475,137
<b>CURRENT ASSETS</b>					
Inventories . . . . .	19	490,386	526,319	650,552	812,156
Trade and bills receivables . . . . .	20	420,301	659,426	1,016,069	761,422
Prepayments, other receivables and other assets . . . . .	22	268,613	232,598	254,122	454,017
Debt investments at fair value through other comprehensive income ("FVOCI"). . . . .	21	5,122	38,427	9,992	26,739
Restricted cash . . . . .	23	12,828	9,584	7,998	5,340
Cash and cash equivalents . . . . .	23	72,287	138,926	341,879	315,854
Total current assets. . . . .		1,269,537	1,605,280	2,280,612	2,375,528
<b>CURRENT LIABILITIES</b>					
Trade and bills payables . . . . .	24	331,384	485,880	579,916	571,106
Other payables and accruals . . . . .	25	68,204	60,037	109,140	86,723
Interest-bearing bank borrowings . . . . .	27	310,720	5,016	352,606	348,181
Lease liabilities . . . . .	15	16,808	16,470	8,592	6,288
Contract liabilities . . . . .	26	67,451	52,328	109,344	125,086
Tax payable . . . . .		2,888	4,714	8,311	5,927
Total current liabilities . . . . .		797,455	624,445	1,167,909	1,143,311
<b>NET CURRENT ASSETS</b> . . . . .		472,082	980,835	1,112,703	1,232,217
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> . . . . .					
		929,248	1,520,277	1,591,648	1,707,354

	Notes	A a 31 Dec e b e . z			A a 30 S e p e b e . z
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
<b>NON-CURRENT LIABILITIES</b>					
Interest-bearing bank borrowings . . . . .	27	60,000	—	—	—
Deferred income . . . . .	28	950	3,875	3,875	3,875
Lease liabilities . . . . .	15	27,078	9,300	1,417	3,870
Deferred tax liabilities . . . . .	29	20,969	27,309	19,243	18,284
Total non-current liabilities . . . . .		108,997	40,484	24,535	26,029
<b>Ne a e</b> . . . . .		<b>820,251</b>	<b>1,479,793</b>	<b>1,567,113</b>	<b>1,681,325</b>
<b>EQUITY</b>					
Equity attributable to owners of the parent					
Share capital . . . . .	30	239,667	261,641	261,802	262,629
Treasury shares . . . . .	30	(56,605)	(41,999)	(79,286)	(67,044)
Reserves . . . . .	31	636,356	1,261,218	1,384,597	1,485,740
		819,418	1,480,860	1,567,113	1,681,325
Non-controlling interests . . . . .		833	(1,067)	—	—
<b>T a e q . y</b> . . . . .		<b>820,251</b>	<b>1,479,793</b>	<b>1,567,113</b>	<b>1,681,325</b>

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2022

Share capital	Attributable to equity holders								
	Share	Capital	Share	Reserves	Retained	Non-controlling			
	Share	Reserve	Reserve	Reserve	Reserve	Share	Reserve	Share	
RMB'000 (note 30)	RMB'000 (note 30)	RMB'000 (note 31)	RMB'000 (note 31)	RMB'000 (note 31)	RMB'000 (note 31)	RMB'000	RMB'000	RMB'000	
At 1 January 2022 . . . . .	184,729	(68,766)	239,914	18,271	(815)	315,928	689,261	2,054	691,315
Profit for the year . . . . .	—	—	—	—	—	127,836	127,836	(1,221)	126,615
Other comprehensive income for the year:									
Exchange differences on translation of foreign operations . . . . .	—	—	—	—	2,134	—	2,134	—	2,134
Total comprehensive income for the year . . . . .	—	—	—	—	2,134	127,836	129,970	(1,221)	128,749
Exercise of share options . . . . .	265	—	4,772	—	—	—	5,037	—	5,037
Exercise of restricted shares units . . . . .	—	11,048	458	—	—	—	11,506	—	11,506
Equity-settled share-based payments . . . . .	—	—	—	—	—	—	8,455	—	8,455
Transfer from capital reserve . . . . .	54,731	—	(54,731)	—	—	—	—	—	—
Transfer from retained profits . . . . .	—	—	—	4,150	—	(4,150)	—	—	—
Dividend . . . . .	—	—	—	—	—	(24,811)	(24,811)	—	(24,811)
Others** . . . . .	(58)	1,113	(1,055)	—	—	—	—	—	—
<b>At 31 December 2022 . . . . .</b>	<b>239,890</b>	<b>(57,653)</b>	<b>282,237</b>	<b>18,271</b>	<b>(815)</b>	<b>442,166</b>	<b>817,236</b>	<b>812</b>	<b>818,048</b>

## APPENDIX 1 IT REPORT

1,39\*6      4124,0



## Year ended 31 December 2024

	Appendix A – Review of financial statements								
	Share capital		Share premium		Reserves		Total		
	Share capital	Share premium	Share premium	Share premium	Retained profits	Total	Total	Total	
RMB'000 (note 30)	RMB'000 (note 30)	RMB'000 (note 31)	RMB'000 (note 31)	RMB'000 (note 31)	RMB'000 (note 31)	RMB'000	RMB'000	RMB'000	
At 1 January 2024 . . . . .	261,641	(41,999)	783,844	22,546	1,531	453,297	1,480,860	(1,067)	1,479,793
Profit for the year . . . . .	—	—	—	—	—	135,572	135,572	(1,197)	134,375
Other comprehensive income for the year:									
Exchange differences on translation of foreign operations . . . . .	—	—	—	—	1,877	—	1,877	—	1,877
Total comprehensive income for the year . . . . .	—	—	—	—	1,877	135,572	137,449	(1,197)	136,252
Exercise of share options . . . . .	161	—	2,774	—	—	—	2,935	—	2,935
Exercise of restricted shares units . . . . .	—	—	390	—	—	—	390	—	390
Equity-settled share-based compensation expenses . . . . .	—	—	11,118	—	—	—	11,118	—	11,118
Transfer from retained profits . . . . .	—	—	—	1,287	—	(1,287)	—	—	—
Dividend (note 11) . . . . .	—	—	—	—	—	(25,802)	(25,802)	—	(25,802)
Shares repurchased . . . . .	—	(37,287)	—	—	—	—	(37,287)	—	(37,287)
Deemed disposal of a subsidiary . . . . .	—	—	—	—	—	(2,550)	(2,550)	2,264	(286)
<b>At December 31, 2024 . . . . .</b>	<b>261,802</b>	<b>(79,286)</b>	<b>798,126*</b>	<b>23,833*</b>	<b>3,408*</b>	<b>559,230*</b>	<b>1,567,113</b>	<b>—</b>	<b>1,567,113</b>



## Notes to the financial statements ended 30 September 2024 (Unaudited)

	Appendix A – Financial Statement								
	Share Capital		Share Reserve		Exchange Reserve		Non-controlling Interests		
	Share Capital	Share Reserve	Share Reserve	Share Reserve	Exchange Reserve	Reserve	Total	Total	
RMB'000 (note 30)	RMB'000 (note 30)	RMB'000 (note 31)	RMB'000 (note 31)	RMB'000 (note 31)	RMB'000 (note 31)	RMB'000 (note 31)	RMB'000	RMB'000	
At 1 January 2024 . . . . .	261,641	(41,999)	783,844	22,546	1,531	453,297	1,480,860	(1,067)	1,479,793
Profit for the period . . . . .	—	—	—	—	—	91,356	91,356	(858)	90,498
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations . . . . .	—	—	—	—	(414)	—	(414)	—	(414)
Total comprehensive income for the period . . . . .	—	—	—	—	(414)	91,356	90,942	(858)	90,084
Equity-settled share-based compensation expenses . . . . .	—	—	5,539	—	—	—	5,539	—	5,539
Exercise of share options . . . . .	161	—	2,774	—	—	—	2,935	—	2,935
Dividend . . . . .	—	—	—	—	—	(25,802)	(25,802)	—	(25,802)
Shares repurchased . . . . .	—	(27,285)	—	—	—	—	(27,285)	—	(27,285)
Contributions from non-controlling interests . . . . .	—	—	—	—	—	—	—	245	245
At 30 September 2024 (unaudited) . . . . .	<u>261,802</u>	<u>(69,284)</u>	<u>792,157</u>	<u>22,546</u>	<u>1,117</u>	<u>518,851</u>	<u>1,527,189</u>	<u>(1,680)</u>	<u>1,525,509</u>

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Notes	Year ended 31 December			Nine months ended 30 September		
	2022	2023	2024	2024	2025	
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Profit before tax . . . . .		149,585	63,127	124,141	94,539	122,140
Adjustments for:						
Finance costs . . . . .	7	13,886	8,644	6,297	5,051	7,348
Interest income . . . . .	5	(1,076)	(4,276)	(2,497)	(1,928)	(2,169)
Share of profits and losses of joint ventures and associates . . . . .		5,897	6,081	12,846	8,944	6,495
Gain on disposal of a subsidiary . . . . .	5, 32	—	—	(4,906)	—	—
Impairment/(reversal of impairment) of trade and bills receivables . . . . .	20	5,361	13,594	(7,638)	(12,056)	(5,040)
Impairment of prepayments, other receivables and other assets . . . . .	22	1,957	637	1,082	856	(1,256)
Write-down of inventories to net realisable value . . . . .	19	6,362	15,216	16,342	9,986	13,984
Depreciation of property, plant and equipment . . . . .	13	6,670	6,198	6,137	4,920	4,079
Depreciation of right-of-use assets . . . . .	15(a)	19,040	16,934	14,647	12,004	5,594
Amortisation of other intangible assets . . . . .	14	15,652	30,748	38,287	29,072	28,361
Losses/(gains) on disposal of items of property, plant and equipment . . . . .	6	26	84	13	8	9
Loss/(gain) on early termination of a lease . . . . .	6	—	105	(78)	(78)	—
Gain on sublease of right-of-use assets . . . . .	6	—	—	—	—	(989)
Fair value (gains)/losses on financial assets measured at FVPL . . . . .	5/6	(43,875)	(25,371)	(1,725)	—	1,165
Government grants . . . . .		(1,571)	—	—	—	—
Equity-settled share-based payment expense . . . . .	33	8,455	2,777	11,118	5,537	16,535
Foreign exchange difference . . . . .		(3,974)	(5,018)	(9,612)	(7,390)	(8,229)
		182,395	129,480	204,454	149,465	188,027
(Increase)/decrease in inventories . . . . .		(100,886)	(51,130)	(145,808)	45,402	(175,514)
(Increase)/decrease in trade and bills receivables . . . . .		(97,948)	(259,630)	(358,800)	(246,527)	114,368
Decrease/(increase) in debt investments at fair value through other comprehensive income . . . . .		13,302	(33,305)	28,435	20,803	(16,747)
Decrease/(increase) in prepayments, other receivables and other assets . . . . .		9,763	24,381	(24,694)	(92,286)	(185,408)
Increase/(decrease) in trade and bills payables . . . . .		62,620	159,514	114,889	56,738	134,047
(Decrease)/increase in other payables and accruals . . . . .		(36,934)	17,717	13,833	(7,783)	(19,485)
(Decrease)/increase in contract liabilities . . . . .		(6,327)	(15,123)	57,997	40,120	15,742
Increase in deferred income . . . . .		—	2,925	—	—	—
Decrease/(increase) in restricted cash . . . . .		8,017	—	—	—	—
Cash generated from/(used in) operation . . . . .		34,002	(25,171)	(109,694)	(34,068)	55,030
Interest received . . . . .		1,076	4,276	2,497	1,928	2,020
Income tax paid . . . . .		(3,254)	(10,418)	(22,693)	(9,524)	(12,590)
Net cash flows from/(used in) operating activities . . . . .		31,824	(31,313)	(129,890)	(41,664)	44,460

Notes	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from disposal of items of property, plant and equipment . . . . .	—	26	20	20	1
Proceeds from disposals of equity investments at fair value through profit or loss . . . . .	—	—	12,000	12,000	10,000
Investment income from equity investments at fair value through profit or loss . . . . .	—	—	34,000	34,000	2,669
Purchases of items of property, plant and equipment, other intangible assets, and other assets . . . . .	(56,126)	(80,883)	(14,049)	(5,585)	(21,966)
Capitalized development costs . . . . .	(5,386)	(7,536)	(13,469)	(3,264)	(8,420)
Proceed from sublease of right-of-use assets . . . . .	—	—	—	—	4,142
Net cash outflows in respect of the deemed disposal of a subsidiary . . . . .	—	—	(1,294)	—	—
Purchase of a shareholding in joint ventures . . . . .	(900)	—	(450)	(450)	(1,350)
Purchase of a shareholding in associates . . . . .	(36,000)	—	—	—	(14,309)
Purchases of equity investments at fair value through profit or loss . . . . .	(55,000)	(10,000)	—	—	—
Net cash flows (used in)/from investing activities . . . . .	(153,412)	(98,393)	16,758	36,721	(29,233)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from issuance of ordinary shares . . . . .	4,838	607,310	3,810	3,810	10,158
Proceeds from subscription of restricted shares . . . . .	—	—	37,031	37,031	11,103
New bank borrowings . . . . .	513,326	74,900	729,500	507,000	860,000
Repayment of bank borrowings . . . . .	(437,072)	(439,900)	(382,000)	(382,000)	(865,000)
Cash received from the release of restricted cash for issuance of bank acceptance notes . . . . .	60,042	48,227	36,568	36,568	7,945
Restricted cash paid for issuance of bank acceptance notes . . . . .	(62,735)	(44,983)	(34,980)	(26,982)	(5,288)
Payment of listing expense . . . . .	—	—	—	—	(11,536)
Payment of expense for issuance of ordinary shares . . . . .	(2,700)	(625)	—	—	—
Principal portion of lease payments . . . . .	(21,157)	(21,339)	(15,001)	(13,757)	(8,586)
Interest paid . . . . .	(12,922)	(6,373)	(5,366)	(4,345)	(6,401)
Payment for repurchase of own shares . . . . .	—	—	(37,287)	(27,285)	(7,947)
Dividends paid . . . . .	(24,811)	(25,890)	(25,802)	(25,802)	(33,929)
Net cash flows from/(used in) financing activities . . . . .	16,809	191,327	306,473	104,238	(49,481)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS . . . . .</b>					
Cash and cash equivalents at beginning of year/period . . . . .	(104,779)	61,621	193,341	99,295	(34,254)
Effect of foreign exchange rate changes, net . . . . .	173,092	72,287	138,926	138,926	341,879
	3,974	5,018	9,612	7,390	8,229
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD . . . . .</b>					
	<u>72,287</u>	<u>138,926</u>	<u>341,879</u>	<u>245,611</u>	<u>315,854</u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>					
Cash and bank balances . . . . .	23	85,115	148,510	349,877	245,611
Less: restricted cash . . . . .	23	12,828	9,584	7,998	—
Cash and bank balances as stated in the consolidated statements of financial position and statements of cash flows . . . . .		<u>72,287</u>	<u>138,926</u>	<u>341,879</u>	<u>245,611</u>
		<u>315,854</u>	<u>315,854</u>	<u>315,854</u>	<u>315,854</u>

**STATEMENTS OF FINANCIAL POSITION OF THE COMPANY**

		A a 31 Dece be .			A a 30 Se e be .	
	<i>Notes</i>	2022	2023	2024	2025	
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
<b>NON-CURRENT ASSETS</b>						
Property, plant and equipment . . . . .	13	6,912	4,260	3,897	5,499	
Other intangible assets . . . . .	14	44,397	64,789	38,494	27,710	
Right-of-use assets . . . . .	15	21,908	12,624	4,662	—	
Investment in subsidiaries . . . . .		175,782	178,279	190,416	209,383	
Investments in a joint venture . . . . .	16	748	156	257	1,451	
Investments in associates . . . . .	17	63,739	58,168	46,181	40,348	
Prepayment, other receivables and other assets .	22	3,857	8,268	8,831	13,071	
Deferred tax assets . . . . .	29	18,604	19,589	35,140	45,149	
Total non-current assets . . . . .		<u>335,947</u>	<u>346,133</u>	<u>327,878</u>	<u>345,140</u>	45,149
		_____	_____	_____	_____	
		=====	=====	=====	=====	
		_____	_____	_____	_____	
		_____	_____	_____	_____	
		=====	=====	=====	=====	
		=====	=====	=====	=====	

	Notes	A a 31 Dec e b e . z			A a
					30 Se p e b e . z
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
<b>NON-CURRENT LIABILITIES</b>					
Interest-bearing bank borrowings . . . . .	27	60,000	—	—	—
Deferred income . . . . .	28	—	2,925	2,925	2,925
Lease liabilities . . . . .	15	15,124	6,056	825	—
Total non-current liabilities . . . . .		75,124	8,981	3,750	2,925
<b>Ne a e</b> . . . . .		<b>506,535</b>	<b>1,104,502</b>	<b>1,068,724</b>	<b>1,044,457</b>
<b>EQUITY</b>					
Share capital . . . . .	30	239,667	261,641	261,802	262,629
Treasury shares . . . . .	30	(56,605)	(41,999)	(79,286)	(67,044)
Reserves . . . . .	31	323,473	884,860	886,208	848,872
<b>T a e q . y</b> . . . . .		<b>506,535</b>	<b>1,104,502</b>	<b>1,068,724</b>	<b>1,044,457</b>

**II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION**

**1. CORPORATE INFORMATION**

MeiG Smart Technology Co., Ltd. (the “Company”) is a company established under the laws of the People’s Republic of China (the “PRC”) with limited liability on 5 April 2007 and converted into a joint stock company with limited liability on 14 May 2015. With the approval of the China Securities Regulatory Commission, the Company’s A shares was listed on the Shenzhen Stock Exchange (stock code: 002881.SZ) on 22 June 2017. The registered office address of the Company is 2/F, No.5 Lingxia Road, Fenghuang Community, Fuyong Street, Bao’an District, Shenzhen, Guangdong, PRC.

During the Relevant Periods, the Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the design, research and development (“R&D”), and sale of wireless communication modules and solutions.

As at 30 September 2025, 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 which are set out below:

Name	Place of incorporation	Registered capital	Percentage of ownership		Principal activity
			Directly		
			Direct	Indirect	
Shenzhen Meige Zhilian Information Technology Co., Ltd. (深圳市美格智聯信息技術有限公司)* (“MeiG Zhilian”) <i>(note (d))</i>	PRC/Chinese Mainland, 15 October 2018	RMB80,000,000	100%	—	R&D and design
Zhongge Intelligent Technology (Shanghai) Co., Ltd. (眾格智能科技有限公司)* (“Zhongge Smart”) <i>(note (d))</i>	PRC/Chinese Mainland, 23 March 2018	RMB10,000,000	100%	—	R&D and design
MeiG Smart Technology (Europe) GmbH <i>(note(c))</i>	Germany, 5Ir-04.0269 0/Chin4.025(,)JT3.7244 1 -1.5238 TDEUR20,000,000			100%	— and inow:((Co2603 3.21

**APPENDIX I**

**ACCOUNTANTS' REPORT**

Name	Place of incorporation / Incorporation date	Registered address	Percentage of shareholding		Principal activities
			Direct	Indirect	
Forge International Co., Ltd. ("Forge International") (note (b))	Hong Kong, 16 December 2014	HKD100,000	100%	—	Sales and supply chain
MeiG Smart Technology France	France, 15 April 2025	EUR40,000	—	100%	Sales and supply chain
Xi'an Zhaoge Electronic Information Technology Co., Ltd. (西安兆格電子信息技術有 限公司)* ("Xi'an Zhaoge") (note (a))	PRC/Chinese Mainland, 23 October 2014	RMB2,000,000	100%	—	R&D and design
Shanghai Meixiao Intelligent Information Technology Co., Ltd. (上海美驍智能信息技術有 限公司)* ("Meixiao Smart") (note (d))	PRC/Chinese Mainland, 15 August 2023	RMB200,000,000	100%	—	R&D and design
Zhongge Intelligent Technology (Nantong) Co., Ltd. (眾格智能 技術(南通)有限公司)* ("Zhongge Nantong") (note (d))	PRC/Chinese Mainland, 18 June 2024	RMB10,000,000	100%	—	R&D and design
Shenzhen Meige Smart Investment and Entrepreneurship Investment Co., Ltd. (深圳市美格智投創業 投資有限公司)* ("Meige Investment") (note (d))	PRC/Chinese Mainland, 12 December 2019	RMB50,000,000	100%	—	Investment

\* The English names of all group companies registered in the PRC represent the best efforts made by the directors of the Company to translate the Chinese names of these companies as they do not have official English names.

*Notes:*

- (a) The statutory financial statements of this entity for the years ended 31 December 2022, 2023 and 2024 prepared under China Accounting Standards of Business Enterprises were audited by Shan'Xi Tangdu Certified Public Accountants Co., Ltd. (陝西唐都會計師事務所有限責任公司), Beijing Zhiqin Certified Public Accountants LLP (北京志勤會計師事務所(普通合夥)) and Beijing Hexin Certified Public Accountants LLP (北京荷信會計師事務所(普通合夥)), respectively, certified public accountants registered in the PRC.
- (b) The statutory financial statements of this entity for the years ended 31 December 2022, 2023 and 2024 prepared under Hong Kong Small and Medium-sized Entity Financial Reporting Standard were audited by RICHFUL CPA Limited, certified public accountants registered in Hong Kong.
- (c) The statutory financial statement of this entity for the year ended 31 December 2023 prepared under the Dutch Generally Accepted Accounting Principles were audited by PKF Fasselt Partnerschaft mbB, certified public accountants registered in Germany.
- (d) As at the date of this report, no audited financial statements have been prepared for these entities for the years ended 31 December 2022, 2023 and 2024.
- (e) In 2024, one investor increased its shareholding interest in Pinsu Zhilian Information Technology Co., Ltd. (深圳市品速智聯信息技術有限公司) (“Pinsu Zhilian”), the then subsidiary of the Company, by making addition capital injection to Pinsu Zhilian. Upon the completion of the capital injection, the Company lost its control over Pinsu Zhilian. Further details of this deemed disposal are included in note 32 to the Historical Financial Information.

The carrying amounts of the Company's investments in subsidiaries is as below:

	Year ended 31 December			As at
	2022	2023	2024	30 September
	RMB'000	RMB'000	RMB'000	RMB'000
Investments, at cost . . . . .	143,500	143,500	146,000	150,500
Share based payment . . . . .	32,282	34,779	44,416	58,883
Total . . . . .	<u>175,782</u>	<u>178,279</u>	<u>190,416</u>	<u>209,383</u>

## 2.1 BASIS OF PREPARATION

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 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

The Historical Financial Information has been prepared under the historical cost convention except for certain equity investments at FVTPL and debt investments at FVOCI which have been measured at fair value at the end of each of the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

### **Definition of Control**

The Historical Financial Information includes the financial information of the Group for the Relevant Periods and in the period covered by the Interim Comparative Financial Information. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has 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 reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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

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

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

## 2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

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

<sup>1</sup> No mandatory effective date yet determined but available for adoption

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual/reporting periods beginning on or after 1 January 2027

The Group is in the process of making an assessment of the impact of these new and 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 certain

accounting policies but are likely 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 a material impact on the financial position of the Group but is expected to affect the presentation of the consolidated statements of profit or loss and o8(oC/u)-358.lhensi.4(2(18)]TJTn-3

where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control 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.

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 its equity investments at FVTPL at fair value at the end of each of the 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 financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Peri396.6(i).1(n)-moveri396.61(n)-movefthevalue

An assessment is made at the end of each of the 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**

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:

Buildings	4.50%
Machinery and equipment	9.00% to 18.00%
Motor vehicles	9.00% to 18.00%
Electronic equipment and others	18.00%
Leasehold improvements	Over the shorter of 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 each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in 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.

#### **I a b e a e ( . e . a b . dw )**

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

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding five years, commencing from the date when the products are put into commercial production. At the end of each of the Relevant Periods, the Group conducts an impairment test on development expenditure items.

### **Lease**

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. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings and premises	2 to 9 years
------------------------	--------------

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

##### *(b) Lease liabilities*

Lease liabilities are 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.

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.

## **I . e . a d . e . f . a . c . a . a . e**

### ***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

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 other comprehensive income (debt instruments)***

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

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

Financial assets at fair value through profit or loss are carried in the statements of financial

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

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

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

### **I m p a c t o f f a c t a e**

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

### ***General approach***

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

At the end of each of the Relevant Periods, 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 end of each of the Relevant Periods 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 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.

Debt investments at fair value through other comprehensive income and 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 Relevant Periods (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 the end of each of the Relevant Periods. 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.

## **F. a c a \_ a b \_ \_ e**

### ***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, 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 and bills payables, financial liabilities included in other payables and accruals, and interest-bearing bank borrowings.

### ***Subsequent measurement***

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

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

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are

**Offsetting financial assets and liabilities**

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.

**Treasury shares**

Own equity instruments which are reacquired and held by the Company (treasury shares) are recognised directly in equity at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the capital reserve.

**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 statements 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, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

**Provisions**

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

The Group provides for warranties in relation to the sale of products for general repairs of

Deferred tax assets are recognised for all deductible temporary differences, and the carry d 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 d 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 and joint ventures, 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 of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be

**G. e. e. B a**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached 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 related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is credited to a deferred income account and is released to the profit or loss over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the grant are recorded at nominal amounts and released to profit or loss over the expected useful lives of the relevant assets by equal annual instalments.

**Re e e ec B . . . .*****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) Sale of products***

For domestic sales in Chinese Mainland, revenue is recognised at the point in time when control of the products is transferred to customers in accordance with the contract term, generally upon customers' acceptance when the products are shipped to customers' or their designated locations, or upon the withdrawn of the products and confirm the usage by customers when the products are shipped to customers' manufacturing warehouses.

For cross-border sales, revenue is recognised at the point in time when control of the products is transferred to the customer in accordance with the mutually agreed international commerce term in the contract with customers, generally upon customers' confirm on the acceptance in bill of lading.

(i) Rights of return

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

The Group generally does not accept sales returns except for limited reasons such as product design defects or quality issues. The refund liabilities and right-of-return assets are assessed to be immaterial at the end of each of the Relevant Periods based on historical data, current conditions, and all relevant factors.

(b) *Provision of technical services*

Revenue from the provision of technical services is recognized at the point in time when the technical services are rendered and accepted by the customers.

***Revenue from other sources***

Rental income is recognised on a time proportion basis over the lease terms.

***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.

**C. . . . .**

## Share-based payments

The Group operates restricted share incentive plans and share option incentive plans 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 share granted is determined by referring to the fair value of the Company's ordinary shares on the respective dates of grant. The fair value of share option granted is determined by using a Black-Scholes model. Further details are included in note 33 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

Where the terms of an equity-settled share-based 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.

**Borrowing costs**

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

**Dividends**

The Company's dividends are recognised as liabilities upon approval by the shareholders' general meeting. Final dividends are disclosed in note 11 to the Historical Financial Information.

**Functional currency**

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

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

---

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period 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 recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

#### **Events after the Reporting Period**

If the Group receives information after the Relevant Periods, but prior to the date of authorisation for issue, about conditions that existed at the end of each of the Relevant Periods, 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 Historical Financial Information to reflect any adjusting events after the Relevant Periods and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the Relevant Periods, the Group will not change the amounts recognised in its Historical Financial Information, 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.

### **3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

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

#### **Judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

***Business models***

The classification of financial assets at initial recognition depends on the Group's business model for managing financial assets. When determining the business model, the Group considers the methods used to evaluate and report financial asset performance to key management, the risks affecting the performance of financial assets and the risk management, and the manner in which the relevant management receives remuneration. When assessing whether the objective is to collect contractual cash flows, the Group needs to analyse and judge the reason, timing, frequency and value of the sale before the maturity date of the financial assets.

***Development expenses***

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 amounts of development costs to be capitalised requires the use of judgements and estimation.

***Deferred tax assets***

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised as well as the tax rate that is expected to apply to the period when the liability is settled, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are given in note 29 to the Historical Financial Information.

***Estimation uncertainty***

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the 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.



*Fair value of unlisted equity investments*

The unlisted equity investments have been valued based on a market-based valuation

#### 4. OPERATING SEGMENT INFORMATION

Management has determined the operating segment based on the information reviewed by the Company's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment.

Management monitors the results of the Company's operating segment separately for the purpose of making decisions about resource allocation and performance assessment, focuses on the operating results of the Company as a whole as the Company's resources are integrated and no discrete operating segment information is available. Accordingly, no further information about the operating segment is presented.

##### Geographical information

##### (a) Revenue from external customers

Revenues are attributed to geographical areas based on locations of the customers. Revenues by geographical segment based on locations of the customers for the Relevant Period and nine months ended 30 September 2024 are presented as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
<b>Geographical area</b>					
Chinese Mainland . . . . .	1,760,368	1,482,375	2,138,448	1,613,043	1,858,424
East Asia (note). . . . .	272,068	305,953	285,931	205,064	507,267
United States . . . . .	106,344	72,428	222,264	122,886	240,235
Europe . . . . .	96,037	164,417	107,625	86,878	88,188
Others . . . . .	71,115	122,163	187,106	154,157	127,174
<b>Total . . . . .</b>	<b>2,305,932</b>	<b>2,147,336</b>	<b>2,941,374</b>	<b>2,182,028</b>	<b>2,821,288</b>

Note: not including Chinese Mainland.

##### (b) Non-current assets

Almost all the non-current assets of the Group are physically located in Chinese Mainland. The non-current asset information is based on the locations of the assets and excludes financial instruments and deferred tax assets.

### Information about external customers

Information about external customers from which the revenue amounted to over 10% of the total revenue of the Group during the Relevant Periods and nine months ended 30 September 2024 is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Customer A . . . . .	*	521,769	955,098	600,018	796,093

\* Less than 10% of the Group's revenue

## 5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(unaudited)					
<i>Revenue from contracts with customers</i>					
Wireless communication modules and solutions . . . . .	2,227,999	2,048,987	2,808,563	2,085,672	2,738,538
Sales of electronic components . . . . .	64,075	87,379	123,279	88,072	82,750
Subtotal . . . . .	2,292,074	2,136,366	2,931,842	2,173,744	2,821,288
<i>Revenue from other sources</i>					
Gross rental income:					
Other lease payments, including fixed payments . . . . .	13,858	10,970	9,532	8,284	—
Total . . . . .	2,305,932	2,147,336	2,941,374	2,182,028	2,821,288

Re e e f f c c a a c w w c c e e s s

(a) Disaggregated revenue information

Table header structure with two rows of horizontal lines.

Table row structure with five columns, each containing a double horizontal line.

Table row structure with five columns, each containing a double horizontal line.

Table row structure with five columns, each containing a double horizontal line.

The following table shows the amounts of revenue recognised in the Relevant Periods that were included in the contract liabilities at the beginning of each of the Relevant Periods and

All amounts of transaction prices allocated to the performance obligations for sale of wireless communication modules and solutions are expected to be recognised as revenue within one year. The Group has no significant unsatisfied performance obligations arising from revenue contracts that have an original expected duration of more than one year. Thus, management applied the practical expedient under IFRS 15 and is not disclosing the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied or partially satisfied at the end of each of the Relevant Periods.

**Other income and gains**

An analysis of other income and gains is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
<b>Other income</b>					
Interest income . . . . .	1,076	4,276	2,497	1,928	2,169
Government grants* . . . . .	24,782	17,477	10,696	8,829	16,272
Total other income . . . . .	25,858	21,753	13,193	10,757	18,441
<b>Gains</b>					
Gain on early termination of a lease . . . . .	—	—	78	78	—
Gain on sublease of right-of-use assets (note 15) . . . . .	—	—	—	—	989
Gains on equity investments at FVTPL . . . . .	43,875	25,371	1,725	—	—
Gain on deemed disposal of a subsidiary (note 32) . . . . .	—	—	4,906,387.1	(1,725)-5757.5	(—)-5757.428u..460 m47.89e

## 6. PROFIT BEFORE TAX

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

Notes	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Cost of sales*	1,900,557	1,751,198	2,456,712	1,837,399	2,464,709
Research and development costs:					
— Deferred expenditure amortised*	3,740	9,296	14,690	10,785	11,519
— Current year expenditures	185,909	213,877	208,136	148,287	153,125
Depreciation of property, plant and equipment**	13	6,670	6,198	6,137	4,920
Depreciation of right-of-use assets**	15	19,040	16,934	14,647	12,004
Amortisation of other intangible assets**	14	15,652	30,748	38,287	29,072
Loss on disposal of items of property, plant and equipment***		26	84	13	8
Loss/(gain) on early termination of a lease***		—	105	(78)	(78)
Gain on sublease of right-of-use assets ***	15	—	—	—	(989)
Gain on deemed disposal of a subsidiary***	32	—	(4,906)	—	—
Foreign exchange losses/(gains), net***		6,756	6,115	28,472	16,727
Expenses relating to short-term leases	15	1,714	1,967	1,970	55
Impairment/(reversal of impairment) of trade and bills receivables	20	5,361	13,594	(7,638)	(12,056)
Impairment of other receivables	22	1,957	637	1,082	856
(Gains)/losses on equity investments at FVTPL***		(43,875)	(25,371)	(1,725)	—
Share of profits and losses of joint ventures	16	618	511	860	580
Share of profits and losses of an associate	17	5,279	5,570	11,986	8,364
Auditor's remuneration		700	600	600	—
Listing expenses		—	—	—	767
Write-down of inventories to net realisable value*	19	6,362	15,216	16,342	9,986

Notes	Year ended 31 December			Year ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Employee benefit expenses (excluding directors', supervisors' and chief executive's remuneration (note 8)):				(unaudited)	
— Wages and salaries . . . . .	214,642	226,363	215,761	151,986	153,421
— Pension scheme contributions . . . . .	17,343	19,196	18,704	13,467	14,135
— Share-based payments expenses . . . . .	7,345	2,386	11,118	5,537	16,535
Total employee benefit expenses . . . . .	<u>239,330</u>	<u>247,945</u>	<u>245,583</u>	<u>170,990</u>	<u>184,091</u>

\* Write-down of inventories to net realisable value and deferred expenditure amortised are included in “Cost of sales” in the consolidated statement of profit or loss and other comprehensive income.

\*\* The depreciation of property, plant and equipment, amortisation of other intangible assets, and depreciation of right-of-use assets during the Relevant Periods are included in “Cost of sales”, “Selling and marketing expenses”, “Administrative expenses” and “Research and development expenses” in the consolidated statement of profit or loss and other comprehensive income, respectively.

\*\*\* The amounts are included in “Other income and gains” and “Other expense” in the consolidated statement of profit or loss and other comprehensive income.

## 7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Year ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest on bank loans and other borrowings . . . . .				(unaudited)	

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

Directors', supervisors' and chief executive's remuneration during the Relevant Periods and nine months ended 30 September 2024, is set out as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Fees . . . . .	200	200	250	176	226
Other emoluments:					
Salaries, bonuses, allowances and benefits					
in kind . . . . .	4,884	5,152	5,439	3,507	2,424
Pension scheme contributions . . . . .	128	129	131	96	91
Share-based payment expenses . . . . .	1,110	391	—	—	—
Subtotal . . . . .	6,122	5,672	5,570	3,603	2,515
Total . . . . .	6,322	5,872	5,820	3,779	2,741

During the Relevant Periods, certain directors were granted share options and share awards, in respect of their services to the Group, under the share option incentive plan and restricted share incentive plan of the Group, further details of which are included in the disclosures in note 33 to the Historical Financial Information. The fair value of such share options and restricted share awards, 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 nine months ended 30 September 2024 is included in the above remuneration disclosures.

## (a) Independent non-executive directors

The independent non-executive directors' fees during the Relevant Periods and nine months ended 30 September 2024 were as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Mr. YANG Zheng . . . . .	100	100	125	88	113
Dr. MA Lijun . . . . .	100	100	125	88	113
Ms. LIU Jia (note) . . . . .	—	—	—	—	—
Total . . . . .	<u>200</u>	<u>200</u>	<u>250</u>	<u>176</u>	<u>226</u>

Note: Ms. LIU Jia was appointed as the Company's independent non-executive director on 5 June 2025.

There were no other emoluments payable to the independent non-executive directors during the Relevant Periods and nine months ended 30 September 2024.

## (b) Executive directors, supervisors and chief executive

	Fee	Salary, bonus, allowance and director's fee		Share-based payment expense	Total
		before tax	after tax		
		RMB'000	RMB'000		
<b>Year ended 31 December 2022</b>					
Executive director and chief executive:					
Mr. WANG Ping . . . . .	—	1,293	22	—	1,315
Mr. DU Guobin . . . . .	—	1,295	28	757	2,080
Mr. XIA Youqing . . . . .	—	824	17	202	1,043
Mr. HUANG Min . . . . .	—	621	17	151	789
	—	<u>4,033</u>	<u>84</u>	<u>1,110</u>	<u>5,227</u>
Supervisor:					
Mr. NING Huan . . . . .	—	507	19	—	526
Mr. NING Jian . . . . .	—	220	15	—	235
Ms. FU Zhiyi . . . . .	—	124	10	—	134
	—	<u>851</u>	<u>44</u>	<u>—</u>	<u>895</u>
	—	<u>4,884</u>	<u>128</u>	<u>1,110</u>	<u>6,122</u>

Fee	S a a e , b . . e , a . w a c e a d		P e . . . . c e e c . . . b . . .	S a e - b a e d y e e e e e e	T a
	b e e f . . . . d				
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Year ended 31 December 2023</b>					
Executive director and chief executive:					
Mr. WANG Ping . . . . .	—	1,733	21	—	1,754
Mr. DU Guobin . . . . .	—	1,210	30	267	1,507
Mr. XIA Youqing . . . . .	—	821	17	71	909
Mr. HUANG Min . . . . .	—	648	17	53	718
	—	4,412	85	391	4,888
Supervisor:					
Mr. NING Huan . . . . .	—	377	19	—	396
Mr. NING Jian . . . . .	—	221	15	—	236
Ms. FU Zhiyi . . . . .	—	142	10	—	152
	—	740	44	—	784
	—	5,152	129	391	5,672

Fee	S a a e , b . . e , a . w a c e a d		P e . . . . c e e c . . . b . . .	S a e - b a e d y e e e e e e	T a
	b e e f . . . . d				
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Year ended 31 December 2024</b>					
Executive director and chief executive:					
Mr. WANG Ping . . . . .	—	1,747	22	—	1,769
Mr. DU Guobin . . . . .	—	1,360	31	—	1,391
Mr. XIA Youqing . . . . .	—	912	17	—	929
Mr. HUANG Min . . . . .	—	653	17	—	670
	—	4,672	87	—	4,759
Supervisor:					
Mr. NING Huan . . . . .	—	373	19	—	392
Mr. NING Jian . . . . .	—	236	11	—	247
Ms. FU Zhiyi . . . . .	—	158	14	—	172
	—	767	44	—	811
	—	5,439	131	—	5,570

	Fee	Salary, bonus, allowance and benefit	Performance bonus	Share-based pay expense	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Nominating Committee</b>					
<b>30 September 2025</b>					
Executive director and chief executive:					
Mr. WANG Ping . . . . .	—	598	17	—	615
Mr. DU Guobin . . . . .	—	601	24	—	625
Mr. XIA Youqing . . . . .	—	461	13	—	474
Mr. HUANG Min . . . . .	—	384	13	—	397
	—	2,044	67	—	2,111
Supervisor:*					
Mr. NING Huan . . . . .	—	190	10	—	200
Mr. NING Jian . . . . .	—	113	6	—	119
Ms. FU Zhiyi . . . . .	—	77	8	—	85
	—	380	24	—	404
	—	2,424	91	—	2,515

\* The Company had dissolved the supervisory committee from July 2025. Therefore, the supervisors' remuneration for the nine months ended 30 September 2025 presented above only include remuneration from January 2025 to June 2025.

\_\_\_\_\_

\_\_\_\_\_

=====

\_\_\_\_\_

\_\_\_\_\_

=====

## **9. FIVE HIGHEST PAID EMPLOYEES**

The five highest paid employees during the year ended 31 December 2022, 2023 and 2024 and nine months ended 30 September 2024 and 2025 included three, three, two, two and nil

included in the Historical Financial Information during the Relevant Periods and nine months ended 30 September 2024 is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

## **10. INCOME TAX**

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

### **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 PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008 except for those subject to preferential tax set out below.

The Company was qualified as a “High and New Technology Enterprise” (“**HNTE**”) and entitled to a preferential income tax rate of 15% for the years ended 31 December 2022 and 2023

**H . K . B**

During the Relevant Periods and nine months ended 30 September 2024, the first HK\$2,000,000 of assessable profits of the Group's Hong Kong subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

**Germany**

The Company's subsidiary incorporated in Germany is subject to Germany profits tax at the statutory rate of 15% on any estimated assessable profits arising in Germany during the Relevant Periods and nine months ended 30 September 2024.

**France**

The Company's subsidiary incorporated in France is subject to France profits tax at the statutory rate of 15% on any estimated assessable profits arising in France during the Relevant Periods and nine months ended 30 September 2024.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

The income tax charge/(credit) of the Group for the Relevant Periods and nine months ended 30 September 2024 is analysed as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Current income tax . . . . .	6,142	12,657	26,678	22,895	9,155
Deferred income tax ( <i>note 29</i> ) . . . . .	16,828	(12,139)	(36,912)	(18,854)	(185)
Total tax charge/(credit) . . . . .	<u>22,970</u>	<u>518</u>	<u>(10,234)</u>	<u>4,041</u>	<u>8,970</u>

A reconciliation of the income tax charge/(credit) applicable to profit before tax at the preferential tax rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

Year ended 31 December			Nine months ended 30 September	
2022	2023	2024	2024	2025
_____	_____	_____	_____	_____
=====	=====	=====	=====	=====
_____	_____	_____	_____	_____
=====	=====	=====	=====	=====





## 13. PROPERTY, PLANT AND EQUIPMENT

## The Group

	Balance at beginning of the year	Acquired during the year	Disposals	Revaluation	Leased assets	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>31 December 2022</b>						
At 1 January 2022:						
Cost . . . . .	4,521	5,833	5,458	26,508	2,978	45,298
Accumulated depreciation . . . . .	(1,374)	(3,563)	(3,651)	(7,939)	(1,903)	(18,430)
Net carrying amount . . . . .	<u>3,147</u>	<u>2,270</u>	<u>1,807</u>	<u>18,569</u>	<u>1,075</u>	<u>26,868</u>
At 1 January 2022, net of accumulated depreciation . . . . .						
	3,147	2,270	1,807	18,569	1,075	26,868
Additions . . . . .	—	—	—	4,852	717	5,569
Depreciation provided during the year . . . . .	(203)	(454)	(488)	(5,009)	(1,152)	(7,306)
Disposal . . . . .	—	(21)	—	(5)	—	(26)
At 31 December 2022, net of accumulated depreciation . . . . .	<u>2,944</u>	<u>1,795</u>	<u>1,319</u>	<u>18,407</u>	<u>640</u>	<u>25,105</u>
At 31 December 2022:						
Cost . . . . .	4,521	5,689	5,458	31,311	3,695	50,674
Accumulated depreciation . . . . .	(1,577)	(3,894)	(4,139)	(12,904)	(3,055)	(25,569)
Net carrying amount . . . . .	<u>2,944</u>	<u>1,795</u>	<u>1,319</u>	<u>18,407</u>	<u>640</u>	<u>25,105</u>

## T e G . . . . .

	B . . . . . <i>RMB'000</i>	M a c . . . . . a d e a . . . . . <i>RMB'000</i>	M . . . . . e . . . . . <i>RMB'000</i>	E e c . . . . . e a . . . . . a d . . . . . <i>RMB'000</i>	L e a e . . . . . d . . . . . e e . . . . . <i>RMB'000</i>	T a <i>RMB'000</i>
<b>31 December 2023</b>						
At 1 January 2023:						
Cost . . . . .	4,521	5,689	5,458	31,311	3,695	50,674
Accumulated depreciation . . . . .	(1,577)	(3,894)	(4,139)	(12,904)	(3,055)	(25,569)
Net carrying amount . .	<u>2,944</u>	<u>1,795</u>	<u>1,319</u>	<u>18,407</u>	<u>640</u>	<u>25,105</u>
At 1 January 2023, net of accumulated depreciation . . . . .						
	2,944	1,795	1,319	18,407	640	25,105
Additions . . . . .	—	4	404	3,173	85	3,666
Depreciation provided during the year . . . . .	(203)	(431)	(494)	(5,541)	(312)	(6,981)
Disposal . . . . .	—	(36)	(35)	(37)	—	(108)
At 31 December 2023, net of accumulated depreciation . . . . .	<u>2,741</u>	<u>1,332</u>	<u>1,194</u>	<u>16,002</u>	<u>413</u>	<u>21,682</u>
At 31 December 2023:						
Cost . . . . .	4,521	5,340	5,508	34,219	3,780	53,368
Accumulated depreciation . . . . .	(1,780)	(4,008)	(4,314)	(18,217)	(3,367)	(31,686)
Net carrying amount . .	<u>2,741</u>	<u>1,332</u>	<u>1,194</u>	<u>16,002</u>	<u>413</u>	<u>21,682</u>



	B . d . B	Mac . . e . y a . d e . q . p . e .	M . . . . e . c . e	E . c . . . . c e . q . p . e . a . d . . e .	L . e . . . . d L . e . . . . e .	T . a
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>30 September 2025</b>						
At 1 January 2025:						
Cost . . . . .	4,521	5,340	6,315	36,127	3,959	56,262
Accumulated depreciation . . . . .	(1,983)	(4,101)	(4,558)	(24,040)	(3,695)	(38,377)
Net carrying amount . .	<u>2,538</u>	<u>1,239</u>	<u>1,757</u>	<u>12,087</u>	<u>264</u>	<u>17,885</u>
At 1 January 2025, net of accumulated depreciation . . . . .						
	2,538	1,239	1,757	12,087	264	17,885
Additions . . . . .	—	—	—	3,197	—	3,197
Depreciation provided during the period . . . .						
	(153)	(50)	(150)	(3,805)	(146)	(4,304)
Disposal . . . . .	—	—	—	(10)	—	(10)
At 30 September 2025, net of accumulated depreciation . . . . .						
	<u>2,385</u>	<u>1,189</u>	<u>1,607</u>	<u>11,469</u>	<u>118</u>	<u>16,768</u>
At 30 September 2025:						
Cost . . . . .	4,521	5,340	6,315	39,236	3,959	59,371
Accumulated depreciation . . . . .	(2,136)	(4,151)	(4,708)	(27,767)	(3,841)	(42,603)
Net carrying amount . .	<u>2,385</u>	<u>1,189</u>	<u>1,607</u>	<u>11,469</u>	<u>118</u>	<u>16,768</u>

Notes:

(a) As at 31 December 2022, 2023 and 2024 and 30 September 2025, the Group had not obtained building ownership

## T e C o n t a i n e d

	B o o k v a l u e	M a c h i n e r y a n d e q u i p m e n t	M o b i l e e q u i p m e n t	E l e c t r o n i c e q u i p m e n t	T o t a l
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>31 December 2022</b>					
At 1 January 2022:					
Cost . . . . .	4,521	5,594	4,971	3,307	18,393
Accumulated depreciation . . . . .	(1,374)	(3,549)	(3,629)	(1,550)	(10,102)
Net carrying amount . . . . .	<u>3,147</u>	<u>2,045</u>	<u>1,342</u>	<u>1,757</u>	<u>8,291</u>
At 1 January 2022, net of accumulated depreciation . . . . .					
	3,147	2,045	1,342	1,757	8,291
Additions . . . . .	—	—	—	104	104
Depreciation provided during the year . . . . .	(203)	(411)	(400)	(444)	(1,458)
Disposal . . . . .	—	(21)	—	(4)	(25)
At 31 December 2022, net of accumulated depreciation . . . . .	<u>2,944</u>	<u>1,613</u>	<u>942</u>	<u>1,413</u>	<u>6,912</u>
At 31 December 2022:					
Cost . . . . .	4,521	5,450	4,971	3,366	18,308
Accumulated depreciation . . . . .	(1,577)	(3,837)	(4,029)	(1,953)	(11,396)
Net carrying amount . . . . .	<u>2,944</u>	<u>1,613</u>	<u>942</u>	<u>1,413</u>	<u>6,912</u>

	B o o k	M a c h i n e a n d e q u i p m e n t	M o b i l e e q u i p m e n t	E l e c t r o n i c e q u i p m e n t	T o t a l
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>31 December 2023</b>					
At 1 January 2023:					
Cost . . . . .	4,521	5,450	4,971	3,366	18,308
Accumulated depreciation . . . . .	(1,577)	(3,837)	(4,029)	(1,953)	(11,396)
Net carrying amount . . . . .	<u>2,944</u>	<u>1,613</u>	<u>942</u>	<u>1,413</u>	<u>6,912</u>
At 1 January 2023, net of accumulated depreciation . . . . .					
	2,944	1,613	942	1,413	6,912
Additions . . . . .	—	—	404	2	406
Depreciation provided during the year . . . . .					
	(203)	(387)	(407)	(430)	(1,427)
Disposal . . . . .	—	(940)	(36)	(655)	(1,631)
At 31 December 2023, net of accumulated depreciation . . . . .					
	<u>2,741</u>	<u>286</u>	<u>903</u>	<u>330</u>	<u>4,260</u>
At 31 December 2023:					
Cost . . . . .	4,521	1,436	5,021	1,538	12,516
Accumulated depreciation . . . . .	(1,780)	(1,150)	(4,118)	(1,208)	(8,256)
Net carrying amount . . . . .	<u>2,741</u>	<u>286</u>	<u>903</u>	<u>330</u>	<u>4,260</u>

	B o o k	M a c h i n e r y a n d e q u i p m e n t	M o b i l e e q u i p m e n t	E c o n o m i c e q u i p m e n t	T o t a l
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>31 December 2024</b>					
At 1 January 2024:					
Cost . . . . .	4,521	1,436	5,021	1,538	12,516
Accumulated depreciation . . . . .	(1,780)	(1,150)	(4,118)	(1,208)	(8,256)
Net carrying amount . . . . .	<u>2,741</u>	<u>286</u>	<u>903</u>	<u>330</u>	<u>4,260</u>
At 1 January 2024, net of accumulated depreciation . . . . .					
	2,741	286	903	330	4,260
Additions . . . . .	—	—	—	93	93
Depreciation provided during the year . . . . .					
	(203)	(53)	(101)	(94)	(451)
Disposal . . . . .	—	—	—	(5)	(5)
At 31 December 2024, net of accumulated depreciation . . . . .					
	<u>2,538</u>	<u>233</u>	<u>802</u>	<u>324</u>	<u>3,897</u>
At 31 December 2024:					
Cost . . . . .	4,521	1,436	5,021	1,582	12,560
Accumulated depreciation . . . . .	(1,983)	(1,203)	(4,219)	(1,258)	(8,663)
Net carrying amount . . . . .	<u>2,538</u>	<u>233</u>	<u>802</u>	<u>324</u>	<u>3,897</u>

	B o o k	M a c h i n e r y a n d e q u i p m e n t	M o b i l e e q u i p m e n t	E l e c t r o n i c e q u i p m e n t	T o t a l
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>30 September 2025</b>					
At 1 January 2025:					
Cost . . . . .	4,521	1,436	5,021	1,582	12,560
Accumulated depreciation . . . . .	(1,983)	(1,203)	(4,219)	(1,258)	(8,663)
Net carrying amount .	<u>2,538</u>	<u>233</u>	<u>802</u>	<u>324</u>	<u>3,897</u>
At 1 January 2025, net of accumulated depreciation . . . . .					
	2,538	233	802	324	3,897
Additions . . . . .	—	—	—	1,920	1,920
Depreciation provided during the period . . .					
	(153)	(34)	(27)	(99)	(313)
Disposal . . . . .	—	—	—	(5)	(5)
At 30 September 2025, net of accumulated depreciation . . . . .					
	<u>2,385</u>	<u>199</u>	<u>775</u>	<u>2,140</u>	<u>5,499</u>
At 30 September 2025:					
Cost . . . . .	4,521	1,436	5,021	3,457	14,435
Accumulated depreciation . . . . .	(2,136)	(1,237)	(4,246)	(1,317)	(8,936)
Net carrying amount .	<u>2,385</u>	<u>199</u>	<u>775</u>	<u>2,140</u>	<u>5,499</u>

Notes:

## 14. OTHER INTANGIBLE ASSETS

The Group

	Software	Licence	Trade
	RMB'000	RMB'000	RMB'000
<b>31 December 2022</b>			
At 1 January 2022			
Cost.....	19,208	57,724	76,932
Accumulated amortisation.....	(6,879)	(21,453)	(28,332)
Net carrying amount.....	<u>12,329</u>	<u>36,271</u>	<u>48,600</u>
At 1 January 2022, net of accumulated			
amortisation.....	12,329	36,271	48,600
Additions, including internal development..	23,219	19,279	42,498
Amortisation provided during the year....	(4,144)	(11,508)	(15,652)
At 31 December 2022, net of accumulated			
amortisation.....	<u>31,404</u>	<u>44,042</u>	<u>75,446</u>
At 31 December 2022			
Cost.....	42,427	77,003	119,430
Accumulated amortisation.....	(11,023)	(32,961)	(43,984)
Net carrying amount.....	<u>31,404</u>	<u>44,042</u>	<u>75,446</u>

**APPENDIX I**
**ACCOUNTANTS' REPORT**

	<u>S. f w a . £</u>	<u>L. c c e . RMB</u>	<u>T. a</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>31 December 2023</b>			
At 1 January 2023			
Cost. . . . .	42,427	77,003	119,430
Accumulated amortisation . . . . .	(11,023)	(32,961)	(43,984)
Net carrying amount . . . . .	<u>31,404</u>	<u>44,042</u>	<u>75,446</u>
At 1 January 2023, net of accumulated			
amortisation. . . . .	31,404	44,042	75,446
Additions, including internal development. .	21,779	52,190	73,969
Amortisation provided during the year . . . .	(9,487)	(21,261)	(30,748)
At 31 December 2023, net of accumulated			
amortisation. . . . .	<u>43,696</u>	<u>74,971</u>	<u>118,667</u>
At 31 December 2023			
Cost. . . . .	64,206	129,193	193,399
Accumulated amortisation . . . . .	(20,510)	(54,222)	(74,732)
Net carrying amount . . . . .	<u>43,696</u>	<u>74,971</u>	<u>118,667</u>
	<u>S. f w a . £</u>	<u>L. c c e . RMB</u>	<u>T. a</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>31 December 2024</b>			
At 1 January 2024			
Cost. . . . .	64,206	129,193	193,399
Accumulated amortisation . . . . .	(20,510)	(54,222)	(74,732)
Net carrying amount . . . . .	<u>43,696</u>	<u>74,971</u>	<u>118,667</u>
At 1 January 2024, net of accumulated			
amortisation. . . . .	43,696	74,971	118,667
Additions, including internal development. .	19,676	9,022	28,698
Amortisation provided during the year . . . .	(14,812)	(23,475)	(38,287)
At 31 December 2024 , net of accumulated			
amortisation. . . . .	<u>48,560</u>	<u>60,518</u>	<u>109,078</u>
At 31 December 2024			
Cost. . . . .	83,882	138,215	222,097
Accumulated amortisation . . . . .	(35,322)	(77,697)	(113,019)
Net carrying amount . . . . .	<u>48,560</u>	<u>60,518</u>	<u>109,078</u>

	S f w a . e	L . c e . e . . . . .	T . a
	RMB'000	RMB'000	RMB'000
<b>30 September 2025</b>			
At 1 January 2025			
Cost . . . . .	83,882	138,215	222,097
Accumulated amortisation . . . . .	(35,322)	(77,697)	(113,019)
Net carrying amount . . . . .	<u>48,560</u>	<u>60,518</u>	<u>109,078</u>
At 1 January 2025, net of accumulated			
amortisation . . . . .	48,560	60,518	109,078
Additions, including internal development . . . . .	7,945	16,804	24,749
Amortisation provided during the period . . . . .	(11,611)	(17,488)	(29,099)
At 30 September 2025 , net of accumulated			
amortisation . . . . .	<u>44,894</u>	<u>59,834</u>	<u>104,728</u>
At 30 September 2025			
Cost . . . . .	91,827	155,019	246,846
Accumulated amortisation . . . . .	(46,933)	(95,185)	(142,118)
Net carrying amount . . . . .	<u>44,894</u>	<u>59,834</u>	<u>104,728</u>

Note:

- (a) During the year ended 31 December 2022, 2023 and 2024 and the nine months ended 30 September 2025, amortization of other intangible assets of RMB15,652,000, RMB30,748,000, RMB38,287,000 and RMB28,361,000 were included in the consolidated statements of profit or loss and other comprehensive income, and the remaining amount of nil, nil, nil and RMB738,000 were capitalised, respectively.

**T e C o s t**

	<u>S. f w a . £</u>	<u>L. c e . e . £</u>	<u>T. a</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>31 December 2022</b>			
At 1 January 2022			
Cost . . . . .	3,865	57,724	61,589
Accumulated amortisation . . . . .	(3,325)	(21,453)	(24,778)
Net carrying amount . . . . .	<u>540</u>	<u>36,271</u>	<u>36,811</u>
At 1 January 2022, net of accumulated			
amortisation . . . . .	540	36,271	36,811
Additions . . . . .	219	19,279	19,498
Amortisation provided during the year . . . .	(404)	(11,508)	(11,912)
At 31 December 2022 , net of accumulated			
amortisation . . . . .	<u>355</u>	<u>44,042</u>	<u>44,397</u>
At 31 December 2022			
Cost . . . . .	4,084	77,003	81,087
Accumulated amortisation . . . . .	(3,729)	(32,961)	(36,690)
Net carrying amount . . . . .	<u>355</u>	<u>44,042</u>	<u>44,397</u>



	S. f w a . e	L. c c e . e . B	T. a
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>30 September 2025</b>			
At 1 January 2025			
Cost . . . . .	4,084	100,030	104,114
Accumulated amortisation . . . . .	(4,042)	(61,578)	(65,620)
Net carrying amount . . . . .	<u>42</u>	<u>38,452</u>	<u>38,494</u>
At 1 January 2025, net of accumulated			
amortisation . . . . .	42	38,452	38,494
Amortisation provided during the period . . .	(42)	(10,742)	(10,784)
At 30 September 2025, net of accumulated			
amortisation . . . . .	<u>—</u>	<u>27,710</u>	<u>27,710</u>
At 30 September 2025			
Cost . . . . .	4,084	100,030	104,114
Accumulated amortisation . . . . .	(4,084)	(72,320)	(76,404)
Net carrying amount . . . . .	<u>—</u>	<u>27,710</u>	<u>27,710</u>

**15. LEASES****The Group's policy**

The Group has lease contracts for various items of buildings and premises used in operations. Leases of buildings and premises generally have lease terms between 2 and 9 years.

*(a) Right-of-use assets*

The carrying amounts of right-of-use assets and the movements during the Relevant Periods are as follows:

	B . d . B a d p . e - e
	<u>RMB'000</u>
At 1 January 2022 . . . . .	38,218
Additions . . . . .	21,722
Depreciation charge . . . . .	(19,040)
At 31 December 2022 . . . . .	<u>40,900</u>
At 1 January 2023 . . . . .	40,900
Additions . . . . .	1,217
Depreciation charge . . . . .	(16,934)
Early termination of a lease . . . . .	(1,146)
At 31 December 2023 . . . . .	<u>24,037</u>
At 1 January 2024 . . . . .	24,037
Additions . . . . .	946
Depreciation charge . . . . .	(14,647)
Early termination of a lease . . . . .	(931)
At 31 December 2024 . . . . .	<u>9,405</u>
At 1 January 2025 . . . . .	9,405
Additions . . . . .	7,826
Depreciation charge . . . . .	(5,594)
Sublease of right-of-use assets* . . . . .	(4,662)
At 30 September 2025 . . . . .	<u>6,975</u>

\* The Group subleased certain of its right-of-use assets to third parties. As the lease period is approximately the same as the lease period of the head lease, the sublease was classified as a finance lease under IFRS 16. The Group derecognised the right-of-use assets relating to the head lease that it transfers to the sublease and recognised the receivables from sublease of the right-of-use assets that constituted finance lease (note 22), resulting a gain from the sublease transaction amounted to RMB989,000 for the nine months ended 30 September 2025, which is included in the consolidated financial statement of profit or loss.



(c) *The amounts recognised in profit or loss in relation to leases are as follows:*

	Year ended 31 December			Year ended
				30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Expenses relating to short-term leases.	1,714	1,967	1,970	55
Interest on lease liabilities. . . . .	1,758	1,676	841	372
Depreciation charge of right-of-use assets. . . . .	19,040	16,934	14,647	5,594
Losses/(gains) on early termination of a lease. . . . .	—	105	(78)	—
Gains on sublease of right-of-use assets. . . . .	—	—	—	(989)
Total amount recognised in profit or loss . . . . .	<u>22,512</u>	<u>20,682</u>	<u>17,380</u>	<u>5,032</u>

(d) *The total cash outflow for leases are disclosed in notes 34(c) to the Historical Financial Information.*

#### The Company's lease

The Company has lease contracts for various items of buildings and premises used in operations. Leases of buildings and premises generally have lease terms between 2 and 9 years.

*(a) Right-of-use assets*

The carrying amounts of right-of-use assets and the movements during the Relevant Periods are as follows:

	<b>B a l a n c e</b>
	<i>RMB'000</i>
At 1 January 2022.....	34,147
Depreciation charge.....	(12,239)
At 31 December 2022.....	<u>21,908</u>
At 1 January 2023.....	21,908
Depreciation charge.....	(9,284)
At 31 December 2023.....	<u>12,624</u>
At 1 January 2024.....	12,624
Depreciation charge.....	(7,962)
At 31 December 2024.....	<u>4,662</u>
At 1 January 2025.....	4,662
Sublease of right-of-use assets* .....	(4,662)
At 30 September 2025.....	<u>—</u>

\* The Company subleased certain of its right-of-use assets to third parties. As the lease period is approximately the same as the lease period of the head lease, the sublease was classified as a finance lease under IFRS 16. The Company derecognised the right-of-use assets relating to the head lease that it transfers to the sublease and recognised the receivables from sublease of the right-of-use assets that constituted finance lease (note 22), resulting a gain from the sublease transaction amounted to RMB989,000 for the nine months ended 30 September 2025, which is included in the consolidated financial statement of profit or loss.

*(b) Lease liabilities*

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	Year ended 31 December			Year ended
				30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount at the beginning of the year/period. . . . .	36,853	25,160	15,124	5,651
Accretion of interest recognised during the year/period . . . . .	1,425	921	451	136
Lease payments. . . . .	(13,118)	(10,957)	(9,924)	(3,735)
Carrying amount at the end of the year/period. . . . .	<u>25,160</u>	<u>15,124</u>	<u>5,651</u>	<u>2,052</u>
Analysed into:				
Current portion . . . . .	10,036	9,068	4,826	2,052
Non-current portion . . . . .	15,124	6,056	825	—
Total . . . . .	<u>25,160</u>	<u>15,124</u>	<u>5,651</u>	<u>2,052</u>

*(c) The amounts recognised in profit or loss in relation to leases are as follows:*

	Year ended 31 December			Year ended
				30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Interest on lease liabilities. . . . .	1,425	921	451	136
Gains on sublease of right-of-use assets . . . . .	—	—	—	(989)
Depreciation charge of right-of-use assets. . . . .	12,239	9,284	7,962	—
Total amount recognised in profit or loss . . . . .	<u>13,664</u>	<u>10,205</u>	<u>8,413</u>	<u>(853)</u>

**16. INVESTMENT IN JOINT VENTURES**

The Group

	A a 31 Dece be r			A a
				30 Se e be r
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Share of net assets . . . . .	2,399	1,888	1,479	2,260

The Group’s trade receivable and payable balances with joint ventures are disclosed in notes 37 to the Historical Financial Information.

At 31 December 2022, 2023 and 2024 and 30 September 2025, particulars of the Group’s joint ventures are as follows:

Name	Particulars				

The following table illustrates the aggregate financial information of the Group's joint ventures which are not individually material:

	A a 31 Dece be .			A a
				30 Se e be .
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Share of the joint ventures' losses for the year/period. . . . .	(618)	(511)	(860)	(568)
Share of the joint ventures' total comprehensive losses. . . . .	(618)	(511)	(860)	(568)
Aggregate carrying amount of the Group's investments in the joint ventures at the end of the year/period. . . . .	<u>2,399</u>	<u>1,888</u>	<u>1,479</u>	<u>2,260</u>

The above investments are held by the Company or held through consolidated entities of the Company. They are joint ventures of the Group as the decisions about the relevant activities of the entities require the unanimous consent of the shareholders.

**T e C a y**

	A a 31 Dece be .			A a
				30 Se e be .
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Share of net assets . . . . .	<u>748</u>	<u>156</u>	<u>257</u>	<u>1,451</u>

At 31 December 2022, 2023 and 2024 and 30 September 2025, particulars of the Company's joint venture is as follows:

Name	Partic a . f . ed	P a c e f			
		. . c . . a . . /			
_____	_____	_____	_____	_____	_____

The above investment is held by the Company. It is a joint venture of the Company as the decisions about the relevant activities of the entities require the unanimous consent of the shareholders.

The following table illustrates the financial information of the Company's joint venture:

	A a 31 Dec e be .r			A a 30 Se .p e be .r
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Share of the joint venture's loss for the year/period . . . . .	(152)	(592)	(349)	(155)
Share of the joint venture's total comprehensive loss . . . . .	(152)	(592)	(349)	(155)
Carrying amount of the Company's investments in the joint venture at the end of the year/period . . . . .	<u>748</u>	<u>156</u>	<u>257</u>	<u>1,451</u>

## 17. INVESTMENT IN ASSOCIATES

### T e G .r .p

	A a 31 Dec e be .r			A a 30 Se .p e be .r
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Share of net assets . . . . .	<u>63,663</u>	<u>58,168</u>	<u>46,181</u>	<u>54,583</u>

The Group's trade receivable and payable balances with associates are disclosed in notes 37 to the Historical Financial Information.

At 31 December 2022, 2023 and 2024 and 30 September 2025, particulars of the Group's associates are as follows:

Name	Particulars of the associate	Place of incorporation / principal place of business	Percentage held by the Group	Principal activities
ShuoGe Intelligent Technology Co., Ltd. (碩格智能技術有限公司) (“ShuoGe Intelligence”) . . . . .	Registered capital of RMB1 each	PRC/Chinese Mainland	36.0%	Manufacture and sales
Pinsu Zhilian* . . . . .	Registered capital of RMB1 each	PRC/Chinese Mainland	37.5%	Manufacture and sales
Sigbeat Inc . . . . .	Registered capital of USD0.001 each	USA	40.0%	Sales

\* In 2024, one investor increased its shareholding interest in Pinsu Zhilian, the then subsidiary of the Company, by making addition capital injection to Pinsu Zhilian. Upon the completion of the capital injection, the Company lose control over Pinsu Zhilian, the Group's investment in Pinsu Zhilian was subsequently accounted as the Group's associate since the Group is assessed to have significant influence on the operations and finance of Pinsu Zhilian. More details are given in note 32 to the Historical Financial Information.

In the opinion of the directors, no investments in associates are material to the Group and the Company.

The following table illustrates the aggregate financial information of the Group's associates that is not individually material:

	At 31 December			At 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Share of the associate' loss for the year/period . . . . .	(5,279)	(5,570)	(11,986)	(5,927)
Share of the associate' total comprehensive loss . . . . .	(5,279)	(5,570)	(11,986)	(5,927)
Aggregate carrying amount of the Group's investments in the associate at the end of the year/period . . . . .	<u>63,663</u>	<u>58,168</u>	<u>46,181</u>	<u>54,583</u>

17. INVESTMENT IN ASSOCIATES

T e C a y


## 19. INVENTORIES

The Group

	As at 31 December			As at
				30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials . . . . .	366,710	387,637	387,127	574,480
Finished goods . . . . .	49,361	50,131	70,616	99,004
Goods in transit . . . . .	23,590	37,152	113,192	49,987
Work in process . . . . .	24,485	22,087	29,608	52,967
Contract performance cost . . . . .	26,240	29,312	50,009	35,718
Total . . . . .	<u>490,386</u>	<u>526,319</u>	<u>650,552</u>	<u>812,156</u>

As at 31 December 2022, 2023, 2024 and 30 September 2025, the Group's inventories were stated at the lower of cost and net realisable value, and the movement in the provision was as follows:

	Year ended 31 December			Net
				impairment
	2022	2023	2024	30 September
	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount at the beginning of the year/period . . . . .	15,143	16,219	26,266	33,807
Impairment losses recognised, net . . . . .	6,362	15,216	16,342	13,984
Write-off . . . . .	(5,286)	(5,169)	(8,801)	(8,331)
Carrying amount at the end of the year/period . . . . .	<u>16,219</u>	<u>26,266</u>	<u>33,807</u>	<u>39,460</u>

T e C p a y


## 20. TRADE AND BILLS RECEIVABLES

T e G. 2 2

	A a 31 Dece be. 2			A a
				30 Se 2 e be. 2
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Bills receivables*				
Bank acceptance bills:				
Third parties . . . . .	3,444	3,446	2,283	20,292
Commercial acceptance bills:				
Third parties . . . . .	39	—	5,833	—
Less: impairment of bills receivables .	2	—	117	—
Bills receivables, net . . . . .	<u>3,481</u>	<u>3,446</u>	<u>7,999</u>	<u>20,292</u>
Trade receivables:				
Third parties . . . . .	514,671	759,120	1,101,709	810,620
Due from related parties . . . . .	—	8,307	10,053	29,279
Less: impairment of trade receivables .	97,851	111,447	103,692	98,769
Trade receivables, net . . . . .	<u>416,820</u>	<u>655,980</u>	<u>1,008,070</u>	<u>741,130</u>
Total trade and bills receivables . . . . .	<u>420,301</u>	<u>659,426</u>	<u>1,016,069</u>	<u>761,422</u>







Set out below is the information about the credit risk exposure on the Group's trade and bills receivables:

**The Group**

**A 31 December 2022**

	Gross carrying amount	Expected credit loss	Expected credit loss
	RMB'000		RMB'000
On an individual basis:			
(i) Individual assessed . . . . .	117,633	59%	69,309
On a collective basis:			
Within 6 months . . . . .	386,317	5%	19,315
7 months to 1 year . . . . .	4,876	5%	244
1 year to 2 years . . . . .	294	10%	29
2 years to 3 years . . . . .	157	50%	79
3 years to 4 years . . . . .	3,257	100%	3,257
4 years to 5 years . . . . .	5,326	100%	5,326
Over 5 years . . . . .	293	100%	293
	<u>518,153</u>	<u>19%</u>	<u>97,852</u>

**A 31 December 2023**

	Gross carrying amount	Expected credit loss	Expected credit loss
	RMB'000		RMB'000
On an individual basis:			
(i) Individual assessed . . . . .	131,876	54%	70,754
On a collective basis:			
Within 6 months . . . . .	617,295	5%	30,865
7 months to 1 year . . . . .	9,888	5%	494
1 year to 2 years . . . . .	2,694	10%	269
2 years to 3 years . . . . .	109	50%	54
3 years to 4 years . . . . .	143	100%	143
4 years to 5 years . . . . .	153	100%	153
Over 5 years . . . . .	8,714	100%	8,714
	<u>770,872</u>	<u>14%</u>	<u>111,446</u>

## A 31 December 2024

	Gross carrying amount	Expected credit loss	Expected credit loss
	RMB'000	RMB'000	RMB'000
On an individual basis:			
(i) Individual assessed	117,136	63%	73,307
On a collective basis:			
Within 6 months	981,694	2%	19,634
7 months to 1 year	7,002	5%	350
1 year to 2 years	2,450	10%	245
2 years to 3 years	2,646	50%	1,323
3 years to 4 years	76	100%	76
4 years to 5 years	45	100%	45
Over 5 years	8,828	100%	8,828
	<u>1,119,877</u>	<u>9%</u>	<u>103,808</u>

## A 30 September 2025

	Gross carrying amount	Expected credit loss	Expected credit loss
	RMB'000	RMB'000	RMB'000
On an individual basis:			
(i) Individual assessed	114,148	64%	73,308
On a collective basis:			
Within 6 months	685,081	2%	13,296
7 months to 1 year	45,733	5%	2,287
1 year to 2 years	5,529	10%	553
2 years to 3 years	751	50%	376
3 years to 4 years	76	100%	76
4 years to 5 years	45	100%	45
Over 5 years	8,828	100%	8,828
	<u>860,191</u>	<u>11%</u>	<u>98,769</u>

## T e C p a y

## A 31 Dece ber 2022

	G r a . y . B a . .	E / p e c e d c . e d a e	E / p e c e d c . e d e
	<i>RMB'000</i>		<i>RMB'000</i>
On an individual basis:			
(i) Individual assessed . . . . .	97,710	68%	66,364
(ii) Due from subsidiaries . . . . .	336,022	0%	—
On a collective basis:			
Within 6 months . . . . .	214,120	5%	10,706
7 months to 1 year . . . . .	4,876	5%	244
1 year to 2 years . . . . .	106	10%	11
2 years to 3 years . . . . .	157	50%	79
3 years to 4 years . . . . .	3,257	100%	3,257
4 years to 5 years . . . . .	5,326	100%	5,326
Over 5 years . . . . .	293	100%	293
	<u>661,867</u>	<u>13%</u>	<u>86,280</u>

## A 31 Dece ber 2023

	G r a . y . B a . .	E / p e c e d c . e d a e	E / p e c e d c . e d e
	<i>RMB'000</i>		<i>RMB'000</i>
On an individual basis:			
(i) Individual assessed . . . . .	101,171	68%	66,692
(ii) Due from subsidiaries . . . . .	639,751	0%	—
On a collective basis:			
Within 6 months . . . . .	152,298	5%	7,615
7 months to 1 year . . . . .	6,169	5%	308
1 year to 2 years . . . . .	550	10%	55
2 years to 3 years . . . . .	106	50%	53
3 years to 4 years . . . . .	143	100%	143
4 years to 5 years . . . . .	153	100%	153
Over 5 years . . . . .	8,714	100%	8,714
	<u>909,055</u>	<u>9%</u>	<u>83,733</u>

**A 31 December 2024**

	Gross carrying amount	Expected credit loss	Expected credit loss
	RMB'000	RMB'000	RMB'000
On an individual basis:			
(i) Individual assessed	96,674	73%	68,967
(ii) Due from subsidiaries	866,217	0%	—
On a collective basis:			
Within 6 months	206,801	2%	4,019
7 months to 1 year	6,998	5%	350
1 year to 2 years	1,354	10%	135
2 years to 3 years	501	50%	250
3 years to 4 years	74	100%	74
4 years to 5 years	45	100%	45
Over 5 years	8,828	100%	8,828
	<u>1,187,492</u>	<u>7%</u>	<u>82,668</u>

**A 30 September 2025**

	Gross carrying amount	Expected credit loss	Expected credit loss
	RMB'000	RMB'000	RMB'000
On an individual basis:			
(i) Individual assessed	94,122	73%	68,902
(ii) Due from subsidiaries	438,459	0%	—
On a collective basis:			
Within 6 months	206,374	2%	4,128
7 months to 1 year	41,940	5%	2,097
1 year to 2 years	4,405	10%	440
2 years to 3 years	719	50%	360
3 years to 4 years	74	100%	74
4 years to 5 years	45	100%	45
Over 5 years	8,828	100%	8,828
	<u>794,966</u>	<u>11%</u>	<u>84,874</u>

**21. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

**T e G. . . . .**

	A a 31 Dece be. .			A a
				30 Se. . e be. .
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Bank acceptance bills . . . . .	5,122	38,427	9,992	26,739

**T e C. . . . .**

	A a 31 Dece be. .			A a
				30 Se. . e be. .
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Bank acceptance bills . . . . .	2,965	34,136	8,012	14,538

The above bank acceptance bills are issued by reputable banks in Chinese Mainland. They are

## 22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

T e G. . . . .

	A a 31 Dece be . . . . .			A a 30 Se . . . . .
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
<b>C . . . . .</b>				
Value-added tax recoverable . . . . .	21,923	58,732	75,170	114,018
Prepaid income tax . . . . .	1,211	1,712	1	1,052
Rebate receivable from a supplier . . .	175,239	147,068	154,232	246,710
Other assets . . . . .	1,456	—	—	—
Deferred listing expenses . . . . .	—	—	—	13,046
Deferred mould cost . . . . .	1,202	186	—	—
Prepayments . . . . .	52,371	15,909	16,780	64,700
Other receivables . . . . .	35,620	30,038	30,426	33,123
Impairment of other receivables . . . . .	(21,973)	(21,915)	(22,806)	(21,546)
Other receivables, net . . . . .	13,647	8,123	7,620	11,577
Due from related parties . . . . .	1,738	1,737	1,059	1,602
Impairment of related parties . . . . .	(174)	(869)	(740)	(743)
Due from related parties, net (note 37)	1,564	868	319	859
Current portion of receivables from sublease of right-of-use assets (note 15) . . . . .	—	—	—	2,055
	<u>268,613</u>	<u>232,598</u>	<u>254,122</u>	<u>454,017</u>
<b>N . . -c . . . . .</b>				
Prepayments for property, plant and equipment . . . . .	450	—	—	—
Prepayments for other intangible assets . . . . .	—	1,002	849	1,584
Prepayments for other non-current assets . . . . .	—	2,092	2,025	2,025
Non-current portion of other receivables . . . . .	—	—	—	1,590
Development expenditure . . . . .	5,386	12,922	7,705	9,321
Deferred expenses . . . . .	899	3,354	4,598	7,770
Deferred mould cost . . . . .	2,958	1,820	1,359	1,692
	<u>9,693</u>	<u>21,190</u>	<u>16,536</u>	<u>23,982</u>

T e C 2024

	A a 31 Dec e be r			A a 30 Se e be r
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
<b>C r e d i t</b>				
Value-added tax recoverable . . . . .	14,189	46,400	64,725	109,695
Prepaid income tax . . . . .	1,211	473	—	382
Rebate receivable from a supplier . . . .	40,294	—	64,029	246,710
Other assets . . . . .	2,591	186	—	—
Deferred listing expenses . . . . .	—	—	—	13,046
Prepayments . . . . .	24,959	21,722	14,838	101,539
Other receivables . . . . .	30,753	25,462	26,586	30,774
Impairment of other receivables . . . . .	(19,501)	(18,884)	(19,395)	(19,495)
Other receivables, net . . . . .	11,252	6,578	7,191	11,279
Due from related parties . . . . .	1,738	1,737	1,059	1,602
Impairment of related parties . . . . .	(174)	(869)	(740)	(743)
Due from related parties, net (note 37) . . . . .	1,564	868	319	859
Due from subsidiaries . . . . .	65,050	75,050	38,050	27,050
Current portion of sublease of right-of-use assets . . . . .	—	—	—	2,055
	<u>161,110</u>	<u>151,277</u>	<u>189,152</u>	<u>512,615</u>
<b>N o n - c r e d i t</b>				
Prepayments for other intangible assets . . . . .	—	1,002	849	1,584
Prepayments for other non-current assets . . . . .	—	2,092	2,025	2,025
Deferred expenses . . . . .	899	3,354	4,598	7,770
Deferred mould cost . . . . .	2,958	1,820	1,359	1,692
	<u>3,857</u>	<u>8,268</u>	<u>8,831</u>	<u>13,071</u>

Other receivables are unsecured and non-interest-bearing.

As of 31 December 2022, 2023, 2024 and 30 September 2025, the impairment of the other receivables is estimated by applying the general approach under IFRS9. The Group consider the historical loss rate and adjusted it to reflect the current situations and forecasts of future economic conditions, as appropriate, in calculating the expected credit loss rate. Other receivables relating to counterparties with significant doubt on collection are assessed individually for impairment allowance. As of 31 December 2022, 2023, 2024 and 30 September 2025, amounts of RMB773,000, RMB773,000, RMB1,134,000 and RMB1,134,000 were provided for the default other receivables for which the counterparty has individually credit risk, amounts of RMB17,558,000, RMB17,558,000, RMB17,558,000 and RMB17,558,000 were provided for the default other receivables for which the counterparties failed to make the demanded payments.

The movements in the loss allowance for impairment of other receivables are as follows:

### The Group

	31 December			30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of the year/period. . . . .	20,190	22,147	22,784	23,545
Impairment losses, net. . . . .	1,957	637	1,082	(1,256)
Disposal of a subsidiary . . . . .	—	—	(321)	—
At the end of the year/period . . . . .	<u>22,147</u>	<u>22,784</u>	<u>23,545</u>	<u>22,289</u>

### The Company

	31 December			30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of the year/period. . . . .	18,948	19,675	19,753	20,134
Impairment losses, net. . . . .	727	78	381	104
At the end of the year/period . . . . .	<u>19,675</u>	<u>19,753</u>	<u>20,134</u>	<u>20,238</u>

## 23. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

T e G. 2024

	A a 31 Dec e be. 2024			A a 30 Se e be. 2025
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and bank balances . . . . .	85,115	148,510	349,877	321,194
Less: restricted cash . . . . .	12,828	9,584	7,998	5,340
Cash and cash equivalents. . . . .	<u>72,287</u>	<u>138,926</u>	<u>341,879</u>	<u>315,854</u>
Denominated in				
RMB. . . . .	26,802	96,025	187,141	148,234
USD . . . . .	43,820	30,434	122,415	157,036
EUR . . . . .	1,484	12,280	32,292	10,570
GBP . . . . .	134	145	—	—
HKD. . . . .	47	42	31	14
	<u>72,287</u>	<u>138,926</u>	<u>341,879</u>	<u>315,854</u>

T e C. 2024

	A a 31 Dec e be. 2024			A a 30 Se e be. 2025
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and bank balances . . . . .	47,721	68,307	249,720	171,872
Less: restricted cash . . . . .	12,828	9,584	7,998	5,340
Cash and cash equivalents. . . . .	<u>34,893</u>	<u>58,723</u>	<u>241,722</u>	<u>166,532</u>
Denominated in				
RMB. . . . .	12,770	42,978	128,095	44,660
USD . . . . .	22,123	15,745	113,627	121,872
	<u>34,893</u>	<u>58,723</u>	<u>241,722</u>	<u>166,532</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and restricted cash are deposited with creditworthy banks with no recent history of default. As at 31 December 2022, 2023 and 2024 and 30 September 2025, the Group and the Company have assessed the credit risk of cash and cash equivalents, restricted cash to be minimal as they were placed in reputable financial institutions.

As at 30 September 2025, the restricted cash represented the balances restricted for the use of share repurchase and cash guaranteed for the use of issuing bank notes. As at 31 December 2024, the restricted cash represented the balances restricted for the use of share repurchase. As at 31 December 2023 and 2022, the restricted cash represented cash guaranteed for the use of issuing bank notes.

The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

#### 24. TRADE AND BILLS PAYABLES

The Group

	A a 31 Dec e be .			A a 30 Se e be .
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Bills payables				
Due to third parties . . . . .	42,207	36,631	—	17,621
Trade payables				
Due to third parties . . . . .	277,768	442,205	574,033	547,938
Due to related parties ( <i>note 37</i> ) . . . . .	11,409	7,044	5,883	5,547
Total . . . . .	<u>331,384</u>	<u>485,880</u>	<u>579,916</u>	<u>571,106</u>

An ageing analysis of the trade and bills payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	A a 31 Dec e be s			A a 30 Se e be s
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year .....				

An ageing analysis of the trade and bills payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	A a 31 Dec e be .			A a
				30 Se e be .
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year . . . . .	623,956	729,822	816,848	876,565
Over 1 year . . . . .	3,251	3,653	17,854	3,372
Total . . . . .	<u>627,207</u>	<u>733,475</u>	<u>834,702</u>	<u>879,937</u>

The trade payables are non-interest-bearing and are normally settled within 180 days upon receipt of the invoices. The fair value of trade and bills payables as at the end of each of the Relevant Periods approximated to their carrying amount due to their relatively short maturity terms.

## 25. OTHER PAYABLES AND ACCRUALS

### T e G .

	A a 31 Dec e be .			A a
				30 Se e be .
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Payroll payable . . . . .	17,363	16,721	16,193	16,232
Other tax payables . . . . .	2,293	2,838	3,559	3,967
Value-added tax payable . . . . .	28,109	31,064	27,213	21,630
Other payables . . . . .	5,327	6,072	22,903	8,486
Due to related parties ( <i>note 37</i> ) . . . . .	—	—	11	—
Accruals . . . . .	507	3,342	2,230	3,231
Restricted shares repurchase obligation* . . . . .	14,605	—	37,031	33,177
	<u>68,204</u>	<u>60,037</u>	<u>109,140</u>	<u>86,723</u>

T e C p a y

	A a 31 Dec e b e .			A a
				30 Se p e b e .
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Payroll payable . . . . .	1,112	1,039	1,087	1,098
Other tax payables . . . . .	365	578	794	725
Value-added tax payable . . . . .	13,280	13,466	7,652	12,121
Other payables . . . . .	2,893	3,935	20,420	4,880
Due to related parties . . . . .	—	—	11	—
Due to subsidiaries . . . . .	20,000	—	—	7,878
Accruals . . . . .	—	2,761	2,212	3,231
Restricted shares repurchase obligation* . . . . .	14,605	—	37,031	33,177
	<u>52,255</u>	<u>21,779</u>	<u>69,207</u>	<u>63,110</u>

Other payables are non-interest-bearing, unsecured and have no fixed terms of settlement.

\* Restricted shares repurchase obligation relates to the repurchase obligation subject by the Group to redeem the amounts received from employees participate in the restricted share incentive plan for the subscription of the restricted shares awarded to them at an approved subscription price. If the participated employees fail to meet the vesting condition and are not eligible to vest, the Group will repurchase the restricted shares from the incentive employees at an amounts equivalent to the amount received from the employees' subscription for the restricted shares granted, with an adjustment on the accumulated dividend paid between the grant date and the repurchased date.

## 26. CONTRACT LIABILITIES

T e G. r. 20

A a 31 Decce be. r		A a 30 Se. e be. r	
2022	2023	2024	2025
<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>

Advances received from customers for

_____	_____	_____	_____
<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>
_____	_____	_____	_____
<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

Contract liabilities mainly include advances received to deliver products. The changes in contract liabilities in the Relevant Periods were mainly due to the changes in advances received from customers.

## 27. INTEREST-BEARING BANK BORROWINGS

### T e G r o u p

	31 December, 2022			31 December, 2023			31 December, 2024			30 September, 2025		
	Effective Interest rate		RMB'000	Effective Interest rate		RMB'000	Effective Interest rate		RMB'000	Effective Interest rate		RMB'000
	(%)	Maturity		(%)	Maturity		(%)	Maturity		(%)	Maturity	
<b>C h i n e s e</b>												
Bank loans — unsecured . . . . .	3.10%-4.25%	2023	240,720	—	—	—	1.95%-3.20%	2025	122,606	1.95%-3.20%	2025-2026	348,181
Bank loans — secured . . . . .	3.10%-3.95%	2023	70,000	3.80%	2024	5,016	—	—	—	—	—	—
Discounted bill receivables . . . . .	—	—	—	—	—	—	1.30%-2.20%	2025	230,000	—	—	—
Subtotal . . . . .	—	—	310,720	—	—	5,016	—	—	352,606	—	—	348,181
<b>N o n - C h i n e s e</b>												
Bank loans — unsecured . . . . .	3.59%-4.25%	2024	60,000	—	—	—	—	—	—	—	—	—
Subtotal . . . . .	—	—	60,000	—	—	—	—	—	—	—	—	—
Total . . . . .	—	—	370,720	—	—	5,016	—	—	352,606	—	—	348,181

	A s a t 31 December			A s a t 30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Analysed into:				
Bank borrowings repayable:				
Within one year or on demand . . . . .	310,720	5,016	352,606	348,181
In the second year . . . . .	60,000	—	—	—
Total . . . . .	370,720	5,016	352,606	348,181

#### Notes:

- (i) All interest-bearing bank borrowings are denominated in RMB.
- (ii) As at 31 December 2022, the Group's interest-bearing bank borrowings with principal at RMB20,000,000 was guaranteed by trade receivables of subsidiaries due from the parent entity within the Group.
- (iii) As at 31 December 2022, the Group's interest-bearing bank borrowings with principal at RMB50,000,000 was guaranteed by letter of credit issued between the Company and its subsidiaries within the Group.
- (iv) As at 31 December 2023, the Group's interest-bearing bank borrowings with principal at RMB5,000,000 was guaranteed by a third party.

(v) As at 31 December 2024, the Group discounted certain bills received by the Company from its subsidiaries to a bank in exchange for cash.

**T e C** *pa y*

	31 Dece .be.,2022			31 Dece .be.,2023			31 Dece .be.,2024			30 Se .be.,2025		
	<i>Effective Interest rate</i>		<i>RMB'000</i>	<i>Effective Interest rate</i>		<i>RMB'000</i>	<i>Effective Interest rate</i>		<i>RMB'000</i>	<i>Effective Interest rate</i>		<i>RMB'000</i>
	(%)	<i>Maturity</i>		(%)	<i>Maturity</i>		(%)	<i>Maturity</i>		(%)	<i>Maturity</i>	
<b>C .</b>												
Bank loans — unsecured . . . . .	3.10%-3.70%	2023	190,672	—	—	—	1.95%-3.20%	2025	122,606	1.95%-3.20%	2025-2026	348,181
Bank loans — secured . . . . .	3.10%-3.95%	2023	70,000	—	—	—	—	—	—	—	—	—
Discounted bill receivables . . . . .			—	—	—	—	1.30%-2.20%	2025	230,000			—
Subtotal . . . . .			260,672			—			352,606			348,181
<b>N. .c .</b>												
Bank loans — unsecured . . . . .	3.59%-4.25%	2024	60,000	—	—	—	—	—	—	—	—	—
Subtotal . . . . .			60,000			—			—			—
Total . . . . .			320,672			—			352,606			348,181

	<b>A a 31 Dece .be.</b>			<b>A a 30 Se .be.</b>
	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>

Analysed into:

Bank borrowings repayable:

Within one year or on demand . . . . .	260,672	—	352,606	348,181
In the second year . . . . .	60,000	—	—	—
Total . . . . .	320,672	—	352,606	348,181

**28. DEFERRED INCOME**

T. e G. s. p.

A a 31 Decembrie			
_____	_____	_____	_____
_____	_____	_____	_____
<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>
_____	_____	_____	_____
<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

## 29. DEFERRED TAX

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

## Deferred tax assets

## The Group

	Lease liabilities		Lease liabilities		Lease liabilities		Lease liabilities	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022 . . . . .	9,147	27,778	3,784	13,741	959	250	393	56,052
Deferred tax credited/(charged) to profit or loss . . . . .	(3,012)	(9,706)	(1,425)	6,555	(640)	(250)	(393)	(8,871)
Deferred tax credited to other reserve . . . . .	—	—	—	—	39	—	—	39
Gross deferred tax assets at 31 December 2022. . . . .	<u>6,135</u>	<u>18,072</u>	<u>2,359</u>	<u>20,296</u>	<u>358</u>	<u>—</u>	<u>—</u>	<u>47,220</u>
At 1 January 2023 . . . . .	6,135	18,072	2,359	20,296	358	—	—	47,220
Deferred tax credited/(charged) to profit or loss . . . . .	(2,269)	1,952	1,318	15,293	(344)	—	—	15,950
Deferred tax credited to other reserve . . . . .	—	—	—	—	2	—	—	2
Gross deferred tax assets at 31 December 2023. . . . .	<u>3,866</u>	<u>20,024</u>	<u>3,677</u>	<u>35,589</u>	<u>16</u>	<u>—</u>	<u>—</u>	<u>63,172</u>
At 1 January 2024 . . . . .	3,866	20,024	3,677	35,589	16	—	—	63,172
Deferred tax credited/(charged) to profit or loss . . . . .	(1,717)	9,444	4,759	13,943	767	—	—	27,196
Deferred tax credited to other reserve . . . . .	—	—	—	—	(3)	—	—	(3)
Gross deferred tax assets at 31 December 2024. . . . .	<u>2,149</u>	<u>29,468</u>	<u>8,436</u>	<u>49,532</u>	<u>780</u>	<u>—</u>	<u>—</u>	<u>90,365</u>
At January 1, 2025 . . . . .	2,149	29,468	8,436	49,532	780	—	—	90,365
Deferred tax credited/(charged) to profit or loss . . . . .	(355)	(683)	1,411	(198)	(1,288)	—	—	(1,113)
Deferred tax credited to other reserve . . . . .	—	—	—	—	2,068	—	—	2,068
Gross deferred tax assets at 30 September 2025 . . . . .	<u>1,794</u>	<u>28,785</u>	<u>9,847</u>	<u>49,334</u>	<u>1,560</u>	<u>—</u>	<u>—</u>	<u>91,320</u>

*The Company*

	I n t e r n a t i o n a l F i n a n c i a l R e p o r t i n g S t a n d a r d s		L e a s e a c c o u n t a n t s' P r a c t i c e		P r o c e d u r e s		D e f e r r e d T a x	
	Lea s e a b l e	I n t e r n a t i o n a l F i n a n c i a l R e p o r t i n g S t a n d a r d s	L e a s e a c c o u n t a n t s' P r a c t i c e	S a m e-b a s e d	d e d u c t i o n	D e f e r r e d	T a	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022 . . . . .	8,537	26,887	3,781	4,904	959	250	392	45,710
Deferred tax credited/(charged) to profit or loss.	(5,251)	(10,993)	(1,429)	(4,904)	(640)	(250)	(392)	(23,859)
Deferred tax credited to other reserve . . . . .	—	—	—	—	39	—	—	39
Gross deferred tax assets at 31 December 2022 . . . . .	<u>3,286</u>	<u>15,894</u>	<u>2,352</u>	<u>—</u>	<u>358</u>	<u>—</u>	<u>—</u>	<u>21,890</u>
At 1 January 2023 . . . . .	3,286	15,894	2,352	—	358	—	—	21,890
Deferred tax credited/(charged) to profit or loss.	(1,017)	(371)	1,323	—	(344)	—	—	(409)
Deferred tax credited to other reserve . . . . .	—	—	—	—	2	—	—	2
Gross deferred tax assets at 31 December 2023 . . . . .	<u>2,269</u>	<u>15,523</u>	<u>3,675</u>	<u>—</u>	<u>16</u>	<u>—</u>	<u>—</u>	<u>21,483</u>
At 1 January 2024 . . . . .	2,269	15,523	3,675	—	16	—	—	21,483
Deferred tax credited/(charged) to profit or loss.	(856)	10,178	4,737	—	767	—	—	14,826
Deferred tax credited to other reserve . . . . .	—	—	—	—	(3)	—	—	(3)
Gross deferred tax assets at 31 December 2024 . . . . .	<u>1,413</u>	<u>25,701</u>	<u>8,412</u>	<u>—</u>	<u>780</u>	<u>—</u>	<u>—</u>	<u>36,306</u>
At January 1, 2025 . . . . .	1,413	25,701	8,412	—	780	—	—	36,306
Deferred tax credited/(charged) to profit or loss.	(900)	577	1,407	7,493	(1,288)	—	—	7,289
Deferred tax credited to other reserve . . . . .	—	—	—	—	2,068	—	—	2,068
Gross deferred tax assets at 30 September 2025 . . . . .	<u>513</u>	<u>26,278</u>	<u>9,819</u>	<u>7,493</u>	<u>1,560</u>	<u>—</u>	<u>—</u>	<u>45,663</u>



*The Company*

	RMB - f - e a e	F. a c e e a e e c e, a b e	T a
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2022 .....	8,537	—	8,537
Deferred tax credited to profit or loss .....	(5,251)	—	(5,251)
Gross deferred tax liabilities as at			
31 December 2022 .....	<u>3,286</u>	<u>—</u>	<u>3,286</u>
As at 1 January 2023 .....	3,286	—	3,286
Deferred tax credited to profit or loss .....	(1,392)	—	(1,392)
Gross deferred tax liabilities as at			
31 December 2023 .....	<u>1,894</u>	<u>—</u>	<u>1,894</u>
As at 1 January 2024 .....	1,894	—	1,894
Deferred tax credited to profit or loss .....	(729)	—	(729)
Gross deferred tax liabilities as at			
31 December 2024 .....	<u>1,165</u>	<u>—</u>	<u>1,165</u>
At 1 January 2025 .....	1,165	—	1,165
Deferred tax credited/(charged) to profit or loss .....	(1,165)	514	(651)
Gross deferred tax liabilities at			
30 September 2025 .....	<u>—</u>	<u>514</u>	<u>514</u>

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position of the Group and statements of financial position of the Company. The following is an analysis of the deferred tax balances as at the end of each of the Relevant Periods for financial reporting purposes:

**The Group**

	A a 31 Dec e b e .			A a
				30 S e p e b e .
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net deferred tax assets recognised in the consolidated statements of financial position . . . . .	41,085	59,564	88,410	89,704
Net deferred tax liabilities recognised in the consolidated statements of financial position . . . . .	20,969	27,309	19,243	18,284

**The Company**

	A a 31 Dec e b e .			A a
				30 S e p e b e .
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net deferred tax assets recognised in the statements of financial position . . . . .	18,604	19,589	35,140	45,149
Net deferred tax assets recognised in the statements of financial position . . . . .	—	—	—	—

Deferred tax assets have not been recognised in respect of the following items:

**The Group**

	A a 31 Dec e b e .			A a
				30 S e p e b e .
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Tax losses . . . . .	9,465	16,892	15,745	24,116
Deductible temporary differences . . . . .	528	3,165	18	38
	9,993	20,057	15,763	24,154

### 30. SHARE CAPITAL AND TREASURY SHARES

The Group and the Company

A summary of movements in the Group and the Company's share capital and treasury shares are as follows:

**31. RESERVES****T e G. r**

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity of the Historical Financial Information.

*Capital reserve*

The capital reserve of the Group includes:

- (i) The share premium arising from the excess of the net proceeds from issuance of shares of the Company over its par value;
- (ii) The share premium arising from the exercise of share options under the share option incentive plan, which represents the net proceeds from issuance of the Company's shares to the incentive employees over its par value;
- (iii) The transfer from treasury shares to capital reserve upon the exercise of restricted shares under the Restricted Share Incentive Plan;
- (iv) The share option and restricted share award compensation reserve due to equity-settled share-based payment transactions, details of which were set out in note 33 to the Historical Financial Information;
- (v) The deferred tax asset arising from the amount of the estimated future tax deduction exceeds the amount of the share-based cumulative remuneration expense;

*Statutory surplus reserve*

In accordance with the Company Law of the PRC, companies incorporated in Chinese Mainland 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 the companies' registered capital. The statutory surplus reserve can be used to offset accumulated losses or 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.

*Exchange fluctuation reserve*

The exchange fluctuation reserve represents foreign exchange differences arising from the translation of the financial statements of foreign operations entities which functional currency are different from the Group's presentation currency.

**T e C**

The amounts of the Company's reserves and the movements therein for the Relevant Periods and nine months ended 30 September 2024 are presented as follows:

**T e C****Year ended 31 December 2022**

	S a e e e e	S a e e e	R e a e d e f	T a
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2022 . . . . .	239,914	18,271	90,702	348,887
Total comprehensive income for				
the year . . . . .	—	—	41,498	41,498
Dividends . . . . .	—	—	(24,811)	(24,811)
Exercise of share options . . . . .	4,772	—	—	4,772
Exercise of restricted share units . . . . .	458	—	—	458
Transfer to share capital . . . . .	(54,731)	—	—	(54,731)
Transfer to statutory surplus reserves . . . . .	—	4,150	(4,150)	—
Share-based compensation expenses . . . . .	8,455	—	—	8,455
Others . . . . .	(1,055)	—	—	(1,055)
At 31 December 2022 . . . . .	<u>197,813</u>	<u>22,421</u>	<u>103,239</u>	<u>323,473</u>

## Year ended 31 December 2023

	S a e e e	S a y e e e	R e a e d f	T a
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023.....	197,813	22,421	103,239	323,473
Total comprehensive income for the year.....	—	—	1,246	1,246
Dividends.....	—	—	(25,890)	(25,890)
Capital contribution by shareholders..	571,722	—	—	571,722
Exercise of share options.....	11,360	—	—	11,360
Exercise of restricted share units.....	429	—	—	429
Transfer to statutory surplus reserves..	—	125	(125)	—
Share-based compensation expenses..	2,777	—	—	2,777
Others.....	(257)	—	—	(257)
At 31 December 2023.....	<u>783,844</u>	<u>22,546</u>	<u>78,470</u>	<u>884,860</u>

## Year ended 31 December 2024

	S a e e e	S a y e e e	R e a e d f	T a
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024.....	783,844	22,546	78,470	884,860
Total comprehensive income for the year.....	—	—	12,868	12,868
Dividends.....	—	—	(25,802)	(25,802)
Exercise of share options.....	2,774	—	—	2,774
Exercise of restricted share units.....	390	—	—	390
Transfer to reserves.....	—	1,287	(1,287)	—
Share-based compensation expenses..	11,118	—	—	11,118
At 31 December 2024.....	<u>798,126</u>	<u>23,833</u>	<u>64,249</u>	<u>886,208</u>

**Net assets as at 30 September 2025**

	S a a e e e e	S a a e e e e	R e a e d	T a
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025.....	798,126	23,833	64,249	886,208
Total comprehensive loss for the period .....	—	—	(27,777)	(27,777)
Dividends .....	—	—	(33,929)	(33,929)
Share-based compensation expenses ..	18,599	—	—	18,599
Shares issued and granted for restricted share incentive plan .....	5,734	—	—	5,734
Exercise of restricted shares .....	(11,226)	—	—	(11,226)
Exercise of share options .....	11,263	—	—	11,263
At 30 September 2025.....	<u>822,496</u>	<u>23,833</u>	<u>2,543</u>	<u>848,872</u>

**Net assets as at 30 September 2024 (Unaudited)**

	S a a e e e e	S a a e e e e	R e a e d	T a
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024.....	783,844	22,546	78,470	884,860
Total comprehensive income for the period .....	—	—	18,870	18,870
Dividends .....	—	—	(25,802)	(25,802)
Equity-settled share-based compensation expenses .....	5,539	—	—	5,539
Exercise of share options .....	2,774	—	—	2,774
At 30 September 2024.....	<u>792,157</u>	<u>22,546</u>	<u>71,538</u>	<u>886,241</u>

### 32. DEEMED DISPOSAL OF A SUBSIDIARY

In 2024, one investor increased its shareholding interest in Pinsu Zhilian, the then subsidiary of the Company, by making addition capital injection to Pinsu Zhilian. Upon the completion of the capital injection, the Group's interests in Pinsu Zhilian was diluted from 51% to 37.5%. Pinsu Zhilian was deemed disposed and subsequently the Group accounted the investment in Pinsu as an associate using equity method as the Group is assessed to have significant influence on the operations and finance of Pinsu Zhilian.

Analysis of assets and liabilities over which control was lost:

	<i>RMB'000</i>
Current assets . . . . .	7,855
Non-current assets . . . . .	Non-cu27.6164336
	_____
	_____
	_____
	=====

### 33. SHARE-BASED PAYMENTS

The Group adopted and approved several equity-settled share-based plans, including 2020 stock option incentive plan and 2020 restricted share award plan on 3 July 2020, and 2024 stock option incentive plan and 2024 restricted share award plan on 17 July 2024, pursuant to which share award will be granted for eligible employees of the Group in order to recognise their contributions to the growth and development of the Group and incentivize them to further promote the development of the Group.

The 2020 stock option incentive plan and 2024 stock option incentive plan are collectively referred as “Share Option Incentive Plan”, and 2020 restricted share plan and 2024 restricted share plan are collectively referred as “Restricted Share Incentive Plan”.

#### **Restricted Share Incentive Plan**

On 20 July 2020, 1 July 2024 and 10 June 2025, the Group granted 3,200,000 restricted share units (“RSU”), 3,510,000 RSUs and 500,000 RSUs of the Company, respectively, to eligible employees at a subscribed price of RMB12.09 per share, RMB10.55 per share and RMB22.84 per share, respectively.

The RSUs vest in several tranches commencing from the grant date. All granted RSUs shall be subject to both a performance-based condition and a service-based condition.

There are no cash settlement alternatives under the Restricted Share Incentive Plan. The Group accounts for the Restricted Share Incentive Plan as an equity-settled plan.

The granted shares of Restricted Share Incentive Plan are derived from the shares repurchased from

The following table summarises the movement of the Group's Restricted Share Incentive Plan during the Relevant Periods:

	Weighted average exercise price per share*	Number of restricted shares
	<i>RMB per share</i>	
At 1 January 2022 . . . . .	12.07	2,817,220
Granted during the year . . . . .	—	—
Vested during the year . . . . .	12.07	1,205,880
Forfeited during the year . . . . .	12.07	11,300
At 31 December 2022 . . . . .	<u>11.93</u>	<u>1,600,040</u>
Granted during the year . . . . .	—	—
Vested during the year . . . . .	9.08	1,580,280
Forfeited during the year . . . . .	9.08	19,760
At 31 December 2023 . . . . .	<u>—</u>	<u>—</u>
Granted during the year . . . . .	10.55	3,510,000
Vested during the year . . . . .	—	—
Forfeited during the year . . . . .	10.55	19,000
At 31 December 2024 . . . . .	<u>10.55</u>	<u>3,491,000</u>
Granted during the period . . . . .	22.84	500,000
Vested during the period . . . . .	10.55	1,392,000
Forfeited during the period . . . . .	10.55	24,200
At 30 September 2025 . . . . .	<u>12.97</u>	<u>2,574,800</u>

\* The exercise price of the restricted shares is subject to adjustment in the case of rights or bonus share issues, or other similar changes in the Company's share capital.

The weighted average remaining contractual life for the outstanding RSUs granted as at 31

**S\_t\_o\_c\_k\_O\_p\_t\_i\_o\_n\_I\_n\_c\_e\_n\_t\_i\_v\_e\_P\_l\_a\_n**

On 20 July 2020, 2 February 2021, 1 July 2024 and 10 June 2025, the Group granted 1,040,000 share options, 360,000 share options, 1,600,000 share options and 500,000 share options, respectively, to eligible employees at exercise price of RMB24.18 per share, RMB17.34 per share, RMB21.10 per share and RMB 45.67 per share, respectively.

These share options will be vested in several tranches commencing from the grant date and all share options granted under the Stock Option Incentive Plan shall be subject to both a performance-based condition and a service-based condition.

There are no cash settlement alternatives under the Stock Option Incentive Plan. The Group accounts for the Stock Option Incentive Plan as an equity-settled plan.

The fair value of the share options granted on 20 July 2020, 2 February 2021, 1 July 2024 and 10 June 2025 was estimated at RMB 3.37, RMB1.38, RMB2.10 and RMB6.96 per share, respectively. Fair value of the share options was determined under Black-Scholes Model.

Share-based payment expenses amounted to RMB743,000, RMB220,000, RMB986,000 and RMB2,036,000 was recognized by the Group during the years ended 31 December 2022, 2023 and 2024 and the nine months ended 30 September 2025, respectively.

The following table summarises the movement of the Group's Stock Option Incentive Plan during the Relevant Periods:

Weighted average exercise price*	Number of shares
_____	_____
=====	=====
_____	_____
=====	=====
_____	_____
=====	=====
_____	_____
=====	=====

The weighted average remaining contractual life for the outstanding share options granted as at 31 December 2022, 2023 and 2024 and 30 September 2025 was 0.67 year, 0.67 year, 1.33 years and 1.22 years, respectively.

The fair value of the share options at the grant date are estimated with the following key inputs:

	<u>20 J<sup>y</sup> 2020</u>	<u>2 Feb. 20<sup>y</sup> 2021</u>	<u>1 J<sup>y</sup> 2024</u>	<u>10 J<sup>u</sup> e 2025</u>
Fair value of the Company's A Shares (RMB per share) . . . . .	23.52	15.73	19.58	44.90
Expected volatility (%) . . . . .	22.28–23.94	21.47–25.39	20.78–23.18	30.54–34.11
Risk-free interest rate (%) . . . . .	<u>1.46–1.75</u>	<u>2.60–2.75</u>	<u>1.50–2.75</u>	<u>1.40–1.43</u>

### 34. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

#### (a) Non-cash additions and reductions

During the years ended 31 December 2022, 2023 and 2024 and the nine months ended 30 September 2025, the Group had non-cash additions of right-of-use assets and lease liabilities of RMB21,722,000, RMB1,217,000, RMB946,000 and RMB7,826,000, respectively, in respect of the Group's lease arrangements for buildings and premises.

During the years ended 31 December 2022, 2023 and 2024 and the nine months ended 30 September 2025, the Group had non-cash reductions of trade payables settled by endorsement of bills receivable of nil, RMB30,265,000, RMB75,876,000 and RMB145,319,000, respectively.

## (b) Carrying amount before acquisition

	Initial carrying amount	Lease liability	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2022.....	290,523	40,630	331,153
Changes from financing cash flow .....	68,069	(20,224)	47,845
New lease .....	—	21,722	21,722
Interest accretion.....	12,128	1,758	13,886
At December 2022 and 1 January 2023.....	<u>370,720</u>	<u>43,886</u>	<u>414,606</u>
Changes from financing cash flow .....	(372,672)	(19,968)	(392,640)
New lease .....	—	1,217	1,217
Interest accretion.....	6,968	1,676	8,644
Early termination of a lease .....	—	(1,041)	(1,041)
At 31 December 2023 and 1 January 2024 ..	<u>5,016</u>	<u>25,770</u>	<u>30,786</u>
Changes from financing cash flow .....	342,134	(16,539)	325,595
New lease .....	—	946	946
Interest accretion.....	5,456	841	6,297
Early termination of a lease .....	—	(1,009)	(1,009)
At 31 December 2024 and 1 January 2025 ..	<u>352,606</u>	<u>10,009</u>	<u>362,615</u>
Changes from financing cash flow .....	(11,401)	(8,049)	(19,450)
New lease .....	—	7,826	7,826
Interest accretion.....	6,976	372	7,348
At 30 September 2025.....	<u>348,181</u>	<u>10,158</u>	<u>358,339</u>
At 1 January 2024.....	5,016	25,770	30,786
Changes from financing cash flow (unaudited) .....	120,655	(13,784)	106,871
Early termination of a lease (unaudited) ...	—	(1,009)	(1,009)
New lease .....	—	946	946
Interest accretion (unaudited) .....	4,350	701	5,051
At 30 September 2024 (unaudited) .....	<u>130,021</u>	<u>12,624</u>	<u>142,645</u>

## (c) Total cash flows

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December			Not audited	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Within operating activities . . . . .	1,714	1,967	1,970	1,050	55
Within financing activities . . . . .	20,224	19,968	16,539	14,270	8,049
	<u>21,938</u>	<u>21,935</u>	<u>18,509</u>	<u>15,320</u>	<u>8,104</u>

## 35. PLEDGE OF ASSETS

At the end of each of the Relevant Periods, the Group's pledge of assets is included in notes 23 and 27 to the Historical Financial Information.

## 36. COMMITMENTS

The Group had no capital commitments at the end of each of the Relevant Periods.

## 37. 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.

## (a) Name and relationship

Name	Relationship
株式会社 MeiLink . . . . .	Joint Venture
LianDong Gezhi . . . . .	Joint Venture
ShuoGe Intelligent . . . . .	Associate
Pinsu Zhilian * . . . . .	Associate
Shenzhen Fenghuang Joint-Stock Cooperative Company (深圳市鳳 凰股份合作公司) (“Fenghuang Joint-Stock”) . . . . .	Ultimate controlling shareholder of Fenghuangshan Investment
Shenzhen Mingcheng Property Service Co., Ltd. (深圳市明成物 業服務有限公司) (“Mingcheng”).	Company controlled by Fenghuan Joint-Stock

Name

Re a . . . . .

Shenzhen Chuyue Emotional  
Catering Management Co., Ltd.  
(深圳市楚粤情懷餐飲管理有限公  
司) (“C. Y e”) . . . . .



- (a) Trade in nature, included in “Trade and bills receivables” and “Contract liabilities” in the consolidated statements of financial position.
- (b) Trade in nature, included in “Trade and bills receivables” and “Contract liabilities ” in the consolidated statements of financial position.
- (c) Trade in nature, included in “Trade and bills receivables” in the consolidated statements of financial position.
- (d) Trade in nature, included in “Prepayments, other receivables and other assets” and “Lease liabilities” in the consolidated statements of financial position.
- (e) Trade in nature, included in “Prepayments, other receivables and other assets” and “Lease liabilities” in the consolidated statements of financial position.
- (f) Trade in nature, included in “Prepayments, other receivables and other assets” and “Trade and bills payables” in the consolidated statements of financial position.
- (g) Trade in nature, included in “Other payables and accruals” in the consolidated statements of financial position.

(d) Compensation of key management personnel

	Year ended 31 December			Year ended
	2022	2023	2024	30 September
	RMB'000	RMB'000	RMB'000	RMB'000
Salaries, bonuses, allowances and benefits in kind . . . . .	4,884	5,152	5,439	2,424
Pension scheme contributions . . . . .	128	129	131	91
Equity-settled share-based payment expenses . . . . .	1,110	391	—	—
	<u>6,122</u>	<u>5,672</u>	<u>5,570</u>	<u>2,515</u>

Further details of directors' and the chief executive's remuneration are included in note 8 to the Historical Financial Information.

## 38. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each Relevant Periods were as follows:

## Financial assets

	A a 31 Dec e b e .			A a
				30 Se p e b e .
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at amortised cost:				
Trade and bills receivables . . . . .	420,301	659,426	1,016,069	761,422
Financial assets included in prepayments, other receivables and other assets.	190,450	156,059	162,171	261,201
Restricted cash . . . . .	12,828	9,584	7,998	5,340
Cash and cash equivalents . . . . .	72,287	138,926	341,879	315,854
Financial assets at FVOCI:				
Debt investments . . . . .	5,122	38,427	9,992	26,739
Financial assets at FVTPL:				
Equity investments . . . . .	198,875	234,246	189,971	176,137
	<u>899,863</u>	<u>1,236,668</u>	<u>1,728,080</u>	<u>1,546,693</u>

## Financial liabilities

	A a 31 Dec e b e .			A a
				30 Se p e b e .
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial liabilities at amortised cost:				
Trade and bills payables . . . . .	331,384	485,880	579,916	571,106
Financial liabilities included in other payables and accruals . . . . .	20,439	9,414	62,175	44,894
Lease liabilities . . . . .	43,886	25,770	10,009	10,158
Interest-bearing bank borrowings . . . . .	370,720	5,016	352,606	348,181
	<u>766,429</u>	<u>526,080</u>	<u>1,004,706</u>	<u>974,339</u>

**39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS**

Management has assessed that the fair values of cash and cash equivalents, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, trade and bills payables, financial liabilities included in other payables and accruals, and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance team headed by the chief finance controller or his/her designator is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance team reports directly to the head of finance. At each reporting date, the finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the head of finance.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for non-current portion of interest-bearing bank as at 31 December 2022 were assessed to be insignificant. Hence, the fair value of the non-current portion of interest-bearing bank and other borrowings is approximate to its carrying amount as at 31 December 2022.





Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at the end of each Relevant Periods:

**As at 31 December 2022**

	Valuation technique	Significant unobservable input	Rate	Sensitivity of fair value to change
Unlisted equity investments . . . . .	Valuation multiples	Average P/B multiple of peers	4.94	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB191,000
		Average P/S multiple of peers	6.36	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB314,000
		Discount for lack of marketability	37%	5% increase/decrease in discount would result in decrease/increase in fair value by RMB303,000

As at 31 December 2023

	Valuation multiple	Subjective multiple of peers	Rate	Sensitivity of fair value
Unlisted equity investments . . . . .	Valuation multiples	Average P/B multiple of peers	4.59	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB177,000
		Average P/S multiple of peers	6.74	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB488,000
		Average P/E multiple of peers	38.35	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB667,000
		Average P/RR multiple of peers	61.26	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB880,000
		Discount for lack of marketability	23% to 34%	5% increase/decrease in discount would result in decrease/increase in fair value by RMB957,000

**At 31 December 2024**

	Value equity	Share premium	Reserve	Share premium
Unlisted equity investments . . . . .	Valuation multiples2024P/Bultiples2024value6.39		5%	lue209(wouldultipT*[kres TD4.9(209(in

As at 30 September 2025

	Valuation multiple	Significant multiple of peers	Range	Sensitivity of fair value change
Unlisted equity investments . . . . .	Valuation multiples	Average P/B multiple of peers	10.36	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB1,435,000
		Average P/E multiple of peers	36.69	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB24,000
		Average P/RR multiple of peers	59.3 to 94.51	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB2,820,000
		Discount for lack of marketability	33% to 37%	5% increase/decrease in discount would result in decrease/increase in fair value by RMB2,561,000

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

#### **40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's principal financial instruments comprise interest-bearing bank borrowings, and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for

	I. c. 2024 / (dec. 2024) .. f. e. B. e. c. a. B. e .. a. e	Dec. 2024 / (.. c. 2024) .. .. f. a. f. e. a. /	(I. c. 2024) / dec. 2024 .. e. q. y
	%	RMB'000	RMB'000
If RMB weakens against the GBP. . . . .	5	6	6
If RMB strengthens against the GBP. . . . .	(5)	(6)	(6)
<b>Year ended 31 December 2024</b>			
If RMB weakens against the USD. . . . .	5	14	14
If RMB strengthens against the USD. . . . .	(5)	(14)	(14)
If RMB weakens against the EUR. . . . .	5	1,394	1,394
If RMB strengthens against the EUR. . . . .	(5)	(1,394)	(1,394)
If RMB weakens against the HKD . . . . .	5	1	1
If RMB strengthens against the HKD . . . . .	(5)	(1)	(1)
<b>Year ended 30 September 2025</b>			
If RMB weakens against the USD. . . . .	5	8,047	8,047
If RMB strengthens against the USD. . . . .	(5)	(8,047)	(8,047)
If RMB weakens against the EUR. . . . .	5	563	563
If RMB strengthens against the EUR. . . . .	(5)	(563)	(563)
If RMB weakens against the HKD . . . . .	5	1	1
If RMB strengthens against the HKD . . . . .	(5)	(1)	(1)

### *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. The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, restricted cash, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, with a maximum exposure equal to the carrying amounts of these instruments.

### *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 of the Relevant Periods.

The amounts presented are gross carrying amounts for financial assets.

## A 31 December 2022

	12-month ECL		Lifetime ECL		Total
	Stage 1	Stage 2	Stage 3	Stage 1 and 2	
	RMB'000	RMB'000	RMB'000	RMB'000	
Trade and bills receivables*	—	—	—	518,154	518,154
Debt investments at FVOCI	5,122	—	—	—	5,122
Financial assets included in prepayments, other receivables and other assets					
— Normal**	189,882	—	—	—	189,882
— Doubtful**	—	—	22,715	—	22,715
Restricted cash	12,828	—	—	—	12,828
Cash and cash equivalents	72,287	—	—	—	72,287
	<u>280,119</u>	<u>—</u>	<u>22,715</u>	<u>518,154</u>	<u>820,988</u>

## A 31 December 2023

	12-month ECL		Lifetime ECL		Total
	Stage 1	Stage 2	Stage 3	Stage 1 and 2	
	RMB'000	RMB'000	RMB'000	RMB'000	
Trade and bills receivables*	—	—	—	770,873	770,873
Debt investments at FVOCI	38,427	—	—	—	38,427
Financial assets included in prepayments, other receivables and other assets					
— Normal**	156,128	—	—	—	156,128
— Doubtful**	—	—	22,715	—	22,715
Restricted cash	9,584	—	—	—	9,584
Cash and cash equivalents	138,926	—	—	—	138,926
	<u>343,065</u>	<u>—</u>	<u>22,715</u>	<u>770,873</u>	<u>1,136,653</u>

## A 31 December 2024

	12-month ECL		Lifetime ECL		Total
	Stage 1	Stage 2	Stage 3	Stage 1 and 2	
	RMB'000	RMB'000	RMB'000	RMB'000	
Trade and bills receivables* . . . . .	—	—	—	1,119,878	1,119,878
Debt investments at FVOCI . . . . .	9,992	—	—	—	9,992
Financial assets included in prepayments, other receivables and other assets					
— Normal** . . . . .	163,002	—	—	—	163,002
— Doubtful** . . . . .	—	—	22,715	—	22,715
Restricted cash . . . . .	7,998	—	—	—	7,998
Cash and cash equivalents . . . . .	341,879	—	—	—	341,879
	<u>522,871</u>	<u>—</u>	<u>22,715</u>	<u>1,119,878</u>	<u>1,665,464</u>

## A 30 September 2025

	12-month ECL		Lifetime ECL		Total
	Stage 1	Stage 2	Stage 3	Stage 1 and 2	
	RMB'000	RMB'000	RMB'000	RMB'000	
Trade and bills receivables* . . . . .	—	—	—	860,191	860,191
Debt investments at FVOCI . . . . .	26,739	—	—	—	26,739
Financial assets included in prepayments, other receivables and other assets					
— Normal** . . . . .	259,513	—	—	—	259,513
— Doubtful** . . . . .	—	—	22,715	—	22,715
Restricted cash . . . . .	5,340	—	—	—	5,340
Cash and cash equivalents . . . . .	315,854	—	—	—	315,854
	<u>607,446</u>	<u>—</u>	<u>22,715</u>	<u>860,191</u>	<u>1,490,352</u>

- \* For trade and bills receivables at the end of each of the Relevant Periods, the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 20 to the Historical Financial Information.
  
- \*\* 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. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

### ***Liquidity risk***

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool.

**A 31 December 2023**

	<b>Lease liabilities</b>		
	<b>at 31 December</b>	<b>12 31 December</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade and bills payables . . . . .	485,880	—	485,880
Financial liabilities included in other payables and accruals . . . . .	9,414	—	9,414
Lease liabilities			31 December9
	<hr/>	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

*Capital management*

The primary objective of the Group's capital management is to ensure that it maintains a strong credit profile and healthy capital ratios in order to support its business and maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may 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 the debt-to-asset ratio, which is total liabilities divided by total assets. The debt-to-asset ratios as at the end of each of the Relevant Periods were as follows:

	A a 31 Dece be .			A a 30 Sepe be .
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Total liabilities . . . . .	906,452	664,929	1,192,444	1,169,340
Total assets . . . . .	1,726,703	2,144,722	2,759,557	2,850,665
Debt-to-asset ratio . . . . .	52%	31%	43%	41%

**41. TRANSFERS OF FINANCIAL ASSETS****(a) Trade receivables factored by the Group**

At 31 December 2022, 2023 and 2024 and 30 September 2025, the Group endorsed certain bills receivables accepted by banks in Chinese Mainland (the "Endorsed Bills") with a carrying amount of nil, RMB543,000, RMB1,315,000 and RMB 621,000 to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsees"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

(b) T a f e d f a c a a e . a a e d e c B e d . e . e . e y

## APPENDIX IIA      UNAUDITED PRO FORMA FINANCIAL INFORMATION

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 paragraph 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 September 2025 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 give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Global Offering been completed as at 30 September 2025 or at any future date.

Consolidated attributable net tangible assets as at 30 September 2025 RMB'000 (Note 1)	Adjusted consolidated net tangible assets as at 30 September 2025 RMB'000 (Note 2, 4)	Unadjusted consolidated net tangible assets as at 30 September 2025 RMB'000	Unadjusted consolidated net tangible assets as at 30 September 2025 RMB (Note 3)	Unadjusted consolidated net tangible assets as at 30 September 2025 HK\$ (Note 4)
Based on the maximum Offer				
Price of HK\$28.86 per				
Share. . . . .	1,576,597	839,362	2,415,959	8.14
			9.17	

Based on the maximum Offer

Price of HK\$28.86 per

Share. . . . . 1,576,597      839,362      2,415,959      8.14      9.17

**Notes:**

- (1) The consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2025 were equal to the Group's consolidated net assets attributable to owners of the Company as at 30 September 2025 of RMB1,681,325,000 after deducting of other intangible assets of RMB104,728,000 as at 30 September 2025 set out in the Accountants' Report in Appendix I in this prospectus.

- 
- 
- (2) The estimated net proceeds from the Global Offering are based on the Offer Price of HK\$28.86 per Share, after the deduction of the underwriting fees and commissions and other related expenses payable by the Company (excluding the listing expenses that have been charged to profit or loss during the Track Record Period).
  - (3) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is arrived at after adjustments referred to in the preceding paragraphs and on the basis that 296,756,700 Shares were in issue assuming the Global Offering and subsequent share cancellation have been completed on 30 September 2025.
  - (4) For the purpose of this unaudited pro forma statement of adjusted consolidated net tangible assets, the balances of amounts stated in Renminbi (“**RMB**”) are converted into Hong Kong dollars (“**HK\$**”) at an exchange rate of HK\$1.00 to RMB0.88787. No representation is made that the RMB amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.
  - (5) No other adjustment has been made to the unaudited pro forma adjusted consolidated net tangible asset of the Group to reflect any trading result or other transactions of the Group entered into subsequent to 30 September 2025.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

*The following is the text of a report received from our reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this*

---

## APPENDIX IIA    UNAUDITED PRO FORMA FINANCIAL INFORMATION

---

### Independence and objectivity

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.

### Responsibility

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.

---

## APPENDIX IIA    UNAUDITED PRO FORMA FINANCIAL INFORMATION

---

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.

**O**-----

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.

*Certified Public Accountants*

Hong Kong

27 February 2026

---

**APPENDIX IIB      PROFIT ESTIMATE FOR YEAR ENDED DECEMBER 31, 2025**

---

*The estimated consolidated profit attributable to owners of our Company for the year ended December 31, 2025 is set out in “Financial Information” in this document.*

**A. BASES**

Our Directors have prepared the estimate of the consolidated profit attributable to owners of our Company for the year ended December 31, 2025 (the “**P r o f i t E s t i m a t e**”) on the basis of (i) the audited consolidated results of our Group for the nine months ended September 30, 2025; and (ii) the unaudited consolidated results of our Group for the remaining three months ended December 31, 2025 based on the management accounts of our Group.

The Profit Estimate has been prepared on the basis of the accounting policies consistent in all material respects with those currently adopted by our Group as summarised in the Accountants’ Report as set out in Appendix I to this Prospectus.

**B. PROFIT ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2025**

On the basis set out in Appendix IIB to this Prospectus, and in the absence of unforeseen circumstances, we estimate that our unaudited consolidated profit attributable to owners of our Company for the year ended December 31, 2025 is as follows:

Estimated consolidated profit attributable to owners of our Company. . . . .	Not less than RMB140 million
---	------------------------------

## C. LETTER FROM THE REPORTING ACCOUNTANTS

*The following is the text of a letter, prepared for the inclusion in this Prospectus, received from our reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, in connection with the estimate of the consolidated profit attributable to owners of our Company for the year ended 31 December 2025.*



Ernst & Young  
27/F, One Taikoo Place  
979 King's Road  
Quarry Bay, Hong Kong

安永會計師事務所  
香港鰂魚涌英皇道979號  
太古坊一座27樓

Tel 電話: +852 2846 9888  
Fax 傳真: +852 2868 4432  
ey.com



**D. LETTER FROM THE SOLE SPONSOR**

*The following is the text of a letter prepared for inclusion in the Prospectus (as defined below) by the Sole Sponsor, in connection with the estimate of the consolidated profit attributable to the owners of the parent for the year ended December 31, 2025.*

February 27, 2026

The Board of Directors  
MeiG Smart Technology Co., Ltd. 美格智能技術股份有限公司

Dear Sirs,

We refer to the profit estimate of the consolidated profit attributable to owners of MeiG Smart Technology Co., Ltd. (the “**Company**”) for the year ended December 31, 2025 (the “**Profit Estimate**”) set forth in the section headed “Financial Information — Profit estimate for the year ended December 31, 2025” in the prospectus of the Company dated February 27, 2026 (the “**Prospectus**”).

The Profit Estimate, for which you as the Directors of the Company are solely responsible for, has been prepared by the Directors of the Company based on the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the nine months ended September 30, 2025 and the unaudited consolidated results based on the management accounts of the Group for the three months ended December 31, 2025.

We have discussed with you the bases made by the Directors of the Company as set forth in Part A of Appendix IIB to the Prospectus, upon which the Profit Estimate has been made. We have also considered, and relied upon, the letter dated February 27, 2026 addressed to you and us from Ernst & Young, the reporting accountants of the Company (the “**Reporting Accountants**”), regarding the accounting policies and calculations upon which the Profit Estimate has been made.

On the basis of the information comprising the Profit Estimate and on the basis of the accounting policies and calculations adopted by you and reviewed by the Reporting Accountants, we are of the opinion that the Profit Estimate, for which you as the Directors of the Company are solely responsible for, has been made after due and careful enquiry.

Yours faithfully,

For and on behalf of

**WANG Meibin**  
Director

Director

## **TAXATION OF SECURITY HOLDERS**

Income tax and capital gains tax of holders of the H shares is subject to the laws and practices of mainland China 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 changes or amendments to the relevant laws and policies and does not constitute any opinion or advice. The discussion does not address all possible tax consequences relating to an investment in the H shares, nor does

taxable income in full; if the holding period is more than one month but less than one year (inclusive), the dividend income shall be included in the taxable income at the rate of 50%; the aforesaid income shall be subject to individual income tax at a uniform rate of 20%.

Pursuant to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), or the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, executed on 21 August 2006, the government may impose tax on dividends paid by a company in mainland China 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 company in mainland China 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 company in mainland China. The Fifth Protocol to the Arrangement between the Mainland 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 (《國家稅務總局關於〈內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排〉第五議定書》), or the Fifth Protocol, issued by the SAT and effective on 6 December 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*

Pursuant to the EIT Law, lastly amended by the SCNPC and effective on 29 December 2018,

Pursuant to the Notice on the Issues Concerning Withholding the EIT on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the SAT and effective on 6 November 2008, a PRC resident enterprise is required to withhold EIT at a unified rate of 10% on dividends paid to non-PRC resident enterprise holders of H shares which are derived from profit generated since 2008. The Reply on the Collection of EIT on Dividends Received by Non-resident Enterprises from Holding B Shares and Other Shares (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》), promulgated by the SAT on 24 July 2009 and effective on the same day, further provides that PRC-resident enterprises listed on mainland China and overseas stock exchanges by issuing stocks must withhold EIT at a flat rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprise shareholders. Such tax rates may be further modified pursuant to the tax treaty or agreement that the PRC government has concluded with a relevant country or region, where applicable.

According to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the PRC government may impose tax on dividends paid by a mainland China 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 mainland China company. If a Hong Kong resident directly holds 25% or more of equity interest in a mainland China 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 mainland China company. The Fifth Protocol provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Pursuant to applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to a reduced rate under an applicable income tax treaty will be required to apply to the tax authorities in mainland China for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the mainland China tax authorities' verification.

***Tax Related to Share Transfer Income***

*Individual Investors*

Under the Individual Income Tax Law of the PRC, dividends distributed by a PRC resident enterprise to individual investors who are not PRC residents shall be subject to individual income tax at a rate of 20% on the amount received by the individual investors. Pursuant to the Notice on the Issues Concerning Withholding the EIT on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the SAT and effective on 6 November 2008, a PRC resident enterprise is required to withhold EIT at a unified rate of 10% on dividends paid to non-PRC resident enterprise holders of H shares which are derived from profit generated since 2008. The Reply on the Collection of EIT on Dividends Received by Non-resident Enterprises from Holding B Shares and Other Shares (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》), promulgated by the SAT on 24 July 2009 and effective on the same day, further provides that PRC-resident enterprises listed on mainland China and overseas stock exchanges by issuing stocks must withhold EIT at a flat rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprise shareholders. Such tax rates may be further modified pursuant to the tax treaty or agreement that the PRC government has concluded with a relevant country or region, where applicable.

1998 and effective on the same day, from 1 January 1997, income of individuals from the transfer of shares in listed companies continues to be temporarily exempted from individual income tax. The SAT does not specify whether to continue to exempt individuals from individual income tax on the income from the transfer of shares in listed companies in the newly revised EIT Law and Implementation Rules of the EIT Law.

### *Enterprise Investors*

Under the EIT Law and its implementation rules, a non-PRC resident enterprise is subject to EIT at the rate of 10% with respect to mainland China-sourced income, including gains derived from the disposal of shares in a mainland China resident enterprise, if it does not have an establishment or place of business in the mainland China or has an establishment or place of business in the mainland China but the mainland China-sourced income is not actually connected with such establishment or place of business in the mainland China. The aforementioned income tax payable by non-PRC resident enterprises is subject to source withholding, and the payer is the withholding agent. 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 under the applicable tax treaties or arrangements on the avoidance of double taxation.

### **S a B a - H K S c C e c T a a P c**

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《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》) promulgated by the MOF, the SAT and the CSRC on 31 October 2014 and effective on 17 November 2014, transfer spread income derived by enterprises in mainland China from stock investment listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall be included in their total income and subject to EIT according to law. For dividends and bonuses received by individual investors in mainland China from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the H-share companies shall apply to CSDCC for providing the register of individual investors in mainland China to the H-share companies and withhold individual income tax at the rate of 20% on behalf of the H-share companies.

Pursuant to the Announcement on the Continued Implementation of the Individual Income Tax Policies on the Inter-connected Mechanisms for Trading on the Shanghai and Hong Kong Stock Markets and for Trading on the Shenzhen and Hong Kong Stock Markets and on the Mutual Recognition of Funds between the Mainland and Hong Kong (《關於繼續執行滬港、深港、深喜 獵自譎

Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mainland-Hong Kong Mutual Recognition of Funds (《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》) which promulgated by the MOF, the SAT and the CSRC on 21 August 2023 and implemented on the same day, the transfer spread income derived by individual investors in mainland China from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall be exempted from individual income tax from 5 December 2019 to 31 December 2027.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《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》), dividends derived by enterprise investors in mainland China from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect are included in their total income and subject to EIT according to law. Pursuant to which, dividend income obtained by resident enterprises in mainland China from holding H shares for 12 consecutive months shall be exempted from EIT according to law. H-share companies shall not withhold income tax on dividends and bonus income for enterprise investors in mainland China. The tax payable shall be declared and paid by the enterprise itself.transincna.incna.onPurj/esda055306982-c303de15eb0cf(Related)-46ii46.d

Mainland-Hong Kong Mutual Recognition of Funds (《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》) which promulgated on 21 August 2023 and implemented on the same day, the transfer spread income derived by individual investors in mainland China from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect shall be exempted from individual income tax from 5 December 2019 to 31 December 2027.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《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》), dividends derived by enterprise investors in mainland China from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect are included in their total income and subject to EIT according to law. In particular, dividends and bonus income obtained by resident enterprises in mainland China from holding H shares for 12 consecutive months shall be exempted from EIT according to law. H-share companies shall not withhold income tax on dividends and bonus income for enterprise investors in mainland China. The tax payable shall be declared and paid by the enterprise itself.

#### **S a n d Y**

Pursuant to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》), which was promulgated by the SCNPC on 10 June 2021 and came into effect on 1 July 2022, the purchase and disposal of H shares by non-mainland China investors outside of mainland China are not subject to the requirements of the Stamp Duty Law of the PRC.

#### **E a e D Y**

Pursuant to the laws of mainland China, no estate duty is currently levied in mainland China.

### **MAJOR TAXATION OF OUR COMPANY IN MAINLAND CHINA**

#### **EIT**

According to the EIT Law, enterprises and other income-generating organizations (hereinafter collectively referred to as “e. e. s e”) within the territory of the mainland China are the taxpayers of EIT and shall pay EIT in accordance with the provisions of the EIT Law, and the EIT rate in the PRC is 25%.

Enterprises are classified into resident enterprises and non-resident enterprises. A non-resident enterprise that does not have an establishment or place of business in the mainland China, or has an establishment or place of business in the mainland China but the income has no



current account items. Foreign exchange income from the current account of enterprises in mainland China may be retained or sold to financial institutions engaged in the settlement and sale of foreign exchange in accordance with relevant provisions of the State. 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 the State.

Pursuant to the Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) promulgated by the PBOC on 20 June 1996 and became effective on 1 July 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.

Pursuant to relevant laws and regulations of the mainland China, mainland China enterprises (including foreign-invested enterprises) which require foreign exchange for transactions relating to current account items, may, without the approval of 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 their 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 Canceling and Adjusting a Group of Administrative Approval Items and Other Matters (《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 23 October 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.

Pursuant to the Circular of the SAFE on Relevant Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) promulgated by the SAFE on 26 December 2014 and effective on the same day, the relevant provisions on foreign exchange administration of domestic joint stock companies (hereinafter referred to as “domestic companies”) listed overseas are as follows:

- (i) The SAFE and its branches and the Foreign Exchange Management Department, or the Foreign Exchange Bureau, supervise, manage and inspect the business registration, account opening and use, cross-border income and expenditure, and capital exchange involved in the overseas listing of domestic companies.

- (ii) A domestic company shall, within 15 working days after the completion of the overseas listing and issuance, register the overseas listing with the Foreign Exchange Bureau at the place where it is registered with relevant material.
- (iii) A domestic company (other than banking financial institutions) shall, by virtue of its registration certificate for overseas listing business, open a “special foreign exchange account for overseas listing of domestic companies” with a domestic bank for its initial offering (or additional offering) and repurchase business to handle the remittance and transfer of funds for the relevant business.

According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of 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 on 13 February 2015 and effective on 1 June 2015, the SAFE has cancelled the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment, instead, banks shall directly examine and handle foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment, and the SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice of the State Administration of Foreign Exchange of the PRC on Revolutionize and Regulate Capital Account Settlement Management Policies (《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》) issued by the SAFE on 9 June 2016 and effective on the same day, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjustment by the SAFE in due time in accordance with international revenue and expenditure situations.

This Appendix summarizes certain aspects of the PRC laws and regulations which are relevant to our operations and business. Laws and regulations relating to taxation in the PRC are discussed separately in “Appendix III — Taxation and Foreign Exchange” to this document. This Appendix also contains a summary of laws and regulatory provisions of the Company Law of the PRC (《中華人民共和國公司法》) (the “**C**ompany **L**aw”). The principal objective of this summary is to provide potential investors with an overview of the principal laws and regulatory provisions applicable to our Company. This summary is not intended to include all the information that is important to potential investors. For a discussion of laws and regulations which are relevant to our Company’s business, please see “Regulatory Overview” in this document.

### The PRC Legal System

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the “**C**onstitution”) and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of departments of the State Council, rules and regulations of local governments, autonomous regulations, separate regulations of autonomous regions, special administrative region laws and international treaties and other regulatory documents signed by the PRC government. Court decisions do not constitute legally binding precedents, although they are used for the purposes of judicial reference and guidance.

Pursuant to the Constitution and the Legislation Law of the PRC (2023 Revision) (《中華人民共和國立法法(2023修正)》) (the “**L**egislation **L**aw”), the National People’s Congress of the PRC (the “**NPC**”) and the Standing Committee of the National People’s Congress of the PRC (the “**SCNPC**”) are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend the basic laws governing criminal and civil matters, State organs and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend 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 provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people’s congresses of cities divided into districts and their standing committees may formulate local regulations with respect to urban and rural construction and administration, ecological civilization construction, historical and cultural protection, grassroots governance and other aspects according to 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

Council and its ministries and commissions are also vested with the power to give interpretations of the administrative regulations and departmental rules which they have promulgated. At the regional level, the power to interpret regional laws and regulations is vested in the regional legislative and administrative authorities which promulgate such laws and regulations.

### **T h e P R C J u d i c i a l S y s t e m**

Under the Constitution, the Law of Organization of the People's Courts of the PRC (2018 revision) (《中華人民共和國人民法院組織法(2018修訂)》) and the Law of Organization of the People's Procuratorate of the PRC (2018 revision) (《中華人民共和國人民檢察院組織法(2018修訂)》), the people's courts of the PRC are classified into the Supreme People's Court, the local people's courts at various levels, and other special people's courts. The local people's courts at various levels are divided into three levels, namely, the primary people's courts, the intermediate people's courts and the higher people's courts. The primary people's courts may set up certain tribunals based on the status of the region, population and cases. The Supreme People's Court shall be the highest judicial organ of the state. 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 higher levels shall supervise the judicial work of the people's courts at lower levels. The people's procuratorates of the PRC are classified into the Supreme People's Procuratorate, local people's procuratorates at various levels, and specialized people's procuratorates such as the Military Procuratorate. The Supreme People's Procuratorate shall be the highest procuratorial organ. The Supreme People's Procuratorate shall direct the work of the local people's procuratorates at all levels and of the special people's procuratorates. The people's procuratorates at higher levels shall direct the work of those at lower levels.

The people's courts employ a two-instance trial system, and the 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 a local people's courts. The people's procuratorate 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 become 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 or the people's courts at the next higher level finds any definite errors in a legally effective final judgment or ruling of the people's court at a lower level, or if the president of a people's court finds any definite errors in a legally effective final judgment or ruling of such court, the case can be retried according to judicial supervision procedures.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (the “**Civil Procedure Law**”) adopted on April 9, 1991 and amended five times on October 28, 2007, August 31, 2012, June 27, 2017, December 24, 2021 and September 1, 2023 prescribes the conditions for instituting a civil action, the jurisdiction of the people’s courts, 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 comply with the relevant provisions of the Civil Procedure Law. Civil cases are generally heard by the courts where the defendants are located. The court of

provisions of international treaties to which the PRC is a signatory or in which the PRC is a participant or the principle of reciprocity, request recognition and enforcement by a foreign court. Similarly, where an effective judgment or ruling made by a foreign court needs to be recognized and enforced by the people's court of the PRC, unless the people's court considers that the recognition or enforcement of the judgment or ruling would violate the basic legal principles of the PRC, national sovereignty, national security or social and public interest, the parties involved may directly apply to an intermediate people's court of the PRC with jurisdiction for recognition and enforcement, or the foreign court may, in accordance with the provisions of international treaties entered into or acceded to by that country and the PRC or according to the principle of reciprocity, request the people's court to recognize and enforce it.

The Company Law of the PRC, the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Enterprises (《境内企业境外发行证券和上市管理试行办法》) (the “Overseas Listing Trial Measures”), and the Guidelines for the Articles of Association of Listed Companies

The Company Law was adopted by the SCNPC on December 29, 1993 and came into effect on July 1, 1994. It was successively amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023. The newly revised Company Law was implemented on July 1, 2024.

On February 17, 2023, the China Securities Regulatory Commission (the “CSRC”) promulgated the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Enterprises (《境内企业境外发行证券和上市管理试行办法》) (the “Overseas Listing Trial Measures”), which came into effect on March 31, 2023 and is applicable to direct and indirect overseas share subscription and listing of domestic companies, which also stipulates the filing administrative measures and regulatory requirements for the overseas securities offering and listing by domestic enterprises.

On March 28, 2025, the CSRC promulgated the latest amended Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) (the “Guidelines for the Articles of Association”). According to the Overseas Listing Trial Measures and its supporting guidelines, Guidelines for the Application of Regulatory Rules — Overseas Offering and Listing No. 1, domestic enterprises that are directly listed overseas shall formulate its Articles of Association with reference to the Guidelines for the Articles of Association and other relevant provisions of the CSRC on main provisions of the Company Law, the Overseas Listing Trial Measures and the Guidelines for the Articles of Association.

***General Provisions***

A joint stock limited company refers to an enterprise legal person incorporated under the Company Law with its registered capital divided into shares of equal par value. The liability of its shareholders is limited to the amount of shares held by them and the liability of a company is limited to the full value of all the property owned by it.

A company must conduct its business in accordance with laws and regulations as well as public and commercial ethics, be honest and trustworthy and accept the supervision of the government and the public. A company may invest in other companies. If it is prescribed by any law that a company shall not become a capital contributor that shall bear the joint and several liability for the debts of the enterprises it invests in, such provisions shall prevail.

***Incorporation***

A joint stock limited company may be incorporated by promotion or raising. A joint stock limited company shall be incorporated by a minimum of one but not more than 200 promoters, provided that at least more than half of the promoters must reside in mainland China. 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 raising, the promoters shall subscribed for not less than 35% of the total shares that shall be 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.

A prospectus shall be published, and a subscription letter shall be prepared when the promoters offer shares to the public. The subscriber shall fill in the number of shares subscribed for, amount and domicile and affix his/her signature or seal to the subscription letter. The subscriber shall make full payment for the shares subscribed for. Where a promoter is offering shares to the public, such an offer shall be underwritten by security companies established under the PRC laws, and an underwriting agreement shall be concluded thereon. A promoter offering shares to the public shall also enter into agreements with banks in relation to the receipt of subscription monies. The receiving banks shall receive and keep in custody the subscription monies, issue receipts to subscribers who have paid the subscription monies and furnish evidence of receipt of those subscription monies to relevant authorities. After the share capital for a public offering has been paid in full, a capital verification institution established under the PRC law must be engaged to conduct capital verification and furnish a certificate thereof. Where the shares to be issued have not been fully subscribed for at the time of the establishment of a company, or the

promoters fail to hold an establishment meeting within 30 days after the full payment has been made for the shares to be issued, subscribers may claim against the promoters for refund of the payment for shares plus the interest on the bank deposits for the same term. The promoters and subscribers may not withdraw their share capital after they have made payment for the shares or delivered non-monetary property as capital contributions, except that the shares have not been

*Increase In Share Capital*

Pursuant to the Company Law, an increase in the capital of a company by means of an issue

distribution to the shareholders, nor shall the shareholders be exempted from their obligation to pay the capital contribution or the share capital. If the registered capital is reduced in accordance with the aforesaid provisions, the item (iii) and item (iv) mentioned above shall not apply, but the resolution to reduce the registered capital shall be made by the shareholders' meeting within 30 days from the date of the announcement in the newspapers or on the National Enterprise Credit Information Publicity System. After a company reduces its registered capital in accordance with the provisions of the preceding paragraphs, it shall not distribute profits until the accumulated amount of statutory reserve and discretionary reserve reaches 50% of the company's registered capital.

When a company reduces its registered capital in violation of the provisions of the Company Law, its shareholders shall refund the funds they have received, and if the capital contributions of the shareholders are reduced or exempted, such capital contributions shall be restored to the original status; if any loss is caused to the company, the shareholders and the liable directors and senior management shall bear the liability for compensation.

#### *Repurchase of Shares*

Under the provisions of the Company Law, a company shall not repurchase its own shares except in the following circumstances: (i) reduction of the registered capital of the company; (ii) merger with another company that holds its shares; (iii) use of its shares for carrying out an employee stock ownership plan or equity incentive plan; (iv) request from shareholders who object to a resolution of a shareholders' meeting on merger or division of the company to acquire their shares by the company; (v) use of shares for conversion of convertible corporate bonds issued by the listed company; and (vi) it is necessary for a listed company to maintain its company value and protect its shareholders' equity.

A resolution of a shareholders' meeting is required for the repurchase of shares by a company under either of the circumstances stipulated in item (i) or item (ii) above; for a company's repurchase of shares under any of the circumstances stipulated in item (iii), item (v) or item (vi) above, a resolution of a meeting of the board of directors shall be made by more than two-thirds of directors attending the meeting according to the provisions of the company's articles of association or as authorized by the shareholders' meeting.

The shares acquired by the company according to the above provisions under the circumstance stipulated in item (i) hereof a company shall be deregistered within 10 days from the date of acquisition of shares; the shares shall be transferred or deregistered within six months if the repurchase of shares is made under the circumstances stipulated in either item (ii) or item (iv);

and the shares in the company held in total by the company after the repurchase of shares under any of the circumstances stipulated in item (iii), item (v) or item (vi) shall not exceed 10% of the company's total issued shares, and shall be transferred or deregistered within three years.

A company shall not accept its own shares as the subject matter of a mortgage.

No company may provide gifts, loans, guarantees or other financial aids for others to obtain the shares of the company or the parent company thereof unless it carries out an employee stock ownership plan. For the benefits of the company, the company may, upon a resolution by the shareholders' meeting or by the board of directors under the articles of association or the authorization of the shareholders' meeting, provide financial aids for others to obtain the shares of the company or the parent company thereof, provided that the total accumulative amount of the financial aids shall not exceed 10% of the total issued share capital. A resolution by the board of directors shall be adopted by two thirds of all the directors.

Any director or senior management who is liable for any loss to the company due to violation of the provisions of the preceding paragraph shall make compensation.

### *Transfer of Shares*

The shares held by the shareholder of a company may be transferred according to the law. Where the articles of association have any restriction on the transfer of shares, the transfer shall be carried out in accordance with the articles of association. Under the Company Law, a shareholder should affect a transfer of his shares on the stock exchange established in accordance with the law or by any other means as required by the State Council. The transfer of shares by a shareholder must be conducted by means of endorsement or by other means stipulated by laws or by administrative regulations. Following the transfer of shares, the company shall enter the names and domiciles of the transferee into its share register. The change of the register of members described in the preceding paragraph shall not be registered within 20 days before the convening of a shareholders' meeting or 5 days prior to the base date on which the company decides to distribute dividends. However, where it is otherwise provided for in any law, administrative regulation 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.

Pursuant to the Company Law, shares of the company issued prior to the public issue of shares may not be transferred within one year of the date of the company's listing on the stock exchange. Where it is otherwise provided for in any law, administrative regulation 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. 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 they hold of the company. They shall not transfer the shares they hold within one year of the date of the company's listing on the stock exchange, nor within six months after they leave their positions in the company. The articles of association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors and the senior management.

Where the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledge may not exercise the pledge right within such restricted period.

### ***Shareholders***

Pursuant to the Company Law and the Guidelines for Articles of Association, the rights of shareholders include the rights: (i) to be legally entitled to assets income, participate in significant decision-making and select management personnel; (ii) to petition the people's court to revoke any resolution of a shareholders' meeting or a meeting of the board of directors that has been convened or whose voting has been conducted in violation of the laws, administrative regulations or the articles of association of the company, or any resolution the contents of which is in violation of the laws, administrative regulations or the articles of association of the company, provided that such petition shall be submitted to the people's court within 60 days of the passing of such resolution; (iii) to transfer his/her shares legally; (iv) to attend or appoint a proxy to attend shareholders' meeting and exercise the voting rights; (v) to inspect and copy the articles of association of the company, share register, the minutes of shareholders' meeting, board resolutions, resolutions of the audit committee and the financial and accounting reports, and to make suggestions or inquiries in respect of the company's operations; (vi) to receive dividends in respect of the number of shares held; (vii) to participate in the distribution of residual properties of the company in proportion to their shareholdings upon the liquidation of the company; and (viii) any other shareholders' rights conferred by laws, administrative regulations and the articles of association.

The obligations of shareholders include the obligation to abide by the articles of association of the company, to pay the subscription monies in respect of the shares subscribed for, to be liable for the company's responsibilities in respect of the shares taken up by them and any other shareholder obligation specified in the articles of association of the company.

*Shareholders' meeting*

The shareholders' meeting is the organ of authority of the company, which exercises its powers in accordance with the Company Law. The shareholders' meeting may exercise its powers: (i) to elect or replace the directors and to decide on their remunerations; (ii) to consider and approve the reports of the board of directors; (iii) to consider and approve the company's profit distribution and loss recovery proposals; (iv) to decide on any increase or reduction of the company's registered capital; (v) to decide on the issue of corporate bonds; (vi) to decide on merger, division, dissolution and liquidation of the company or change of its corporate form; (vii) to amend the articles of association of the company; and (viii) to exercise any other authority stipulated in the articles of association of the company.

The shareholders' meeting may authorize the board of directors to make resolutions on the issuance of corporate bonds.

Pursuant to the Company Law and the Guidelines for Articles of Association, annual shareholders' meeting is required to be held once a year within six months after the end of the previous accounting year. An interim shareholders' meeting is required to be held within two months upon the occurrence of any of the following: (i) the number of directors is less than the number required by the law or less than two-thirds of the number specified in the articles of association of the company; (ii) the total outstanding losses of the company amounted to one-third of the company's total capital stock; (iii) shareholders individually or in aggregate holding 10% or more of the company's shares request to convene an interim shareholders' meeting; (iv) the board of directors deems necessary; (v) the audit committee so proposes; or (vi) any other circumstances as provided for in the articles of associations of the company.

Shareholders' meeting shall be convened by the board of directors and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or is not performing his or her duties, the meeting shall be presided over by the vice chairman. If the vice chairman is incapable of performing or is not performing his or her duties, a director jointly recommended by more than half of directors shall preside over the meeting. If the board of directors is unable to or fails to perform its duty of convening the shareholders' meeting, the audit committee shall convene and preside over such meeting in a timely manner; if the audit committee fails to convene and preside over such meeting, shareholders who individually or jointly hold more than 10% of the company's shares for more than 90 consecutive days may independently convene and preside over such meeting. If the shareholders who individually or jointly hold more than 10% of the shares of the company request to convene an interim shareholders' meeting, the board of directors and the audit committee shall, within 10 days after the receipt of such request, decide whether to hold an interim shareholders' meeting and reply to the shareholders in writing.

In accordance with the Company Law, a notice stating the time and venue of the meeting and the matters to be considered at the meeting shall be given to all shareholders 20 days before the meeting if the shareholders' meeting is convened. Notice of the interim shareholders' meeting shall be given to all shareholders 15 days before the meeting. Shareholders who individually or jointly hold more than one percent of the shares of the company may submit an interim proposal in writing to the board of directors ten days before the shareholders' meeting is held. The board of

*Board of Directors*

A joint stock limited company shall have a board. However, a joint stock limited company with a relatively small scale or relatively small number of shareholders may dispense with the board of directors and have one director to exercise the functions and powers of the board of directors as prescribed by the Company Law. If the board of directors of a company has more than three members, it may include an employees' representative of the company. The employees' representatives in the board of directors shall be democratically elected by the employees through the employees' representative congress, employees' congress or by other means.

The term of office of directors shall be provided for by the articles of association, but each term of office shall not exceed three years. Directors may serve consecutive terms if re-elected.

Under the Company Law, the board of directors may exercise the following powers: (i) to convene shareholders' meeting and report on its work to the shareholders' meeting; (ii) to implement the resolutions passed by the shareholders at the shareholders' meeting; (iii) to decide on the company's operational plans and investment proposals; (iv) to formulate the company's proposals for profit distribution and for recovery of losses; (v) to formulate proposals for the increase or reduction of the company's registered capital and the issue of corporate bonds; (vi) to formulate proposals for the merger, division, dissolution of the company or change in the form of the company; (vii) to decide on the setup of the company's internal management organs; (viii) to decide on appointment or dismissal the manager of the company and his/her remuneration matters, and as nominated by the manager, to decide on appointment or dismissal the company's deputy general manager and financial officer and his/her remuneration matters; (ix) to formulate the company's basic management system; and (x) other authority stipulated in the articles of association or granted by the shareholders' meeting.

Any restrictions on the functions and powers of the board of directors set out in the articles of association may not be asserted against any bona fide third party.

Under the Company Law, a company may, under the articles of association, set up an audit committee composed of directors in the board of directors, which shall exercise the functions and powers of the board of supervisors. The audit committee shall be composed of at least 3 members, and more than half of the members shall not assume any position other than the director in the company and shall not have any relationship with the company that may affect their independent and objective judgments. Among the members of the board of directors of the company, an employee's representative may become a member of the audit committee. A resolution made by the audit committee shall be adopted by more than half of the members thereof. For voting on a resolution of the audit committee, each member shall have one vote. The discussion methods and

voting procedures of the audit committee shall be prescribed in the articles of association, unless it is otherwise provided under the Company Law. A company may set up other committees in the board of directors under the articles of association.

Meeting of the board of directors shall be convened at least twice a year. Notice of meeting shall be given to all directors and audit committee members 10 days before the meeting. Interim board meeting may be proposed to be convened by shareholders representing more than one-tenth of the voting rights, more than one-third of the directors or the audit committee. The chairman shall convene the meeting within 10 days of receiving such proposal, and preside over the board meeting. The board of directors may otherwise determine the method of giving notice and notice period for convening an interim meeting of the board of directors.

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 at the meetings, which shall be signed by the directors present.

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 any law, administrative regulation, article of association or resolution of the shareholders' meeting and causes any 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 a resolution and such objection has been recorded in the minutes, he/she may be exempted from liability.

Under the Company Law, the following person may not serve as a director of the company: (i) devoid of or with restricted civil conduct ability; (ii) within five years after serving sentence for embezzlement, bribery, infringement or misappropriation of property, or for jeopardizing socialist market economic order, or within five years after serving sentence and being deprived of political rights for crime; within two years after being pronounced for suspension of sentence since the expiration of the suspension of sentence; (iii) within three years after insolvency and liquidation of such company or enterprise where the person acted as a director, factory manager or business manager and has been held accountable for the insolvency; (iv) within three years after company or enterprise the person acted as legal representative is revoked business license and

ordered to shut down for violating law on which the person is held accountable; and (v) being listed as a dishonest person subject to enforcement by the people's court due to large amount of unliquidated mature debts.

Where a company elects or appoints a director to which any of the above circumstances applies, such election, appointment or designation shall be invalid. A director to which any of the above circumstances apply during his/her term of office shall be released of his/her duties by the company.

In addition, the Guidelines for Articles of Association further stipulates other circumstances under which a person is disqualified from acting as a director of a company, including: (i) a person who has been banned from the securities market by the CSRC where the relevant period remains unexpired; or (ii) a person who is banned from doing so in accordance with other laws, administrative regulations or departmental rules.

Under the Company Law, the Board shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman shall be elected with approval of more than half of all the directors. The chairman shall convene and preside over board meeting and review the implementation of board resolutions. The vice chairman shall assist the chairman to perform his/her duties. Where the chairman is incapable of performing or is not performing his/her duties, the duties shall be performed by the vice chairman. Where the vice chairman is incapable of performing or is not performing his/her duties, a director nominated by more than half of the directors shall perform his/her duties.

#### ***The Audit Committee***

Under the Company Law, where a joint stock limited company does not have the board of supervisor, the audit committee shall be composed of at least 3 members, and more than half of the members shall not assume any position other than the director in the company and shall not have any relationship with the company that may affect their independent and objective judgments.

Among the members of the board of directors of the company, an employee's representative may become a member of the audit committee. A resolution made by the audit committee shall be adopted by more than half of the members thereof. For voting on a resolution of the audit committee, each member shall have one vote. The discussion methods and voting procedures of the audit committee shall be prescribed in the articles of association, unless it is otherwise provided for by the Company Law. A company may set up other committees in the board of directors under the articles of association.

***Manager and Senior Management***

Pursuant to the relevant provisions of the Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager shall be responsible for the board of directors and exercise his/her functions and powers according to the articles of association or the authorization of the board of directors. The manager shall attend the meeting of the board of directors as a non-voting member.

According to the relevant provisions of the Company Law, senior management refers to the manager, deputy manager, financial officer, secretary to the board of directors of a listed company and other personnel as stipulated in the articles of association.

***Duties of Directors, General Managers and Other Senior Management***

Directors and senior management shall comply with laws, administrative regulations and the articles of association.

Directors and senior management shall assume the obligation of loyalty to the company and take measures to avoid conflict between their own interests and those of the company and may not seek any improper interest by taking advantage of their powers. The directors and senior management 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.

The provisions of the preceding paragraphs shall apply to the controlling shareholder or actual controller of a company who does not serve as a director but actually executes the affairs of the company.

In the meantime, directors and senior management are prohibited from: (i) embezzling the property or misappropriating the funds of the company; (ii) depositing company funds into accounts under their own names or the names of other individuals; (iii) giving bribes or accepting any other illegal proceeds by taking advantage of his/her power; (iv) accept commissions from transactions between others and the company for their own benefits; (v) unauthorized divulgence of confidential information of the company; and (vi) other acts in violation of their duty of loyalty to the company.

A director or senior management who contravenes laws, administrative regulations or articles of association in the performance of his/her duties resulting in any loss to the company shall be liable to the company for compensation.

Where a director or senior management is required to attend a shareholders' meeting, such director or senior management shall attend the meeting and answer the inquiries from shareholders. The audit committee may demand the directors or senior management to submit reports on the performance of their duties. The directors and senior management shall truthfully provide relevant information and materials to the audit committee, none of them may impede the exercise of powers by the audit committee or audit committee members.

Where the directors and senior management violate laws, administrative regulations or the articles of association in performance of duties to the company, thereby causing damages to the company, the shareholders individually or jointly holding more than 1% of the shares in the company for more than 180 consecutive days may request in writing the audit committee to initiate proceedings in the people's court.

Upon receipt of shareholders' written request stipulated in the preceding paragraph, if the audit committee or the board of directors refuses to file a lawsuit or does not file a lawsuit within 30 days from receipt of such request, or in the event of emergency where the interest of the company will suffer irreparable damages if lawsuit is not filed immediately, the shareholders stipulated in the preceding paragraph shall have the right to file a lawsuit directly with the people's court in their own name for the interest of the company. For other parties who infringe the lawful interests of the company resulting in loss to the company, the aforementioned shareholder(s) may institute litigation at a people's court in accordance with the procedure described above. Where any director or senior management violates the provisions of laws, administrative regulations or the articles of association, damaging interests of shareholders, the shareholders may file a lawsuit with the people's court.

If a director or senior management of a wholly-owned subsidiary of the company violate laws, administrative regulations or the articles of association in performance of duties to the company, thereby causing damages to the company, or if the legitimate rights and interests of a wholly-owned subsidiary of the company are impaired by any other person, thus causing any losses, the shareholders of a limited liability company or shareholders of a joint stock limited company individually and jointly holding 1% or more of the total shares of the company for 180 consecutive days or more may request the audit committee or the board of directors of the wholly-owned subsidiary in written form to initiate a lawsuit in the people's court or directly files a lawsuit with the people's court in their own name.

### ***Finance, Accounting and Profit Distribution***

According to the Company Law, a company shall establish its own financial and accounting systems according to the laws, administrative regulations and the regulations of the financial departments of the State Council. A company shall prepare its financial reports at the end of each accounting year which shall be audited by an accounting firm according to the law. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial departments of the State Council. The company's financial and accounting reports shall be made available for shareholders' inspection at the company within 20 days before the convening of an annual shareholder's meeting. A joint stock limited company that makes public stock offerings shall announce its financial and accounting reports.

When distributing each year's after-tax profits, the company shall set aside 10% of its after-tax profits for the company's statutory common reserve fund. However, when the cumulative amount of the reserve fund has reached more than 50% of the PRC company's registered capital, it may no longer be allocated. When the company's statutory common reserve fund is not sufficient to make up for the company's losses for the previous years, the current year's profits shall first be used to make up the losses before any allocation is set aside for the statutory common reserve fund. After the company has made allocations to the statutory common reserve fund from its after-tax profits, it may, upon passing a resolution at a shareholders' meeting, make further allocations from its after-tax profits to the discretionary common reserve fund. After the company has made up its losses and made allocations to its discretionary common reserve fund, the remaining after-tax profits shall be distributed to shareholders in proportion to the number of shares held by the shareholders, except for those which are not distributed in a proportionate manner as provided by the articles of association. Profits shall not be distributed for a company's shares held by this company.

Where a company distributes profits to shareholders in violation of the relevant provisions of the Company Law, the shareholders shall refund the profits distributed to the company, and the shareholders and the liable directors and senior management shall be held liable for compensation

The premiums received by a 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 items required by the financial 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 increasing the registered 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.

The company shall have no accounting books other than the statutory books. The company's funds shall not be deposited in any account opened under the name of an individual.

After a company reduces its registered capital in accordance with the provisions of the Company Law, it shall not distribute profits until the accumulated amount of statutory reserve and discretionary reserve reaches 50% of the company's registered capital.

#### ***Appointment and Dismissal of Auditors***

Pursuant to the Company Law, the appointment or dismissal of an accounting firm responsible for the auditing of the company shall be determined by shareholders at a shareholders' meeting, the board of directors and the audit committee in accordance with the articles of association. The accounting firm should be allowed to make representations when the shareholders' meeting, the board of directors and the audit committee conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or misrepresentation of information.

#### ***Amendment to Articles of Association***

Pursuant to Company Law, the resolution of a shareholders' meeting regarding any amendment to a company's articles of association requires affirmative votes by at least two-thirds of the votes held by shareholders attending the meeting. According to the Guidelines for the Articles of Association, if the amendments to the articles of association approved by the resolution

of the shareholder's meeting of shareholders are subject to approval by the competent authority, they must be reported to the competent authority for approval; if they involve company registration matters, the modification registrations shall be handled according to law. Where the amendments to the articles of association belong to information required to be disclosed by laws and regulations, such amendments shall be announced in accordance with the regulations.

### ***Profit Distribution***

Where a company distributes profits to shareholders in violation of the provisions of the Company Law, the shareholders shall refund the profits distributed to the company, and the shareholders, directors, supervisors, and senior management personnel who are responsible for causing losses to the company shall bear compensation liability.

### ***Dissolution and Liquidation***

Pursuant to Company Law, a company shall be dissolved for any of the following reasons: (i) upon expiry of term of business stipulated in the articles of association or occurrence of other circumstances of dissolution stipulated in the articles of association; (ii) the shareholders' meeting has resolved to dissolve the company; (iii) the company is dissolved by reason of its merger or division; (iv) the business license of the company is revoked or the company is ordered to close down or to be dissolved in accordance with the laws; or (v) where the company encounters serious difficulties in its operations or management that will lead to significant losses to the benefits of the shareholders if the company continues its existence and the situation cannot be resolved by other means, the company is dissolved by a people's court in response to the request of shareholders representing 10% or more of the voting rights of all shareholders of the company.

If any of the situations mentioned in the preceding paragraph arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

Where a company falls under the circumstances mentioned in items (i) or (ii) of the paragraph above and it has not distributed the assets to its shareholders yet, it may survive by modifying its articles of association or upon a resolution of the shareholders' meeting.

To modify its articles of association or make a resolution of the shareholders' meeting according to the provisions of the preceding paragraph, the consent of two thirds or more of the voting rights of the shareholders who attend the meeting of the shareholders' meeting is required.

Where the company is dissolved under the circumstances set forth in item (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' 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 committee may exercise following powers during the liquidation: (i) to verify the Company's assets and to prepare a balance sheet and an inventory of assets; (ii) to inform creditors by notice or announcement; (iii) to deal with and settle any outstanding business of relevant company; (iv) to pay all outstanding taxes and the taxes arising during the liquidation process; (v) to settle claims and debts; (vi) to distribute the company's remaining assets after its

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 causes 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' 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, during the period of survival, a company has not incurred any debts or has paid off all the debts, the company may, upon the commitment of all the shareholders, be deregistered under the summary procedures according to the relevant provisions. The deregistration of a company under the summary procedures shall be announced through the National Enterprise Credit Information Publicity System for a period of no less than 20 days. If there is no objection after the expiry of the announcement period, the company may apply for deregistration of the company with the company registration authority within 20 days.

For a company deregistered under the summary procedures, its shareholders shall be jointly and severally liable for the debts incurred before the deregistration if they have made an untrue commitment.

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. Such deregistration of a company will not affect the liability of the original shareholders or liquidation obligors.

## *Overseas Listing*

According to the Overseas Listing Trial Measures, the securities refer to stocks, depositary receipts, and corporate bonds that can be converted into stocks or other securities of an equity nature that are directly or indirectly offered and listed overseas by domestic enterprises. The direct overseas offering and listing of domestic enterprises refer to such overseas offering and listing of a joint stock limited company incorporated in the territory of mainland China. The indirect overseas offering and listing of domestic companies refer to such overseas offering and listing made in the name of an offshore entity but based on the equity, assets, earnings, or other similar rights of a domestic company that operates its main business domestically.

The Overseas Listing Trial Measures also provide the conditions for overseas offering and listing. An overseas offering and listing are prohibited under any of the following circumstances: (i) the listing and financing fall under specific prohibition in the laws, administrative regulations, and relevant national provisions; (ii) the overseas offering and listing may constitute endangerment to national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company and its controlling shareholder(s), actual controllers, have a criminal record in recent three years for corruption, bribery, encroachment of assets, misappropriation of assets, or disruption of socialist market economy order; (iv) the domestic company is under investigation according to law for suspected crimes or major violations of laws and regulations, but no clear conclusions have been reached; (v) there are material ownership disputes over the equities held by the controlling shareholders or the shareholders whose actions are controlled by the controlling shareholders or actual controllers.

In addition, under the Overseas Listing Trial Measures, where a domestic company from mainland China submits an application for initial public offering to competent overseas regulators or overseas stock exchanges, such issuer must file with the CSRC within three business days after such application is submitted.

In the event of the occurrence of any of the following material events after the overseas offering and listing, the domestic companies from mainland China shall make a detailed report to the CSRC within three working days after the occurrence and public announcement of the relevant event: (i) change of control; (ii) being subject to investigation, punishment, or other measures by overseas securities regulatory authorities or the relevant competent authorities; (iii) change of the listing status or transfer of listing board; (iv) voluntary or compulsory termination of listing.

Pursuant to the Provisions on Strengthening the Confidentiality and Archives Administration Concerning the Overseas Securities Offering and Listing by Domestic Enterprises(《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》s

Ministry of Finance, the National Administration of State Secrets Protection and the National Archives Administration on February 24, 2023 and implemented since March 31, 2023, a domestic enterprise that provides or through its overseas listed entity, publicly discloses or provides to relevant individuals or entities including securities companies, securities service providers and overseas regulators, any document and materials that contain state secrets or working secrets of government agencies, shall first obtain approval from competent authorities according to law, and files with the secrecy administrative department at the same level. A domestic enterprise that provides accounting archives or copies of accounting archives to any entities including securities companies, securities service providers and overseas regulators and individuals shall fulfill due procedures in compliance with applicable national regulations.

### *Merger and Division*

Pursuant to the Company Law, a merger agreement shall be signed by merging companies and the companies involved shall prepare respective balance sheets and inventory of assets. The companies shall within 10 days of the date of passing the resolution approving the merger notify their respective creditors and publicly announce the merger in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. A creditor may, within 30 days of receipt of the notification, or within 45 days of the date of the announcement if he has not received the notification, request the company to settle any outstanding debts or provide relevant guarantees. In case of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the new company.

In case of a division, the company's assets shall be divided, and a balance sheet and an inventory of assets shall be prepared. When a resolution regarding the company's division is approved, the company should notify all its creditors within 10 days of the date of passing such resolution and publicly announce the division in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. The liabilities of the company which have accrued prior to the division shall be jointly borne by the separated companies, unless otherwise stipulated in the agreement in writing entered into by the company with creditors in respect of the settlement of debts prior to division.

### **The PRC Securities Law, Regulations and Regulatory Measures**

The PRC has promulgated a series of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and 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 CSRC. The CSRC is the regulatory executive body of the Securities Committee and is responsible for the drafting of regulatory provisions governing securities markets, supervising securities companies, regulating public offerings of securities by the PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the above two departments and reformed the CSRC.

On April 22, 1993, the State Council promulgated the Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》) governing the application and approval procedures for public offerings of shares, issuance of and trading in shares, the acquisition of listed companies, deposit, clearing, and transfer of shares, the disclosure of information, investigation, penalties and dispute resolutions with respect to a listed company.

The Securities Law of the PRC (《中華人民共和國證券法》) (the “**Securities Law**”) took effect on July 1, 1999, and was revised as of August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014, and December 28, 2019, respectively. The latest revised Securities Law took effect on March 1, 2020. The Securities Law is the first national securities law in the PRC, comprehensively regulating activities in the PRC securities market. It is divided into 14 chapters and 226 articles, including the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies, and the responsibilities of the securities registration and settlement institutions and securities regulatory authorities. Article 224 of the Securities Law provides that domestic enterprises issuing shares overseas directly or indirectly or listing their shares overseas shall comply with the relevant provisions of the State Council. Currently, the issue and trading of foreign-issued securities (including shares) are principally governed by the regulations and rules promulgated by the State Council and CSRC.

## **A. b. . a . . . a. d E. f. . ce e . . f A. b. . a Awa. d**

The Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the “**A. b. . a . . . Law**”) was enacted by the SCNPC on August 31, 1994, which became effective on September 1, 1995, and was amended on August 27, 2009, and September 1, 2017. The Arbitration Law is applicable to, among other matters, economic disputes involving foreign parties where all parties had entered into a written agreement to resolve disputes by arbitration before an arbitration committee constituted in accordance with the Arbitration Law. The Arbitration Law provides that an arbitration committee may, before the promulgation of arbitration regulations by the Arbitration Association, formulate interim arbitration rules in accordance with the Arbitration Law and the Civil Procedure Law. Where the parties have agreed to settle disputes by means of arbitration, a people’s court will refuse to handle a legal proceeding initiated by one of the parties at such people’s court unless the arbitration agreement is invalid.

Under the Arbitration Law and Civil Procedure Law, an arbitral award shall be final and binding on the parties involved in the arbitration. If any party fails to comply with the arbitral award, the other party to the award may apply to a people’s court for its enforcement. A people’s court may refuse to enforce an arbitral award made by an arbitration commission if there is any

The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the “New York Convention”) adopted on June 10, 1958, pursuant to a resolution passed by the SCNPC on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by other parties thereto subject to their rights to refuse recognition and enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of that state. At the time of the PRC’s accession to the New York Convention, the SCNPC declared that (i) the PRC would only apply the New York Convention to the recognition and enforcement of arbitral awards made in the territories of other parties based on the principle of reciprocity; and (ii) the New York Convention will only be applied to disputes deemed under the PRC laws to be arising from contractual or non-contractual mercantile legal relations.

An agreement has been reached between Hong Kong and the Supreme People’s Court of the PRC for the mutual enforcement of arbitral awards. On June 18, 1999, the Supreme People’s Court of the PRC adopted the Arrangement on Mutual Enforcement of Arbitral Awards between Mainland and Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的安排》), which became effective on February 1, 2000. The Supreme People’s Court of the PRC issued the Supplementary Arrangements on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《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》) on November 26, 2020, which went into effect on November 27, 2020. The arrangements reflect the spirit of the New York Convention. Pursuant to the arrangements, awards made by the PRC arbitral authorities acknowledged by Hong Kong arbitration rules can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in mainland China. Where a court of the mainland China finds that enforcement in the mainland China of the ruling made by the Hong Kong arbitral authority will violate public interests of the mainland China, execution of the ruling may be ignored.

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

The shares of the Company shall be issued in an open, fair and equal manner. Each share of the same class shall rank *pari passu* with each other. Shares of a class in each issuance shall be issued under the same terms and at the same price. Each of the shares shall be subscribed for at the same price by any entity or individual.

### INCREASE, DECREASE, REPURCHASE AND TRANSFER OF SHARES

#### **I n c r e a s e a n d D e c r e a s e o f S h a r e s**

According to the operation and development needs of the Company, subject to the laws and regulations, the Company may increase the capital by the following ways upon approval of resolutions at the Shareholders' general meeting:

- (i) Public issuance of shares;
- (ii) Non-public issuance of shares;
- (iii) Distribution of bonus shares to existing shareholders;
- (iv) Converting the reserve funds into share capital;
- (v) Other means approved by the laws, administrative regulations or approved by the CSRC.

Our Company may decrease our registered share capital and shall comply with the procedures stipulated in the Company Law of the PRC and the Articles of Association.

#### **R e p u r c h a s e o f S h a r e s**

Company shall not to repurchase its own shares, unless otherwise under the circumstances:

- (i) Reduce our Company's registered capital;
- (ii) Merger with other companies which hold our shares;

- (iii) Using the shares as an employee stock ownership plan or equity incentive plan;
- (iv) Purchasing its shares from Shareholders who have voted against the resolutions on the merger or division of the Company at a Shareholders' general meeting upon their request;
- (v) Use of shares for conversion of convertible corporate bonds issued by the Company;
- (vi) Necessary for the Company to maintain its value and protect the interests of the shareholders.

If the share repurchase is made under the circumstances stipulated in (iii), (v) or (vi) above, it shall be conducted by way of open centralized trading.

A resolution shall be passed at the Shareholders' general meeting when the Company is to repurchase its own shares under the circumstances (i) and (ii) set out above. In case of the circumstances stipulated in (iii), (v) and (vi) above, a resolution of the Company's Board shall be passed by more than two-thirds of the Directors attending the Board meeting. After the Company has repurchased its own shares in accordance with the circumstances above, the shares so repurchased shall be canceled within ten days from the date of purchase (under the circumstance set out in (i) above), or shall be transferred or canceled within six months (under the circumstances set out in (ii) and (iv) above). If the Company repurchases its shares under the circumstances set out in (iii), (v) and (vi) above, the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or canceled within three years.

#### **T a f e o f S a e**

Shares of the Company that were issued prior to a public issue shall not be transferred within one year from the date on which shares of the Company are listed and traded on the stock exchange.

The Directors and senior management of the Company shall notify the Company of their holdings of shares in the Company and the changes therein. The shares transferrable by them during each year of their tenures shall not exceed 25% of their total holdings of shares in the Company. The shares in the Company held by them shall not be transferred within one year from the date on which the Company's shares are listed for trading. The shares in the Company held by them shall not be transferred within half a year from their departure from the Company. Where the listing rules of the place where the Company's shares are listed provide otherwise in respect of the restrictions on the transfer, such rules shall prevail.

Any gains from the sale of Company's shares or other securities with an equity nature by the Directors and senior management members or shareholders holding 5% or more of the Company's shares within six months after their purchase of the same, and any gains from the purchase of the shares or other securities with an equity nature by any of the aforesaid parties within six months after sale of the same shall be disgorged and paid to the Company, and the Board of Directors of the Company shall be responsible for recovering such gains from the abovementioned parties. However, the six-month time limit as set out above shall not apply to a securities company which holds 5% or more of the Company's shares as a result of its undertaking of the untaken shares in an offer, nor to other circumstances specified by the China Securities Regulatory Commission (CSRC).

Shares or other securities with the nature of equity held by Directors, senior management members and individual shareholders as mentioned in the preceding paragraph include shares or other securities with the nature of equity held by their spouses, parents or children, or held by them by using other people's accounts.

If the Board of Directors of the Company fails to comply with the above paragraph of this Article, the Shareholders are entitled to request the Board of Directors to do so within 30 days. If the Board of Directors of the Company fails to comply within the aforesaid period, the Shareholders are entitled to initiate litigation directly in the People's Court in their own names for the interest of the Company. And if the Board of Directors fails to implement the provisions set forth in this Article, the responsible Directors shall bear joint and several liability in accordance with law.

## **SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETINGS**

### **S a g e d e s**

The Company shall make a register of shareholders in accordance with evidentiary documents provided by the securities registration authorities. The register of Shareholders is sufficient evidence to prove that the Shareholders hold the Company's Shares. The original register of Shareholders of overseas listed foreign shares listed in Hong Kong is kept in Hong Kong and is available for inspection by Shareholders, but the Company may suspend the registration of Shareholders in accordance with applicable laws and regulations and the securities regulatory rules of the place where the Company's Shares are listed. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

The rights of our shareholders are as follows:

- (i) To receive distribution of dividends and other forms of benefits according to the number of shares held;
- (ii) To legally require, convene, preside over, participate in or authorize proxies of Shareholders to attend the General Meeting and exercise corresponding voting rights;
- (iii) To supervise operational activities of our Company, provide suggestions or submit queries;
- (iv) To transfer, grant and pledge the Company's shares held according to the provisions of the laws, administrative regulations and the Articles of Association;
- (v) To read the Articles of Association, the list of Shareholders, General Meeting minutes, resolutions of meetings of the Board of Directors and financial and accounting reports; Shareholders who meet the prescribed requirements may examine the Company's accounting books and vouchers;
- (vi) To participate in the distribution of the remaining assets of our Company according to the proportion of shares held upon our termination or liquidation;
- (vii) To require our Company to acquire the shares from Shareholders voting against any resolutions adopted at the General Meeting concerning the merger and division of the Company;
- (viii) Other rights conferred by laws, administrative regulations, regulations of the authorities, regulatory rules where our Company's shares are listed, or the Articles of Association.

Where any Shareholder demands to read the relevant information or obtain any of the aforesaid materials, he shall submit to the Company written documents proving the class(es) and number of shares he holds. The Company shall provide the relevant information or materials in accordance with the Shareholder's demand after verifying the Shareholder's identity.

In the event that any resolution of the Shareholders' general meeting or resolution of the Board of Directors violates laws or administrative regulations, the Shareholder is entitled to request the People's Court to deem it as invalid. In the event that the convening procedure or voting method of the Shareholders' general meeting or the Board meeting violates any of laws,

administrative regulations or the Articles of Association, or any resolution of which violates the Articles of Association, the Shareholder is entitled to request the People's Court to overturn the resolution within 60 days upon the resolution was adopted.

The obligations of Shareholders are as follows:

- (i) To abide by laws, administrative regulations and the Articles of Association;
- (ii) To provide Share capital according to the Shares subscribed for and Share participation methods;
- (iii) Not to return Shares unless prescribed otherwise in laws and administrative regulations;
- (iv) Not to abuse Shareholders' rights to infringe upon the interests of the Company or other Shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of Shareholders to damage the interests of the Company's creditors;
- (v) To perform other duties prescribed in laws, administrative regulations and the Articles of Association.

Any company Shareholder who abuses Shareholders' rights and causes the Company or other Shareholders to suffer a loss shall be liable for making compensation in accordance with the law. Any Shareholder who abuses the status of the Company as an independent legal entity or the limited liability of Shareholders to evade debts and seriously damages the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

In the event of any loss caused to our Company as a result of violation of any laws, administrative regulations or Articles of Association by the Directors or senior management outside the Audit Committee when performing their duties in our Company, the Shareholders holding more than 1% shares separately or jointly for over 180 consecutive days may submit a written request to the Audit Committee to file an action with the people's court. Where members of the Audit Committee violate laws, administrative regulations or the Articles of Association in their duty performance and cause loss to our Company, the Shareholders may submit a written request to the Board of Directors to file an action with the people's court.

In the event that the Audit Committee or the Board of Directors refuse to file an action upon receipt of the Shareholders' written request specified in the preceding paragraph, or fail to file an action within 30 days upon receipt thereof, or in the event that the failure to immediately file an

action in an emergency case will cause irreparable damage to the interests of our Company, the Shareholder(s) specified in the preceding paragraph may, in their own name, directly file an action to the court for the interest of our Company.

In the event of any other person infringes upon the legitimate rights and interests of our Company and causes losses thereto, the shareholder(s) specified in this Articles of Association may file an action with the court pursuant to the provisions of the preceding two paragraphs.

In the event of a director or senior management person violates laws, administrative regulations or our Company's Articles of Association, thereby damaging the interests of the Shareholder(s), the Shareholder(s) may file an action with the court.

The controlling Shareholders and actual controllers of the Company shall not use their connected relationship to damage the legitimate interests of the Company; those who violate Articles of Association and cause losses to the Company shall be liable for compensation.

Controlling Shareholders and ultimate controllers of the Company shall have a duty of care to the Company and public shareholders. Controlling Shareholders shall exercise their investors'

- (vi) To decide on matters such as merger, division, dissolution and liquidation or change of corporate form of the Company;
- (vii) To amend the Articles of Association;
- (viii) Resolution on appointment and dismissal of an accounting firm by the Company;
- (ix) To examine and approve the provision of guarantees stipulated in Article 45;
- (x) To examine matters relating to the purchases and disposals of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;
- (xi) To examine and approve matters relating to changes in the use of proceeds;
- (xii) To examine and approve the equity incentive plans and employee stock ownership plans;
- (xiii) To examine and approve connected transactions between the Company and its connected persons where the transaction amount exceeds RMB 30 million, and such amount represents 5% or more of the absolute value of the Company's most recently audited net assets; (Excluded transactions: r guaranons: C66er0476 TD[((xi))-721.5(T)69.8(o)-362.8(examine)-362.8

(ii) Any guarantee to be provided after the total amount of external guarantees provided by

- (vi) Other circumstances conferred by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

#### **C. . . e . . B . f S . a . e . . de . s ' Ge . e . a Mee . . B**

Shareholders who individually or collectively hold more than 10% of the shares of the Company shall have the right to request the Board of Directors to convene an extraordinary general meeting, and shall submit such request in writing to the Board of Directors. The Board of Directors shall in accordance with the provisions of laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, provide written feedback on whether or not to convene the extraordinary general meeting within 10 days after receiving the request.

Where the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days after the resolution of the Board of Directors is made, and changes to the original request in the notice shall be subject to the consent of the relevant shareholders. Where the Board of Directors does not agree to convene an extraordinary general meeting, or fails to give feedback within 10 days after receiving the request, shareholders who individually or collectively hold more than 10% of the Company's shares have the right to propose to the Audit Committee to hold an extraordinary general meeting, and shall make a written request to the Audit Committee.

Where the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days of receiving the request, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. Where the Audit Committee fails to issue a notice of the general meeting within the prescribed time limit, it shall be deemed that the Audit Committee has not convened and presided over the general meeting, and shareholders who individually or collectively hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over it on their own.

Where the Audit Committee or shareholders decide to convene an extraordinary general meeting, the Board of Directors shall convene and preside over it within 48 days after receiving the request.

reporting, announcement, or filing, and submit relevant supporting documents to the stock exchange. When issuing the notice of the general meeting and the announcement of the resolutions of the Shareholders' general meeting.

The expenses necessary for the Shareholders' general meeting convened by the Audit Committee or the shareholders themselves shall be borne by the Company.

#### **Notice of Shareholders' General Meeting**

The notice of a Shareholders' general meeting includes the following:

- (i) The time, place and duration of the meeting;
- (ii) The matters and proposals to be discussed at the meeting;
- (iii) In plain language: all Shareholders have the right to attend the general meeting of shareholders, and may entrust a proxy in writing to attend the meeting and vote. Such a proxy does not need to be a shareholder of the Company;
- (iv) The shareholding registration date of the Shareholders entitled to attend the general meeting;
- (v) name and telephone number of the permanent contact person for conference affairs;
- (vi) The convener of the meeting;
- (vii) The voting time and procedures for voting by network or other means.

The notice of the General Meeting and the supplementary notice shall fully and completely disclose all the specific contents of all proposals. The start time of voting by network or other means at the General Meeting shall not be earlier than 3:00 p.m. on the day before the on-site General Meeting, nor later than 9:30 a.m. on the day of the on-site General Meeting, and the end time shall not be earlier than 3:00 p.m. on the day of the on-site General Meeting.

The convener shall notify all Shareholders by way of announcement 21 days prior to the convening of the annual general meeting, and each Shareholder shall be notified by way of announcement 15 days prior to the convening of the extraordinary general meeting.

The interval between the equity registration date and the meeting date shall be no more than 7 working days. Once the equity registration date is confirmed, it cannot be changed.

**P. 3. a a S. a. e. e. ' G. e. a Mee .. B**

The Board of Directors, the Audit Committee and Shareholders who individually or jointly hold more than 1% of the shares of the Company shall have the right to put forward proposals to the Company. Shareholders who individually or collectively hold more than 1% of the shares of

## **V. The Shareholders' General Meeting**

The resolutions of the Shareholders' meeting divided into ordinary resolutions and special resolutions. An ordinary resolution at a shareholders' general meeting shall be passed by more than half of the voting rights held by the shareholders present at the shareholders' general meeting. A special resolution at a shareholders' general meeting shall be passed by at least two-thirds of the voting rights held by the shareholders present at the shareholders' general meeting.

Shareholders shall exercise voting rights based on the number of shares with voting rights held by them, and each share shall be entitled to one vote.

Where material issues affecting the interests of minority shareholders are considered at the shareholders' general meeting, the votes of minority shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

The shares held by the Company shall have no voting right, and shall not be included in the total number of shares with voting rights of shareholders present at the shareholders' general meeting. If a shareholder purchases shares with voting rights of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the shareholders' general meeting for thirty-six months after the purchase.

If any shareholder, under applicable laws and regulations and Hong Kong Listing Rules, is required to abstain from voting on any particular matter being considered or is restricted to voting only for or only against any particular matter being considered, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

The Board of Directors, independent Directors, shareholders holding more than one per cent of the shares with voting rights or investor protection agencies established in accordance with laws, administrative regulations or the provisions of the CSRC as the solicit person. The Company shall not impose minimum shareholding restrictions on the solicitation of voting rights.

The resolution of the General Meeting includes ordinary resolution and special resolution. The following matters shall be approved by the General Meeting through ordinary resolutions:

- (i) Work report of the Board of Directors;
- (ii) Plans of earnings distribution and loss make-up schemes drafted by the Board of Directors;

- (iii) Appointment or dismissal of the members of the Board of Directors and their payment and payment methods;
- (iv) Matters concerning the change of the purpose of the raised capital;
- (v) Engagement or dismissal of the accounting firm;
- (vi) Other matters other than those approved by special resolution stipulated in the laws, administrative regulations, securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association.

The following matters shall be approved by special resolution at the General Meeting:

- (i) The increase or reduction of the registered capital of the Company;
- (ii) The division, spin-off, merger, dissolution and liquidation of the Company or change of company form;
- (iii) Any amendment to the Articles of Association;
- (iv) Purchase or sale of significant assets within a year or provision of external guarantees which exceeds 30% of the Company's audited total assets for the latest period;
- (v) Share option incentive plan;
- (vi) Variations in the rights attached to any class of shares;
- (vii) Other matters as required by the laws, administrative regulations, other securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association, and matters approved by ordinary resolution of the General Meeting which are believed could materially affect our Company and need to be approved by special resolution.

## **DIRECTORS AND BOARD OF DIRECTORS**

### **Director**

Directors' term of office shall be three years. Upon expiration of the term, the Director may be re-elected. Director can be senior management personnel. However, provided that the total

- (ix) Other fiduciary obligations stipulated in laws, administrative regulations, departmental rules and the Articles of Association.

The income obtained by the director in violation of the above article shall belong to the Company; If losses are caused to the Company, it shall be liable for compensation.

Directors shall abide by laws, administrative regulations and the Articles of Association, and have the following diligent obligations to the Company:

- (i) Shall prudently, earnestly and diligently exercise the powers the Company grants to them to ensure that the Company conducts its commercial activities in a manner that complies with the requirements of state laws, administrative regulations and government economic policies, and that the Company's commercial activities do not go beyond the scope of the business activities stipulated in the Company's business license;
- (ii) Shall treat all Shareholders fairly;
- (iii) Shall maintain a timely awareness of the operation and management of the Company;
- (iv) Shall sign written statements confirming the regular reports of the Company, and ensure that the information disclosed by the Company is true, accurate and complete;
- (v) Shall provide information and materials to the Audit Committee and shall not obstruct the Audit Committee from performing its or their duties;
- (vi) Other obligations of diligence stipulated in the laws, administrative regulations, departmental rules, other securities regulatory rules of the place where the Company's Shares are listed, and Articles of Association.

The fiduciary duty assumed by the Directors shall not be automatically relieved upon the end of the term of office.

Without the provisions of the Articles of Association or the lawful authorization of the Board of Directors, no Director shall act in his own name on behalf of the Company or the Board of Directors. When a Director acts in his/her own name, the Director shall declare his/her position and identity in advance if the third party reasonably believes that the Director is acting on behalf of the Company or the Board of Directors.

C a r a

dismissal of the Company's vice general manager, chief financial officer and other senior management and on their compensation and incentives/disincentives based on the nominations by the general manager;

- (x) Set the basic management systems of our Company;
- (xi) Make the modification plan to the Articles of Association;
- (xii) Manage the disclosure of company information;
- (xiii) Request to the general meeting of shareholders to hire or replace the accounting firm auditing for the company;
- (xiv) Attend to the work report of our Company's general manager and review the work of the general manager;
- (xv) Other powers and duties authorized by the laws, administrative regulations, regulations of the authorities, the Articles of Association and the shareholders' meeting.

Meetings of the Board of Directors shall be attended by more than one-half of the Directors before the Board of Directors meeting can be convened.

The Board of Directors shall determine the authority of external investment, acquisition and sale of assets, asset mortgage, external guarantee matters, entrusted financial management, connected transactions, external donations, and establish strict review and decision-making procedures; major investment projects shall be reviewed by relevant experts and professionals and reported to the shareholders' meeting for approval.

If any Director has connection with the enterprise involved in the resolution made at a Board meeting, the said Director shall not vote on the said resolution for himself/herself or on behalf of another Director. The Board meeting may be held when more than half of the non-connected Directors attend the meeting. The resolution of the Board meeting shall be passed by more than half of the non-connected Directors. If the nu4evf

**Special Committees of the Board**

The special committees shall be responsible to the Board of Directors, and perform their duties according to the Articles of Association and the authorization granted by the Board of Directors.

**Secretary/Managerial Members**

The Company shall have a Secretary to the Board of Directors, who shall be responsible for the preparation of the shareholders' general meeting and Board meeting, the custody of documents, the management of the shareholders' records, handling of information disclosure and investor relations, and other relevant matters. The Secretary to the Board of Directors shall comply with the relevant provisions of the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Our Company has one general manager, appointed or dismissed by the Board of Directors. The general manager of our Company is responsible to the Board of Directors and exercises the following powers:

- (i) To be in charge of the Company's production, operation and management, and to organize and implement the resolutions of the Board of Directors and report on works to the Board of Directors;
- (ii) To organize and implement the Company's annual business plan and investment proposals;
- (iii) To draft plans for the establishment of the Company's internal management organizations;
- (iv) To draft the Company's basic management system;
- (v) To formulate specific rules and regulations for the Company;
- (vi) To propose to the Board of Directors on the appointment or dismissal of deputy general manager, financial officer;
- (vii) To appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;

(viii) Other functions and powers conferred by the Articles of Association or the Board of Directors.

## **QUALIFICATIONS AND RESPONSIBILITIES OF DIRECTORS AND SENIOR MANAGEMENT**

None of the following persons shall serve as our Director or senior management:

- (i) A person who has no civil capacity or has limited civil capacity;
- (ii) A person who has committed an offense of corruption, bribery, infringement of property, misappropriation of property or disruption of the socialism economic order and has been

## **FINANCIAL AND ACCOUNTING SYSTEM**

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the provisions stipulated by the relevant authorities of the PRC.

The Company shall submit and disclose its annual reports to the CSRC and the stock exchange within four months from the end of each fiscal year, and its interim reports to the relevant branch office of the CSRC and the Shenzhen Stock Exchange within two months from the end of the first half of each fiscal year.

The financial and accounting reports shall be prepared in accordance with relevant laws, administrative regulations and the provisions of the securities regulatory authorities and stock exchanges at the place where the Company's shares are listed.

The Company will not establish account books other than the statutory account books.

The assets of the Company shall not be deposited in any personal account.

The Company is required to withdraw 10% of its profits into its statutory reserve fund when distributing each year's after-tax profits. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further withdrawal is required.

Where the statutory reserve fund of the Company is insufficient to make up the losses of the Company for the preceding year, profits of the current year shall be applied to make up the losses before any allocation to the statutory reserve fund in accordance with the provisions in the

No profit shall be distributed in respect of the shares of the Company which are held by the Company. The Company shall appoint one or more collection agents for H shareholders in Hong Kong. The collection agents shall collect on behalf of the relevant H shareholders the dividends distributed and other funds payable by the Company in respect of the H shares, and hold such monies in their custody pending payment to the H shareholders concerned. The collection agents appointed by the Company shall meet the requirements of the laws, regulations and the securities regulatory rules of the place where the Company's shares are listed.

Reserve funds of the Company are used for recovering losses of the Company and expanding scale of operation of the Company or conversion into its capital. 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. When the statutory reserve funds are converted into capital, the remaining balance of such reserve fund must not be less than 25% of its registered capital before such conversion.

The Company implements a continuous and stable profit distribution policy. The profit distribution of the Company attaches importance to the reporting of investment and reasonable investment and takes into account the sustainable development of the Company.

After the General Meeting of our Company makes a resolution on profit distribution plan, the Board of Directors shall complete the distribution within 2 months after the convening of the General Meeting. The specific profit distribution plan can be adjusted in accordance with such provisions and the actual situation when it cannot be implemented within 2 months due to the provisions of laws and regulations and securities regulatory rules of the place where the Company's shares are listed.

The Company has implemented an internal audit system to conduct internal audit and supervision on the Company's financial revenues and expenditures and economic activities. The internal audit system of the Company and the duties of the auditors shall be implemented upon approval by the Board. The internal audit department shall be accountable to the Board.

The Company shall appoint such accounting firm which has complied with the Securities Law for carrying out the audit for the accounting statements, net asset verification and other relevant consultancy services. The term of appointment is one (1) year and can be re-appointed.

The appointment of accounting firm by the Company shall be subject to the approval of the shareholders' general meetings. The Board of Directors may not appoint accounting firm before the approval of the shareholders' general meeting.

The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information, and that it engages without any refusal, withholding, and misrepresentation.

The audit fees of an accounting firm shall be determined at the shareholders' general meeting.

If the Company removes or no longer re-appoints the accounting firm, it shall notify such accounting firm twenty days in advance. When shareholders vote for the removal of such accounting firm, such accounting firm shall be entitled to state its opinions at the shareholders' general meeting.

### **DISSOLUTION AND LIQUIDATION OF THE COMPANY**

The Company shall be dissolved for the following reasons:

- (i) Expiry of the term of business stipulated in the Articles of Association or occurrence of any other trigger for dissolution stipulated in the Articles of Association;
- (ii) The General Meeting adopts a resolution to dissolve our Company;
- (iii) Our Company needs to be dissolved for the purpose of merger or division;
- (iv) The business license is revoked, or our Company is ordered to close or be eliminated according to applicable law;
- (v) Where our Company encounters significant difficulties in business and management, continuous survival may be significantly detrimental to the interests of the shareholders, and the difficulties may not be overcome through other means, shareholders who hold more than 10% of all voting rights of the Company's shareholders may request the People's Court to dissolve the Company.

Where our Company is dissolved due to the provisions set forth in i, ii, iv, v above, the liquidation team shall be established within 15 days from the date of the event leading to liquidation to commence dissolution. The personnel of the liquidation team shall consist of the persons determined by the Directors or the General Meeting.

Within 10 days of the establishment of the liquidation team, the creditors shall be notified and an announcement shall be published in the media designated by the securities regulatory authorities and the stock exchange at the place where the shares are listed, or in the National Enterprise Credit Information Publicity System within 60 days. The creditors shall declare their claims to the liquidation team within 30 days of the date on which the notice is received or 45 days of the date of announcement if the notice is not received.

Creditors who declare claims shall state relevant issues related to the claims and provide proofs. The liquidation team shall carry out registration of the claims. During the period for declaration of claims, the liquidation group shall not make any repayment to the creditors.

During the liquidation, our Company shall continue to exist, but shall not carry out business

**A. FURTHER INFORMATION ABOUT OUR GROUP**

1. **I c... a... f O...C... pa<sup>y</sup>**

- (v) as considered and approved at the fourth meeting of the fourth session of the Board on November 1, 2024 and Shareholders' meeting on November 14, 2024, our Company repurchased 844,400 A Shares for the purpose of reducing the Company's share capital. Upon completion of the repurchase and cancellation, our Company's total share capital reduced from RMB262,630,100 to RMB261,785,700;
- (vi) in December 2025, for the cancellation of restricted Shares under the 2024 Equity Incentive Plans due to the departure of our employees, our Company's total share capital reduced from RMB261,785,700 to RMB261,755,700; and
- (vii) in February 2026, pursuant to the exercise of stock options under the 2024 Equity Incentive Plans, our Company's total share capital increased from RMB261,755,700 to RMB261,756,700.

Save as disclosed above, there has been no alteration in our share capital within the two years immediately preceding the date of this prospectus.

### 3. Corporate Share Capital of Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 1 to the Accountants' Report in Appendix I to this prospectus.

The following subsidiaries of our Company were incorporated within two years immediately preceding the date of this prospectus:

Name of subsidiary	Place of incorporation	Date of incorporation	Registered capital
ZhongGe Nantong . . . . .	PRC	June 18, 2024	RMB10,000,000
Shanghai Meixiao . . . . .	PRC	August 15, 2023	RMB200,000,000
MeiG Smart Technology France . . . .	France	May 12, 2025	EUR400,000

Save as disclosed above, there has been no alteration in the share capital of our subsidiaries within the two years immediately preceding the date of this prospectus.

#### 4. Resolutions of Offer Shares

On June 5, 2025, resolutions of our Shareholders were passed pursuant to which, among other things:










- (a) the Articles was approved and adopted with effect from the Listing Date;
- (b) the Global Offering (including the Hong Kong Public Offering and International Offering, if any) and the Listing were approved and our Directors were authorized to allot and issue the Offer Shares pursuant to the Global Offering; and
- (c) the number of H Shares to be issued shall be up to 30% of the total share capital of our Company upon completion of the G(Of)17.9(fering;)-362.8(and1)]TJ/F2 1 Tf-4.5714 -3.0476 TD[(B.)-13

- (c) the cornerstone investment agreement dated February 25, 2026 entered into among our Company, JinYi Capital Multi-Strategy Fund SPC Ltd. acting for and on behalf of Structured Credit SP Fund and China International Capital Corporation Hong Kong Securities Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of USD1,500,000;
- (d) the cornerstone investment agreement dated February 25, 2026 entered into among our Company, Streamax Electronics Limited (銳明電子有限公司) and China International Capital Corporation Hong Kong Securities Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of USD4,000,000;
- (e) the cornerstone investment agreement dated February 25, 2026 entered into among our Company, Open Wealth Management Limited (開盤財富管理有限公司) and China International Capital Corporation Hong Kong Securities Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of HKD30,000,000;
- (f) the cornerstone investment agreement dated February 25, 2026 entered into among our Company, China Winning Limited and China International Capital Corporation Hong Kong Securities Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of USD3,000,000;
- (g) the cornerstone investment agreement dated February 25, 2026 entered into among our Company, Chau Tsang Cheong (周增昌) and China International Capital Corporation Hong Kong Securities Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of HKD50,000,000;
- (h) the cornerstone investment agreement dated February 25, 2026 entered into among our Company, Meiko Elec. Hong Kong Co., Limited and China International Capital Corporation Hong Kong Securities Limited with respect to a subscription of Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of USD5,000,000; and
- (i) the Hong Kong Underwriting Agreement.

## 2. Other Intellectual Property Rights

## (a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be material in relation to our business:

N.	Trade mark	Class	Registered by	Place of registration	Registered number	Expiry date
1.		9	The Company	PRC	64166353	October 13, 2032
2.		9	The Company	PRC	29140613	February 20, 2029
3.		9	The Company	PRC	20367295	August 6, 2027
4.		9	The Company	PRC	20367513	October 20, 2027
5.		9	The Company	PRC	20367136	October 20, 2027
6.		9	The Company	Hong Kong	306895504	May 11, 2035
7.		9	The Company	Hong Kong	306895504	May 11, 2035
8.		9	The Company	Hong Kong	306895513	May 11, 2035
9.		9	The Company	Hong Kong	306895513	May 11, 2035

*(b) Patents*

As of the Latest Practicable Date, we had registered the following patents which we consider to be material to our business:

No.	Patent	Patent Type	Patentee	Patent Number	Effective Date
1.	A Rapid Calibration Device and System (一種射頻快速校準裝置及系統) . . . . .	Invention	The Company	CN201410629703.0	November 10, 2034
2.	An Electric Vehicle Tracker and Tracking Positioning Method Based on NB-IoT Technology (一種基於NB-IOT技術的電動車跟蹤器及跟蹤定位方法) . . . . .	Invention	Xi'an ZhaoGe	CN201811168953.3	October 7, 2038
3.	A Method for Reading, Printing, and Verifying IMEI on Wireless Terminal Access Devices (一種在無線終端接入設備讀取IMEI列印並且校對的方法) . . . . .	Invention	Xi'an ZhaoGe	CN202210350690.8	April 1, 2042
4.	A Vision-Based Positioning Device Using AI (一種基於人工智能的視覺定位裝置) . . . . .	Invention	MeiGe Zhilian	CN202011031790.1	September 26, 2040
5.	A Method for Writing Serial Numbers in Smart Terminal Production and Its Testing System (一種智能終端生產寫號方法及測試系統) . . . . .	Invention	ZhongGe Shanghai	CN202210704164.7	June 20, 2042

*(c) Copyrights*

As of the Latest Practicable Date, we had registered the following copyrights which we consider to be material to our business:

N.	Copyright	Registrant	Registration No.	Expiration Date
1.	OpenCpu Software V1.0 (OpenCpu軟件 V1.0) . . .	Xi'an ZhaoGe	2020SR0240227	December 31, 2069
2.	Wireless Data Communication Terminal Software V1.0 (無線數據通信終端軟件 V1.0) . . . . .	Xi'an ZhaoGe	2021SR1611090	December 31, 2071
3.	MA800 Data Module Software V1.0 (MA800數據模組軟件V1.0) . . . . .	Xi'an ZhaoGe	2022SR1614583	December 31, 2072
4.	ZhongGe Dual-Channel Video Encoding Software V2.0 (眾格雙通道視頻編碼軟件V2.0) . . . . .	ZhongGe Shanghai	2021SR0937898	N/A <sup>(1)</sup>
5.	ZhongGe CamX Architecture Multi-Camera Information Collection Software V1.0 (眾格CamX架構多路攝像頭資訊採集軟件V1.0) . . . . .	ZhongGe Shanghai	2021SR1906242	N/A <sup>(1)</sup>
6.	ZhongGe Super Frame Split-Screen Multi-Display System V1.0 (眾格超級幀分屏方式實現多屏顯示系統V1.0) . . . . .	ZhongGe Shanghai	2022SR1532547	N/A <sup>(1)</sup>
7.	ZhongGe General Data Transmission Module Fault Diagnosis Program (眾格通用數傳模組的故障排查程式) . . . . .	ZhongGe Shanghai	2024SR0349217	N/A <sup>(1)</sup>
8.	ZhongGe Multi-Channel Camera Real-Time Data Collection System (眾格多路Camera即時資料獲取系統) . . . . .	ZhongGe Shanghai	2024SR0352446	N/A <sup>(1)</sup>
9.	ZhongGe CarPlay Audio and Video Casting System (眾格Carplay音視頻投屏系統) . . . . .	ZhongGe Shanghai	2024SR0352275	N/A <sup>(1)</sup>

*Note:*

- (1) Pursuant to the Regulation on Computer Software Protection (《計算機軟件保護條例》) (effective on October 1, 1991 and amended on December 20, 2001, January 8, 2011 and January 30, 2013), the protection period of the software copyright of a legal person or other entities shall be 50 years, ending on December 31, of the fiftieth year after the first publication of the software.

*(d) Layout Design of Integrated Circuit*

As of the Latest Practicable Date, we had maintained the following layout design of integrated circuits which we consider to be material in relation to our business:

<u>N. o.</u>	<u>Name</u>	<u>Registrant</u>	<u>Registration No.</u>	<u>Expiry Date</u>
1.	Multi-mode LTE Smart Communication Module Signal Transceiver Chip (多模LTE智能通信模組信號收發單元晶片).	ZhongGe Shanghai	BS.205555314	July 29, 2030
2.	Circuit Design Layout of LTE Multi-mode Terminal Image Recognition Device (LTE多模終端機圖像識別裝置電路設計布圖).....	ZhongGe Shanghai	BS.205555306	July 29, 2030

*(e) Domain Names*

As of the Latest Practicable Date, we had registered the following domain names which we consider to be material in relation to our business:

<u>N. o.</u>	<u>Domain Name</u>	<u>Registrant</u>	<u>Expiry Date</u>
1.	meigsmart.com .....	the Company	November 4, 2034
2.	meiglink.com.....	the Company	April 19, 2027

Save as aforesaid, as of the Latest Practicable Date, there were no other trademarks, patents or other intellectual or industrial property rights which we consider to be material in relation to our business.



Name of Shareholder	Name of Beneficial Owner <sup>(1)</sup>	Number of Shares Held	Latest Practicable Date	Applicable Percentage of Shares of the Issued Shares of the Company <sup>(2)</sup>
Mr. HUANG Min . . . . .	Beneficial owner	78,000 A Shares	0.03%	0.03%

Notes:

- (1) All interests stated are long positions.
- (2) The calculation is based on the total number of 296,756,700 Shares in issue immediately following the completion of the Global Offering.
- (3) As of the Latest Practicable Date, ZhaoGe Investment was ultimately controlled by Mr. WANG Ping as its general partner. By virtue of the SFO, Mr. WANG Ping is deemed to be interested in the Shares held by ZhaoGe Investment. For details, please see “History and Corporate Structure — Corporate Structure” and “Substantial Shareholders” in this prospectus.

(ii) Interest in our associated corporations

Save as disclosed in the table below, 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.

Name of Director or Chief Executive	Name of Beneficial Owner	Associated Corporation	Applicable Percentage of Shares of the Company
Mr. WANG Ping . . . . .	Interest in controlled corporation <sup>(1)</sup>	Shenzhen Pinsu Zhilian Information Technology Co., Ltd. (深圳市品速智聯信息技術有限公司) (“Pinsu Zhilian”)	10.7%

Notes:

- (1) As of the Latest Practicable Date, MeiG Zhilian is interested in 37.5% of the equity interest of Pinsu Zhilian, which was held by Shenzhen Gaoxin Venture Capital Co., Ltd. (深圳市高芯創業投資有限公司) (“Gaoxin VC”), a company ultimately controlled by Mr. WANG Ping, as to 10.7%. As such, Mr. Wang is deemed to be interested in the shares held by Gaoxin VC.

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.

***(b) Interests of our substantial Shareholders***

Save as disclosed in “Substantial Shareholders” in this prospectus and “— C. Further Information About Our Directors and Substantial Shareholders — 1. Disclosure of Interests — (a) Interests of Our Directors and chief executive — (ii) Interest in our associated corporations” in this section, our Directors and chief executive are not aware of any person (other than a Director or chief executive of our Company) who will have an interest or a short position in the shares or underlying shares of our Company which would fall to be disclosed to our Company under 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 issued voting shares of any other member of our Group any other member of our Group.

**2. Directors’ Service Contracts and Letters of Appointment**

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, 2025 to be approximately RMB5.2 million.

#### D. 2024 EQUITY INCENTIVE PLANS

##### 2024 STOCK OPTION INCENTIVE PLAN

The following is a summary of the principal terms of our 2024 Stock Option Incentive Plan. Given no further share options will be granted under the 2024 Stock Option Incentive Plan after the Listing, the terms of the 2024 Stock Option Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules other than the disclosure requirement under Rule 17.02(1)(b).

#### (a) Purpose

The purpose of the 2024 Stock Option Incentive Plan is to improve corporate governance structure of our Group, to establish and improve our Group's incentive mechanism, to attract and retain talents in order to achieve a sustained and healthy development of our Group, and to align the interests of our Shareholders with the interests of our Group and employees for realizing our Group's long-term objectives.

#### (b) Administration

The 2024 Stock Option Incentive Plan is subject to the approval of the Shareholders' meeting, the administration of our Board and the supervision of our board of supervisors and independent Directors of our Company.

#### (c) Participants

The participants of our 2024 Stock Option Incentive Plan include our mid-level management and core technical staff. The scope of participants of our 2024 Stock Option Incentive Plan excludes incumbent supervisors, independent directors, shareholders individually or collectively holding 5% or more of the shares of our Company, the Company's actual controllers, and their spouse, parents and children.

#### (d) Maturity and Exercise

The shares underlying the options to be granted under the 2024 Stock Option Incentive Plan are A Shares to be issued by our Company to the selected participants. Each option granted represents the right to purchase one Share within the exercise period at the exercise price. The

maximum number of options that can be granted under the 2024 Stock Option Incentive Plan are 2,100,000, among which 500,000 options are retained stock options (“2024 Retained Stock Options”), the grantees of which shall be determined within 12 months after the approval of the 2024 Stock Option Incentive Plan by the Shareholders’ meeting.

(e) **Date of Grant**

The date on which the options are granted shall be a trading day determined by the Board within 60 days after the date of approval of the 2024 Stock Option Incentive Plan by the Shareholders’ meeting. The grant of options shall be approved by the Board, registered and announced within 60 days after the approval of the 2024 Stock Option Incentive Plan by the Shareholders’ meeting. The 2024 Stock Option Incentive Plan shall be valid for a term of five years commencing from the date of completion of the grant of the options.

(f) **Conditions for Grant**

The options under the 2024 Stock Option Incentive Plan will only be granted to selected participants if the following conditions are fulfilled:

- (i) With respect to our Company, none of the following circumstances having occurred:
- (1) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to our Company’s accountant’s report for the most recent fiscal year;
  - (2) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to the internal control report contained in accountant’s report for the most recent fiscal year;
  - (3) our Company has not distributed dividends in accordance with the laws and regulations, our Articles of Association or our public commitment within the last 36 months after its listing;
  - (4) applicable laws and regulations prohibit the implementation of any share incentive scheme; or
  - (5) any other circumstances determined by the CSRC; and

(ii) With respect to a grantee, none of the following circumstances having occurred:

- (1) the grantee has been regarded as an inappropriate person by the Shenzhen Stock Exchange within the last 12 months;
- (2) the grantee has been regarded as an inappropriate person by the CSRC or its local

The exercise schedule of the options granted are either:

- (i) exercisable in tranches of 40% during the exercise period that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 24-month anniversary of the date of grant;
- (ii) exercisable in tranches of 30% during the exercise period that occur between the first trading date after the 24-month anniversary from the date of grant and the last trading day up to the 36-month anniversary of the date of grant; or
- (iii) exercisable in tranches of 30% during the exercise period that occur between the first trading date after the 36-month anniversary from the date of grant and the last trading day up to the 48-month anniversary of the date of grant.

The exercise of the options granted under the 2024 Stock Option Incentive Plan shall be on a trading day, which shall not fall within the following periods: (i) 15 days before the publication of annual report and interim report; (ii) five days before the publication of quarterly report, earnings forecast, and preliminary earnings estimate; (iii) the period starting from 15 days before the initial publication of annual report and interim report (due to any delay of publication) until one day before the publication of such report; (iv) the period starting from the date of occurrence of any significant price-sensitive event or the decision-making process in respect of such event until the date of announcement of such event; and (v) any other period stipulated by the CSRC and the Shenzhen Stock Exchange.

The grantees must exercise their options within the validity period of the respective options. Upon the expiry of the validity period, options granted but not exercised will cease to be exercisable and shall be canceled by our Company.

( ) O a d B . p . . .

As of the Latest Practicable Date, the number of A Shares underlying the outstanding options granted under the 2024 Stock Option Incentive Plan amounted to 1,496,300 A Shares, representing approximately 0.50% of the issued Shares immediately following the completion of the Listing (assuming that (i) no changes to our issued and outstanding shares between the Latest Practicable Date and the Listing and (ii) the Offer Size Adjustment Option is not exercised). As of the Latest Practicable Date, among the outstanding options, 387,800 were held by six connected persons and 1,108,500 were held by 144 employees of our Company, none of whom was a Director or senior management of our Company, or directors (including those who served as directors in the past 12 months), supervisors or chief executive of our subsidiaries. Assuming all outstanding options

granted under the 2024 Stock Option Incentive Plan, the issued and outstanding shareholding of the Shareholders immediately following completion of the Listing will be diluted by approximately 0.50%. The dilution effect on our earnings per Share would be approximately 0.50%.

The table below sets forth the details of the options granted to (i) connected persons who are not the Directors or senior management of our Company and (ii) grantees with options for 20,000 A Shares or more under the 2024 Stock Option Incentive Plan which were outstanding as of the Latest Practicable Date:

Name	Position	Address	Date of Grant	Number of Shares	Exercise Price	Exercise Period	Offered Percentage
<i>Connected Persons</i>							
ZHOU Zhou (周舟)	Supervisor of MeiG Investment and the Company's vice finance manager	Room 1702, Building 7, Phase 1, Zhongzhou Huafu, Xin'an Subdistrict, Bao'an District, Shenzhen, China	July 1, 2024	25,000	20.97	40%: From July 1, 2025 to June 30, 2026; 30%: From July 1, 2026 to June 30, 2027; 30%: From July 1, 2027 to June 30, 2028	0.01%
LI Xiaobing (李小兵)	General manager and vice president of Xi'an ZhaoGe	Unit 1, 13th Floor, Building 1, No. 39 Keji Road, Yanta District, Xi'an, Shaanxi Province, China	July 1, 2024	18,000	20.97	40%: From July 1, 2025 to June 30, 2026; 30%: From July 1, 2026 to June 30, 2027; 30%: From July 1, 2027 to June 30, 2028	0.01%
			June 10, 2025	100,000	45.67	50%: From June 10, 2026 to June 9, 2027; 50%: From June 10, 2027 to June 9, 2028	0.03%
ZHANG Qiyue (張秋月)	Supervisor and vice president of Xi'an ZhaoGe	No. 68 Keji 2nd Road, Yanta District, Xi'an, Shaanxi Province, China	July 1, 2024	12,000	20.97	40%: From July 1, 2025 to June 30, 2026; 30%: From July 1, 2026 to June 30, 2027; 30%: From July 1, 2027 to June 30, 2028	0.00%

Name of Grantee	Position	Address	Date of Grant	Number of Shares	Exercise Price	Exercise Period	Accounting Treatment
YU Ying (俞英)	Supervisor of ZhongGe Nantong and manager of human resource of ZhongGe Shanghai	No. 50 Luoqiao Subdistrict Office, Shangrao County, Shangrao, Jiangxi Province, China	July 1, 2024	7,800	20.97	40%: From July 1, 2025 to June 30, 2026; 30%: From July 1, 2026 to June 30, 2027; 30%: From July 1, 2027 to June 30, 2028	0.00%
ZHANG Shulin (張樹林)	Executive director of ZhongGe Nantong and head of R&D department of ZhongGe Shanghai	No. 63 Beijing East Road, Nanjing, Jiangsu Province, China	July 1, 2024	9,000	20.97	40%: From July 1, 2025 to June 30, 2026; 30%: From July 1, 2026 to June 30, 2027; 30%: From July 1, 2027 to June 30, 2028	0.00%
			June 10, 2025	150,000	45.67	50%: From June 10, 2026 to June 9, 2027; 50%: From June 10, 2027 to June 9, 2028	0.05%
LI Peng (李鵬)	Supervisor of Shanghai Meixiao, supervisor and senior vice president of ZhongGe Shanghai	Room 102, No. 39, Lane 168 Qinchun Road, Minhang District, Shanghai, China	July 1, 2024	66,000	20.97	40%: From July 1, 2025 to June 30, 2026; 30%: From July 1, 2026 to June 30, 2027; 30%: From July 1, 2027 to June 30, 2028	0.02%

*Grantees with options for 20,000 A Shares or more*

.....

Name  
Blaue

Postfach 10155  
53099 G.

Adresse

Datum

Nummer  
1. Auflage

1999

Erste Auflage

Erste Auflage

Abbildung  
Beispiel  
ed. a. a.  
ca. a. a.  
c. d. e. f.  
e. G. ha  
Offiz.

The table below sets forth the details of options granted to other grantees under the 2024 Stock Option Incentive Plan, categorized by the number of underlying A Shares, which were outstanding as of the Latest Practicable Date:

Category of A Shares	Number of Grantees	Grant Date	Number of A Shares	Exercise Price	Exercise Period	Percentage of A Shares
1-5,000	93	July 1, 2024	294,200	RMB20.97	40%: From July 1, 2025 to June 30, 2026; 30%: From July 1, 2026 to June 30, 2027; 30%: From July 1, 2027 to June 30, 2028	0.10%
5,001-10,000	38	July 1, 2024	245,700	RMB20.97	40%: From July 1, 2025 to June 30, 2026; 30%: From July 1, 2026 to June 30, 2027; 30%: From July 1, 2027 to June 30, 2028	0.08%
10,001-15,000	8	July 1, 2024	98,400	RMB20.97	40%: From July 1, 2025 to June 30, 2026; 30%: From July 1, 2026 to June 30, 2027; 30%: From July 1, 2027 to June 30, 2028	0.03%
15,001-19,999	1	July 1, 2024	19,200	RMB20.97	40%: From July 1, 2025 to June 30, 2026; 30%: From July 1, 2026 to June 30, 2027; 30%: From July 1, 2027 to June 30, 2028	0.01%

Notes:

- The calculation is based on the assumption that no additional Shares are issued pursuant to our 2024 Equity Incentive Plans.
- Included two grantees who were granted stock options on June 10, 2025.

**2024 RESTRICTED SHARE INCENTIVE PLAN**

The following is a summary of the principal terms of our 2024 Restricted Share Incentive Plan. The terms of the 2024 Restricted Share Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules other than Rule 17.12 as it does not involve any grant of restricted Shares by our Company after our Listing but is partially funded by our treasury Shares which are not listed on the Stock Exchange. Our Company will comply with applicable requirements under Rule 19A.39E of the Listing Rules as and when appropriate and required.

**(a) Purpose**

The purpose of the 2024 Restricted Share Incentive Plan is to improve corporate governance structure of our Group, to establish and improve our Group's incentive mechanism, to attract and retain talents in order to achieve a sustained and healthy development of our Group, and to align the interests of our Shareholders with the interests of our Group and employees for realizing our Group's long-term objectives.

**(b) Administration**

The 2024 Restricted Share Incentive Plan is subject to the approval of the Shareholders' meeting, the administration of our Board and the supervision of our board of supervisors and independent Directors of our Company.

**(c) Participants**

The participants of our 2024 Restricted Share Incentive Plan include our mid-level management and core technical staff. The scope of participants of our 2024 Restricted Share Incentive Plan excludes incumbent supervisors, independent directors, shareholders individually or collectively holding 5% or more of the shares of our Company, the Company's actual controllers, and their spouse, parents and children.

**(d) Source and Maturity of Shares**

The underlying A Shares are the A Shares to be issued by our Company and/or repurchased by our Company from the secondary market.

Each restricted Share granted represents the right to purchase one A Share within the agreed period at the grant price. The restricted Shares are subject to a lock-up period and will only be unlocked upon fulfilling the unlocking conditions stipulated. The maximum number of restricted Shares that can be granted under the 2024 Restricted Share Incentive Plan is 4,010,000, among which 500,000 are retained restrict Shares (“2024 Re a ed Re c ed S a e”), the grantees of which shall be determined within 12 months after the approval of the 2024 Restricted Share Incentive Plan by the Shareholders’ meeting.

**(e) Date of Grant and Termination of 2024 Restricted Share Incentive Plan**

The date on which the restricted Shares are granted shall be determined by the Board after the approval of the 2024 Restricted Share Incentive Plan by the Shareholders’ meeting. Under our 2024 Restricted Share Incentive Plan, the initial grant of restricted Shares shall be announced within 60 days after the approval of such plan by the Shareholders’ meeting. The 2024 Restricted Share Incentive Plan shall be effective from the date of the initial grant of restricted Shares under the plans up to the date when all of the restricted Shares granted under the plans have been unlocked or void and lapsed, provided that the term of the plans shall not exceed 60 months.

**(f) Lock-up for Directors and Senior Management**

If the grantee is a Director or a member of senior management of our Company,

- (i) during their employment with our Company, the Shares to be transferred in each year shall not exceed 25% of the total Shares he or she holds;
- (ii) no Share held by such Director or senior management can be transferred within six months after termination of his or her employment with our Company;
- (iii) income gained through sale of Shares within six months of the purchase or purchase of Shares within six months of the sale shall belong to our Company and will be forfeited by the Board; and
- (iv) if there is any change in the applicable laws and regulations on the foregoing lock-up

**(B) Conditions of Restricted Share**

The restricted Shares under the 2024 Restricted Share Incentive Plan will only be granted to selected participants if the following conditions are fulfilled:

(i) with respect to our Company, none of the following circumstances having occurred:

(1) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to our Company's accountant's report for the most recent fiscal year;

(2) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to the internal control of the financial statements.

(6) other circumstances determined by the CSRC.

( ) **U n l o c k e d V e s t e d R e s t r i c t e d S h a r e s**

The restricted Shares are vested upon the grant date but will only be unlocked when (i) the conditions set out under paragraph (g) above are fulfilled; (ii) the grantee is not found by the Board to be in serious breach of the rules of our Company; and (iii) the annual assessment and performance targets as set out under the respective Restricted Share Incentive Plan are achieved.

Under the 2024 Restricted Share Incentive Plan, the restricted Shares (other than the 2024 Retained Restricted Shares) will be unlocked in tranches of 40%, 30% and 30% in each of the three unlocking periods that occur between the first trading date after 12 months from the date of grant and the last trading day up to 48 months from the date of grant, respectively.

If the 2024 Retained Restricted Shares are granted before the release of our Company's 2024 third quarterly report, the unlocking schedule is the same as that of the other restricted Shares initially granted as described above. Otherwise, the 2024 Retained Restricted Shares shall be unlocked in tranches of 50% in each of the two unlocking periods that occur between the first trading date after 12 months from the date of grant and the last trading day up to 36 months from the date of grant.

The number of restricted Shares granted and/or unlocked and/or the grant prices shall be adjusted upon the occurrence of certain events, including increase in the share capital by way of capitalization of capital reserves, distribution of dividends, subdivision of shares, placing and share reduction. Such adjusted restricted Shares are subject to the same unlocking conditions. Our Company may void the granted restricted Shares upon occurrence of certain events as set out in the 2024 Restricted Share Incentive Plan, including but not limited to the termination of employment of the grantees with our Company.

( ) **O u t s t a n d i n g R e s t r i c t e d S h a r e s**

As of the Latest Practicable Date, the number of outstanding restricted Shares granted under the 2024 Restricted Share Incentive Plan as resolved by our Board was 2,565,200, representing approximately 0.86% of the total issued Shares immediately following completion of the Global Offering (assuming (i) no additional Shares are issued pursuant to our 2024 Restricted Share Incentive Plan and (ii) the Offer Size Adjustment Option is not exercised). As of the Latest Practicable Date, a total of 2,565,200 outstanding restricted Shares were granted to 261 grantees, none of whom was a Director or senior management of our Company.

The following table sets forth the number of outstanding restricted Shares granted to connected persons of our Company under the 2024 Restricted Share Incentive Plan of the Latest Practicable Date:

Name of Beneficiary	Position	Date of Grant	Number of Restricted Shares	Grant Price	Lock-up Period	Accounting Treatment
ZHANG Shulin (張樹林)	Executive director of ZhongGe Nantong and head of R&D department of ZhongGe Shanghai	July 1, 2024	48,000	10.55	From July 1, 2024 to June 30, 2025	0.02%
		June 10, 2025	25,000	22.84	12 month from the registration date of restricted Shares	0.01%
LI Xiaobing (李小兵)	General manager and vice president of Xi'an ZhaoGe	July 1, 2024	30,000	10.55	From July 1, 2024 to June 30, 2025	0.01%
		June 10, 2025	20,000	22.84	12 month from the registration date of restricted Shares	0.01%
ZHOU Zhou (周舟)	Supervisor of MeiG Investment and the Company's vice finance manager	July 1, 2024	36,000	10.55	From July 1, 2024 to June 30, 2025	0.01%
		June 10, 2025	7,500	22.84	12 month from the registration date of restricted Shares	0.00%
ZHANG Qiuyue (張秋月)	Supervisor and vice president of Xi'an ZhaoGe	July 1, 2024	25,200	10.55	From July 1, 2024 to June 30, 2025	0.01%
YU Ying (俞英)	Supervisor of ZhongGe Nantong and manager of human resource of ZhongGe Shanghai	July 1, 2024	7,200	10.55	From July 1, 2024 to June 30, 2025	0.00%

Name of Employee	Position	Date of Award	Number of Restricted Shares	Exercise Price	Lock-up Period	Annual Percentage of Restricted Shares
LI Peng (李鹏)	Supervisor of Shanghai Meixiao, supervisor and senior vice president of ZhongGe Shanghai	July 1, 2024	120,000	10.55	From July 1, 2024 to June 30, 2025	0.04%

The table below sets forth the details of outstanding restricted Shares granted to other grantees (excluding the abovementioned connected persons of our Company) under the 2024 Restricted Share Incentive Plan as of the Latest Practicable Date:

Name of Employee	Date of Award	Lock-up Period	Exercise Price	Number of Restricted Shares	Annual Percentage of Restricted Shares
191 <sup>(2)</sup>	July 1, 2024	From July 1, 2024 to June 30, 2025	RMB10.55	1,798,800	0.61%
92 <sup>(3)</sup>	.701260.7				

**2. Litigation**

Save as disclosed in this prospectus and so far as our Directors are aware, no litigation or claim of material importance is pending or threatened against any member of our Group.

**3. Sole Sponsor**

The Sole Sponsor has made an application on our behalf to the Listing Committee for the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering.

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor will receive a fee of US\$480,000 (tax inclusive) for acting as a sponsor for the Listing.

**4. Material Adverse Change**

Save as disclosed in this prospectus, our Directors confirm that there has been no material adverse change in the financial or trading position of our Group since September 30, 2025 (being the date to which the latest audited consolidated financial statements of our Group were prepared).

**5. Qualified and Certified Experts**

This prospectus contains statements made by the following experts:

Name	Qualified and Certified
China International Capital Corporation Hong Kong Securities Limited	A corporation licensed to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
Han Kun Law Offices	Qualified PRC lawyers
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

As of the Latest Practicable Date, none of the experts named above had any shareholding in

## 9. B a P e c

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

## 10. M c e a e

(a) Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:

(i) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of any member of our Group, and no Directors, promoters or experts named in “E. Other Information — 5. Qualification and Consent of Experts” in this section have received any such payment or benefit;

(ii) no capital of any member of our Group has been issued or is proposed to be issued for cash or issued as fully or partly paid up otherwise than in cash;

(iii) none of our Directors or the experts named in “E. Other Information — 5. Qualification and Consent of Experts” in this section have any interest, direct or

(ii) 0(f)-T\*[(y)4(0(f)-h362.8(as)-no(o)0(f)-34tst3ndi2.8(Hong)- TDv45(ib8.2(8(or)-de3payment)-391urpti

- (iv) no capital of any member of our Group is under option, or is agreed conditionally or unconditionally to be put under option;
- (v) there has not been any interruption in the business of our Group which may have or have had a significant effect on our financial position in the 12 months immediately preceding the date of this prospectus; and
- (vi) none of our Directors are 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.

---

## APPENDIX VII      DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

---

### DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of each of the material contracts referred to in “Statutory and General Information — B. Further Information About Our Business — 1. Summary of Material Contracts” in Appendix VI to this prospectus; and
- (b) the written consents referred to in “Statutory and General Information — E. Other Information — 5. Qualification and Consent of Experts” in Appendix VI to this prospectus.

### DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange at [www.ew.com.hk](http://www.ew.com.hk) and our Company at [www.ebasc.com](http://www.ebasc.com) for a period of 14 days from the date of this prospectus:

- (a) the Articles of Association;
- (b) the audited consolidated financial statements of our Group for the Track Record Period;
- (c) the Accountants’ Report for the Track Record Period issued by Ernst & Young, the text of which is set out in Appendix I to this prospectus;
- (d) the report on the unaudited pro forma financial information of our Group issued by Ernst & Young, the text of which is set out in Appendix IIA to this prospectus;
- (e) the letters from Ernst & Young and the Sole Sponsor relating to the profit estimate of our Group for the year ended December 31, 2025, the text of which is set out in Appendix IIB to this Prospectus;
- (f) the legal opinions issued by Han Kun Law Offices, our PRC Legal Advisor, in respect of certain aspects and the property interests of the Group in the PRC;
- (g) the industry report issued by Frost & Sullivan;



