



雲英谷科技股份有限公司

VIEWTRIX TECHNOLOGY CO., LTD

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

Stock Code : 3310

GLOBAL OFFERING

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



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



Joint Bookrunners and Joint Lead Managers



IMPORTANT

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



Viewtrix Technology Co., Ltd 雲英谷科技股份有限公司

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

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	: 52,859,200 H Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares	: 5,286,000 H Shares (subject to reallocation)
Number of International Offer Shares	: 47,573,200 H Shares (subject to reallocation and the Over-allotment Option)
Offer Price	: HK\$20.81 per H Share plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal value	: RMB1.00 per H Share
Stock Code	: 3310

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



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



Joint Bookrunners and Joint Lead Managers



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

A copy of this Prospectus, having attached thereto the documents specified in "Appendix V — Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display", has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this Prospectus or any other documents referred to above.

The Offer Price will be HK\$20.81 per Offer Share, unless otherwise announced. Applicants for the Hong Kong Offer Shares may be required to pay (subject to application channels), on application, the Offer Price of HK\$20.81 for each Hong Kong Offer Share together with brokerage fee of 1.0%, SFC transaction levy of 0.0027%, the AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565%.

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

Prospective investors of the Hong Kong Offer Shares should note that the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. See "Underwriting" section for further details.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered, sold, pledged or transferred within the United States or to, or for the account or benefit of US persons (as defined in Regulation S), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares may be offered, sold or delivered outside the United States in offshore transactions in reliance on Regulation S.

ATTENTION

The Company has adopted a fully electronic application process for the Hong Kong Public Offering. The Company will not provide printed copies of this Prospectus to the public in relation to the Hong Kong Public Offering. This Prospectus is available at the website of the Hong Kong Stock Exchange at www.hkexnews.hk and the Company's website at www.viewtrixtech.com. If you require a printed copy of this Prospectus, you may download and print from the website addresses above.

May 18, 2026

IMPORTANT

IMPORTANT NOTICE TO INVESTORS:

FULLY ELECTRONIC APPLICATION PROCESS

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

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

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

- (1) apply online via the **White Form eIPO** service at www.eipo.com.hk; or
- (2) apply electronically through the **HKSCC EIPO** channel and cause HKSCC Nominees to apply on your behalf by instructing your broker or custodian who is a HKSCC Participant to give **electronic application instructions** via HKSCC’s FINI system to apply for the Hong Kong Offer Shares on your behalf.

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

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

Please refer to the section headed “How to Apply for Hong Kong Offer Shares” in this Prospectus for further details on the procedures through which you can apply for the Hong Kong Offer Shares.

IMPORTANT

Your application through the **White Form eIPO** service or the **HKSCC EIPO** channel must be made for a minimum of 200 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 **White Form eIPO** 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.

No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application
	HK\$		HK\$		HK\$		HK\$
200	4,203.98	3,000	63,059.61	40,000	840,794.75	500,000	10,509,934.43
400	8,407.94	4,000	84,079.47	50,000	1,050,993.44	600,000	12,611,921.31
600	12,611.93	5,000	105,099.35	60,000	1,261,192.13	700,000	14,713,908.20
800	16,815.89	6,000	126,119.21	70,000	1,471,390.82	800,000	16,815,895.08
1,000	21,019.87	7,000	147,139.08	80,000	1,681,589.51	900,000	18,917,881.96
1,200	25,223.84	8,000	168,158.95	90,000	1,891,788.20	1,000,000	21,019,868.86
1,400	29,427.82	9,000	189,178.82	100,000	2,101,986.89	1,250,000	26,274,836.07
1,600	33,631.79	10,000	210,198.69	200,000	4,203,973.76	1,500,000	31,529,803.28
1,800	37,835.77	20,000	420,397.38	300,000	6,305,960.65	1,750,000	36,784,770.49
2,000	42,039.73	30,000	630,596.07	400,000	8,407,947.55	2,643,000 ⁽¹⁾	55,555,513.37

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

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

EXPECTED TIMETABLE⁽¹⁾

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

Hong Kong Public Offering commences 9:00 a.m. on
Monday, May 18, 2026

Latest time to complete electronic applications
under the **White Form eIPO** service through
the designated website at www.eipo.com.hk⁽²⁾ 11:30 a.m. on
Thursday, May 21, 2026

Application lists open⁽³⁾ 11:45 a.m. on
Thursday, May 21, 2026

Latest time to (a) complete payment of
White Form eIPO applications by effecting
Internet banking transfer(s) or PPS payment
transfer(s) and (b) give **electronic application
instructions** to HKSCC⁽⁴⁾ 12:00 noon on
Thursday, May 21, 2026

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to submit **electronic application instructions** on your behalf through HKSCC's FINI system in accordance with your instruction, you are advised to contact your **broker** or **custodian** for the earliest and latest time for giving such instructions, as this may vary by **broker** or **custodian**.

Application lists close⁽³⁾ 12:00 noon on
Thursday, May 21, 2026

Announcement of the level of
indications of interest in the International Offering,
the level of applications in the Hong Kong Public Offering
and the basis of allocation of the Hong Kong Offer Shares
to be published on the website of the Stock Exchange at
www.hkexnews.hk and the Company's website at
www.viewtrixtech.com⁽⁵⁾ no later than 11:00 p.m. on
Tuesday, May 26, 2026

Announcement of results of allocations in the Hong Kong Public Offering (including successful applicants' identification document numbers, where appropriate) to be available through a variety of channels (as described in the section headed "How to Apply for Hong Kong Offer Shares — B. Publication of Results" in this Prospectus), including:

- in the announcement to be posted on our website
and the website of the Stock Exchange
at www.viewtrixtech.com⁽⁵⁾ and
www.hkexnews.hk, respectively no later than 11:00 p.m. on
Tuesday, May 26, 2026

EXPECTED TIMETABLE⁽¹⁾

- results of allocation for the Hong Kong Public Offering will be available at www.iporesults.com.hk (alternatively, www.eipo.com.hk/eIPOAllotment) with a “search by ID” function from 11:00 p.m. on Tuesday, May 26, 2026 to 12:00 midnight on Monday, June 1, 2026

- from the allocation results telephone enquiry line by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. on Wednesday, May 27, 2026, Thursday, May 28, 2026, Friday, May 29, 2026 and Monday, June 1, 2026

H Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before⁽⁶⁾⁽⁸⁾ Tuesday, May 26, 2026

White Form e-Refund payment instructions/refund checks in respect of wholly or partially successful applications⁽⁷⁾⁽⁸⁾ Wednesday, May 27, 2026

Dealings in H Shares on the Stock Exchange expected to commence at 9:00 a.m. on Wednesday, May 27, 2026

Notes:

- (1) All times and dates refer to Hong Kong local times and dates unless otherwise stated.
- (2) You will not be permitted to submit your application under the **White Form eIPO** service through the designated website at www.eipo.com.hk after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of the application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.
- (3) If there is/are a tropical cyclone warning signal number 8 or above, Extreme Conditions and/or a “black” rainstorm warning at any time between 9:00 a.m. and 12:00 noon on Thursday, May 21, 2026, the application lists will not open or close on that day. For further details, please see “How to Apply for Hong Kong Offer Shares — E. Bad Weather Arrangements” of this Prospectus.
- (4) Applicants who apply for Hong Kong Offer Shares by instructing your **broker** or **custodian** to apply on your behalf via **HKSCC EIPO channel** should refer to “How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares — 2. Application Channels” of this Prospectus.
- (5) None of the website or any of the information contained on the websites forms part of this Prospectus.
- (6) The H Share certificates are expected to be issued on Tuesday, May 26, 2026 but will only become valid evidence of title provided that the Global Offering has become unconditional in all respects and neither of the Underwriting Agreements has been terminated in accordance with its terms, which is scheduled to be at around 8:00 a.m. on Wednesday, May 27, 2026. Investors who trade H Shares on the basis of publicly available allocation details before the receipt of the H Share certificates and before they become valid do so entirely of their own risk.

EXPECTED TIMETABLE⁽¹⁾

- (7) **White Form** 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 identification document number, or, if the application is made by joint applicants, part of the identification document number of the first-named applicant, provided by the applicant(s) may be printed on the refund check, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's identification document number before encashment of the refund check. Inaccurate completion of an applicant's identification document number may invalidate or delay encashment of the refund check.
- (8) Applicants being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorized representatives must produce evidence of identity acceptable to our H Share Registrar at the time of collection. Any uncollected H Share certificates and/or refund cheques will be dispatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications.

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

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

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

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

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

CONTENTS

IMPORTANT NOTICE TO INVESTORS

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

You should rely only on the information contained in this Prospectus to make your investment decision. The Company has not authorized anyone to provide you with information that is different from what is contained in this Prospectus. Any information or representation not made in this Prospectus must not be relied on by you as having been authorized by the Company, the Joint Sponsors, Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the capital market intermediaries, any of their respective directors, officers, employees, agents, advisers or representatives, or any other person or party involved in the Global Offering.

	<i>Page</i>
Expected Timetable	iv
Contents	vii
Summary	1
Definitions	16
Glossary of Technical Terms	27
Forward-Looking Statements	30
Risk Factors	32
Waiver and Consent	55
Information about This Prospectus and the Global Offering	58
Directors and Parties Involved in the Global Offering	61
Corporate Information	65
Industry Overview	67
Regulatory Overview	83

CONTENTS

History, Development and Corporate Structure	97
Business	145
Financial Information	186
Relationship with the Single Largest Shareholder Group	224
Share Capital	228
Substantial Shareholders	231
Cornerstone Investments	233
Directors and Senior Management	237
Future Plans and Use of Proceeds	245
Underwriting	248
Structure of the Global Offering	259
How to Apply for Hong Kong Offer Shares	267
Appendix I – Accountants’ Report	I-1
Appendix II – Unaudited Pro Forma Financial Information	II-1
Appendix III – Summary of the Articles of Association	III-1
Appendix IV – Statutory and General Information	IV-1
Appendix V – Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display	V-1

SUMMARY

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

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

OVERVIEW

Who We Are

According to Frost & Sullivan, we are the fifth-largest supplier, and the largest Chinese mainland-based supplier, in the global smartphone AMOLED DDIC market in terms of sales volume in 2024. We primarily engage in the design and sale of branded AMOLED DDICs to leading smartphone manufacturers, with our downstream customers being display panel manufacturers, major global and Chinese smartphone brands that are positioned in both premium and mass-market segments. According to Frost & Sullivan, we ranked third in terms of sales volume in Chinese mainland’s smartphone AMOLED DDIC market in 2024, with a market share of 12.4%, and we are also the largest Chinese mainland-based supplier in this segment. In addition, we are a key supplier in the Micro-OLED display backplane/driver, ranking second globally with a market share of 40.7% in 2024. Our focus is on delivering reliable and high-performance display driver solutions to consumer electronics brand companies.

We implement the fabless business model, and achieve our industry position through strategic collaborations with key players in the industry, including foundries, OSAT providers and display panel manufacturers, ultimately enhancing the display experience for end users. We have developed a full stack of display driver technologies that integrate software and hardware, covering three critical technical aspects: the design of DDICs, the development of driver compensation algorithms and the layout of pixel compensation circuits. We currently offer AMOLED DDICs, which are predominantly utilized in smartphones, as well as Micro-OLED display backplanes/drivers, primarily designed for VR/AR devices.

After over ten years of progress, we have established Viewtrix as a technology brand within the display sector, consistently focusing on value creation for brand companies. According to Frost & Sullivan, as of December 31, 2024, our AMOLED DDICs have been mass-produced and delivered to various top smartphone companies globally featuring in over 10 different product series. These smartphone companies collectively hold more than a quarter of the global market share. According to Frost & Sullivan, we are the first company based in Chinese mainland to receive brand company certification for AMOLED DDICs and the only one to have shipped over 10 million units to these companies. Additionally, our total sales volume surpassed 50 million units in 2024. We play a major role in brand companies’ supply chain, resulting in high downstream customer loyalty. Our share of AMOLED DDIC supplies to the all smartphone brands globally increased from 2.4% in 2022 to 5.7% in 2024.

Our Transformative Opportunities

- AMOLED panels gaining significant traction.
- Chinese mainland becoming the center of the display panel and smartphone sectors.
- Ongoing advancement of AI technology.

SUMMARY

OUR BUSINESS MODEL

We started to focus on the R&D and design of AMOLED DDIC in 2017, with an eye on the strong potential of the then next generation display technology for consumer electronics and we commenced our AMOLED DDIC business in 2018, after our AMOLED DDICs had completed testing and entered mass production. We successfully mass produced and supplied our AMOLED DDICs to one of China's largest AMOLED panel manufacturers in 2021, who then supplied the laminated AMOLED display modules for smartphones offered by a leading domestic brand company. According to Frost & Sullivan, this makes us the first AMOLED DDIC company based in Chinese mainland to supply to a major consumer electronics brand company, and we have since grown to be the fifth-largest supplier, and the largest Chinese mainland-based supplier, in the global smartphone AMOLED DDIC market in terms of sales volume in 2024. We run a fabless model, meaning that we focus on the R&D and design of chips, while relying on third-party foundries to fabricate the chips we design and OSAT providers for the packaging and testing of our chips.

OUR PRODUCTS

DDIC is a core device in an electronic device that interfaces with the processing unit and the display panel by converting the digital commands into visible image on the display panel. A DDIC accepts commands and data from the processing unit and generates signal with suitable voltage, current, timing and demultiplexing to make the display show the desired image.

We currently offer two categories of products: (i) AMOLED DDICs, primarily used for smartphones; and (ii) Micro-OLED display backplanes/drivers, primarily used for AR/VR enabled head-mounted devices.

	Year Ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>					
AMOLED DDICs	601,437	83.5	816,033	91.6	802,338	72.6
Micro-OLED display backplanes/drivers	118,833	16.5	75,039	8.4	295,650	26.7
Others ⁽¹⁾	134	0.0	232	0.0	7,671	0.7
Total	720,404	100.0	891,304	100.0	1,105,659	100.0

Note:

- (1) Primarily consisting of revenue from sales of board cards and customized development and technology licensing services related to AMOLED DDICs upon demand of our customers. Such services include compensation algorithm IP licensing and board card sales, to enhance display performance.

RESEARCH AND DEVELOPMENT

Research and development are critical to maintaining our industry position and to the sustained growth of our business by ensuring that we can continue to meet the evolving needs of the brand companies. According to Frost & Sullivan, we are the first company in Chinese mainland with the technological capabilities to develop and design AMOLED DDICs and Micro-OLED display backplanes/drivers, including algorithm optimization, standard cell optimization, low power consumption, advanced chip packaging technology, system level power supply and heat dissipation technology. We are devoted to in-house research and development of core technologies.

SUMMARY

SALES AND MARKETING

We believe that consistently delivering high-quality products on time that meet and exceed our downstream customers' expectations is the most efficient sales and marketing approach for us. As such, our sales and marketing activities are focused on maintaining and expanding the scope of our strategic relationships with our downstream customers since we aim to become and remain the strategic long-term partner of our downstream customers. Our sales team also actively involve in our product R&D process to ensure we can deliver satisfactory products to our direct and downstream customers.

CUSTOMERS AND SUPPLIERS

Our downstream customers mainly include display panel manufacturers and brand companies in the consumer electronics industry. For shorter cash collection cycle and better capital management, we sell our products to display panel manufacturers through distributors.

Our suppliers mainly include our foundry partners for wafer fabrication and OSAT providers for chip packaging and testing.

Top Five Customers

In 2023, 2024 and 2025, sales to our five largest customers in each year during the Track Record Period amounted to RMB655.0 million, RMB804.3 million and RMB1,002.8 million, accounting for 91.0%, 90.2% and 90.7% of our total sales in the respective years. In 2023, 2024 and 2025, sales to our largest customer in each year during the Track Record Period amounted to RMB347.5 million, RMB482.6 million and RMB375.8 million, accounting for 48.2%, 54.1% and 34.0% of our total sales in the respective years. During the Track Record Period, to the best knowledge of our Directors, none of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) had any interest in our five largest customers in any period during the Track Record Period that are required to be disclosed under the Listing Rules.

Top Five Suppliers

We do not manufacture AMOLED DDICs or Micro-OLED display backplanes/drivers. Instead, we utilize what is known as the fabless model, which is commonly adopted in the industry, whereby we cooperate with world-class production partners for all phases of the manufacturing process of our AMOLED DDICs or Micro-OLED display backplanes/drivers, including wafer fabrication and packaging and testing (packaging is applicable to AMOLED DDICs only). Our suppliers are primarily chip foundries and packaging and testing service providers.

In 2023, 2024 and 2025, purchases from our five largest suppliers in each year during the Track Record Period amounted to RMB832.5 million, RMB849.3 million and RMB882.5 million, accounting for 97.8%, 97.2% and 96.4% of our total purchases in the respective years. In 2023, 2024 and 2025, purchases from our largest supplier in each year during the Track Record Period amounted to RMB560.8 million, RMB651.0 million and RMB387.6 million, accounting for 65.8%, 74.5% and 42.3% of our total purchases in the respective years. During the Track Record Period, to the best knowledge of our Directors, none of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) had any interest in our five largest suppliers in any period during the Track Record Period that are required to be disclosed under the Listing Rules.

SUMMARY

BUSINESS SUSTAINABILITY

During the Track Record Period, we incurred net losses of RMB232.1 million, RMB309.0 million and RMB230.3 million in 2023, 2024 and 2025. This is primarily because (i) we commenced our AMOLED DDIC business in 2018, which required significant upfront investments in R&D and talent acquisition to establish a foundation in this advanced technology segment. Given the long development cycles and high complexity of AMOLED DDICs, the business is still in its growth phase and has not yet fully realized its profitability potential; (ii) AMOLED DDIC technology is capital-intensive and demands continuous innovation to remain competitive, and we have dedicated substantial resources to R&D since 2018 to develop advanced technologies, expand product portfolio, and meet the demands of premium end markets; (iii) to establish and expand our market share in a competitive AMOLED DDIC market, we adopt a strategic pricing approach by offering competitive prices; and (iv) we have been prioritizing increasing shipment volumes and strengthening our relationships with suppliers, which required significant investments in resources and infrastructure, which contributed to our accumulated losses during the early stages of the business. The losses also resulted in net operating cash outflows throughout the Track Record Period.

We expect to record an increase in net loss and a substantial increase in adjusted net loss (a non-IFRS measure) in 2026 due to the decrease in gross margin as a result of the fluctuations in the end markets. The anticipated decline in gross margin is primarily attributable to: (i) significant increases in memory chip prices since late 2025, which have caused brand companies and OEMs to seek reductions in the procurement prices of other components including our AMOLED DDICs in order to protect their own margins, thereby exerting direct downward pressure on our average selling prices; and (ii) continued pricing pressure on our AMOLED DDICs driven by intensified competition in the end markets, which has further compressed our average selling prices and gross margin. While the deceleration of consumer electronics end-user demand resulting from higher terminal product prices may have some impact on overall market conditions, we do not expect this factor to have a material direct impact on our shipment volumes in the near term. These factors are expected to continue to weigh on our average selling prices and gross margin in 2026.

While the global and Chinese Mainland AMOLED DDIC markets are projected to grow moderately in 2026 according to Frost & Sullivan, such industry-level growth does not necessarily translate into improved financial performance for individual market participants. The projected market growth primarily reflects an expansion in overall AMOLED DDIC shipment volumes across all product categories and participants, whereas our expected margin deterioration is driven by company-specific pricing pressures — namely, the indirect impact of rising memory chip costs on our customers' procurement behavior and intensified competition among AMOLED DDIC suppliers — which are expected to outweigh the benefit of broader market growth on our financial results in the near term.

Our gross margins have been subject to material volatility during and immediately preceding the Track Record Period. In 2022, the year immediately preceding the Track Record Period, our gross margin was materially higher than those recorded during the Track Record Period. This was primarily attributable to a combination of favorable market conditions during that year, including strong downstream demand for AMOLED DDICs driven by robust consumer electronics consumption, and a tighter wafer supply environment, which supported higher average selling prices across the industry and allowed us to price our products at more favorable levels.

In 2023, our gross margin declined sharply from the level recorded in 2022. This sharp decline was primarily due to: (i) a significant intensification of competition in the AMOLED DDIC market, in the context of which we proactively adjusted our pricing strategy to strengthen our competitive positioning and deepen our customer relationships; (ii) a post-peak correction in downstream demand, as customers worked through accumulated inventory positions built up in 2022, resulting in reduced order volumes and less favorable pricing dynamics; and (iii) our deliberate adoption of a competitive pricing strategy as a relatively young market entrant seeking to deepen relationships with panel manufacturers and brand companies, which placed further downward pressure on our average selling prices and gross margin.

SUMMARY

Our gross margin improved from 2023 to 2025, because: (i) an increase in sales volumes of AMOLED DDICs as our market share expanded and customer relationships deepened; (ii) the gradual optimization of our product mix towards higher-margin products; and (iii) ongoing improvements in our cost structure driven by economies of scale and more efficient resource allocation.

With respect to the sustainability of our current gross margin levels, we believe the following measures and factors will support continued margin improvement going forward. First, we expect to further grow our sales volumes and market share in both the AMOLED DDIC and Micro-OLED display backplanes/drivers segments, which will allow us to benefit from economies of scale in wafer procurement and back-end services and to negotiate more favorable terms with our foundry and OSAT partners. Second, as part of our ongoing cost optimization strategy, we have implemented a foundry transfer plan, transitioning a portion of our wafer supply from foundries based in Taiwan to Mainland Foundries, which typically offer wafer prices that are 10% to 30% lower. Third, we plan to continuously introduce premium products with higher margin profiles — including flagship AMOLED DDICs targeting high-end smartphones and higher-specification Micro-OLED display backplanes/drivers — which we expect will gradually improve our blended gross margin over the medium to long term.

Under the leadership of our management team, we have been focused on R&D-driven product development, with a focus on proprietary compensation algorithms and circuit layout technologies. During the Track Record Period, we have (i) consistently invested in research and development to support product iteration; (ii) optimized internal resource allocation while managing cost structure; and (iii) strengthened our customer base and technical capabilities. While we incurred net losses during the Track Record Period, we believe our competitive position, technical foundation and customer relationships provide a solid basis for future profitability. See “Business — Business Sustainability.”

OUR COMPETITIVE STRENGTHS

- Well-established position in a high-barrier industry.
- Our large and stable downstream customer base.
- Stable and mutually beneficial supply chain system.
- Proprietary AMOLED DDIC technologies.
- Comprehensive FAE teams in the world’s largest display industry market.
- Professional management team with a diverse and creative talent pool.

OUR GROWTH STRATEGIES

We plan to implement the following strategies to consolidate our well-established position in the display driver chip industry:

- Continue to increase R&D investment to promote technological innovation and iteration.
- Build a multi-dimensional product matrix covering diversified products and end-applications.
- Deepen cooperation with upstream and downstream players to form an industrial alliance.
- Continue to attract top global talents and teams.

SUMMARY

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following table sets forth summary financial data from our consolidated financial information during the Track Record Period. The summary financial data set forth below should be read together with, and is qualified in its entirety by reference to the consolidated financial statements as set out in “Appendix I — Accountants’ Report” in this Prospectus, including the related notes. Our consolidated financial information was prepared in accordance with IFRSs.

Results of Operations

	Year Ended December 31,					
	2023		2024		2025	
	<i>(in RMB thousands, except for percentages)</i>					
Total revenue	720,404	100.0	891,304	100.0	1,105,659	100.0
Cost of sales	(717,211)	(99.6)	(869,396)	(97.5)	(962,674)	(87.1)
Gross profit	3,193	0.4	21,908	2.5	142,985	12.9
Other income and gains	24,084	3.3	37,285	4.2	31,910	2.9
Selling and distribution expenses	(15,253)	(2.1)	(32,495)	(3.6)	(26,815)	(2.4)
Administrative expenses	(62,932)	(8.7)	(83,921)	(9.4)	(101,790)	(9.2)
Research and development expenses	(177,026)	(24.6)	(242,204)	(27.2)	(266,036)	(24.1)
Impairment losses on financial assets, net	2,814	0.4	70	0.0	3,278	0.3
Other expenses	(6,111)	(0.8)	(5,776)	(0.6)	(12,332)	(1.1)
Finance costs	(874)	(0.1)	(3,853)	(0.4)	(1,531)	(0.1)
Loss before tax	(232,105)	(32.2)	(308,986)	(34.7)	(230,331)	(20.8)
Income tax expenses	—	—	—	—	—	—
Loss for the year	(232,105)	(32.2)	(308,986)	(34.7)	(230,331)	(20.8)

See “Financial Information — Results of Operations.”

Non-IFRS Measure

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

	Year Ended December 31,		
	2023	2024	2025
	<i>(in RMB thousands, except for percentages)</i>		
Loss for the year	(232,105)	(308,986)	(230,331)
Add:			
Listing expense	—	—	24,660
Share-based compensation	14,793	84,831	59,794

SUMMARY

	Year Ended December 31,		
	2023	2024	2025
	(in RMB thousands, except for percentages)		
Adjusted profit/(loss) for the year (a non-IFRS measure)	(217,312)	(224,155)	(145,877)
<i>Adjusted net margin (a non-IFRS measure)</i>	(30.2)%	(25.1)%	(13.2)%

Revenue

During the Track Record Period, we mainly generated revenue from sales of (i) AMOLED DDICs and (ii) Micro-OLED display backplanes/drivers.

By Product

	Year Ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
(in thousands, except for percentages)						
AMOLED DDICs	601,437	83.5	816,033	91.6	802,338	72.6
Micro-OLED display backplanes/drivers	118,833	16.5	75,039	8.4	295,650	26.7
Others ⁽¹⁾	134	0.0	232	0.0	7,671	0.7
Total	720,404	100.0	891,304	100.0	1,105,659	100.0

Note:

- (1) Primarily consisting of revenue from sales of board cards and customized development and technology licensing services related to AMOLED DDICs upon demand of our customers. Such services include compensation algorithm IP licensing and board card sales, to enhance display performance.

During the Track Record Period, revenue generated from the sales of AMOLED DDICs accounted for a substantial majority of our total revenue. In addition to the sales of AMOLED DDICs, we also derived revenue from sales of Micro-OLED display backplanes/drivers. To maintain strong relationships with our key downstream customers and address their diverse needs, we also provided other products and services, which primarily included board cards and customized development and technology licensing services related to AMOLED DDICs upon demand of our customers. Such services include compensation algorithm IP licensing and board card sales, to enhance display performance.

Sales Volume and Average Selling Price

	Year Ended December 31,					
	2023		2024		2025	
	Sales volume ⁽¹⁾	Average selling price ⁽²⁾	Sales volume ⁽¹⁾	Average selling price ⁽²⁾	Sales volume ⁽¹⁾	Average selling price ⁽²⁾
(Units'000) (RMB) (Units'000) (RMB) (Units'000) (RMB)						
AMOLED DDICs	32,287	18.6	51,350	15.9	52,593	15.3

SUMMARY

	Year Ended December 31,					
	2023		2024		2025	
	Sales volume ⁽¹⁾	Average selling price ⁽²⁾	Sales volume ⁽¹⁾	Average selling price ⁽²⁾	Sales volume ⁽¹⁾	Average selling price ⁽²⁾
	<i>(Pieces)</i>	<i>(RMB)</i>	<i>(Pieces)</i>	<i>(RMB)</i>	<i>(Pieces)</i>	<i>(RMB)</i>
Micro-OLED backplanes/drivers	5,459	21,768.3	3,326	22,561.3	16,468	17,953.0

Notes:

- (1) Sales volume of AMOLED DDICs is measured by the number of individual chips, while the sales volume of Micro-OLED backplanes/drivers is measured by the number of wafer pieces. This difference arises from the distinct packaging and delivery requirements of these two product types.

For AMOLED DDICs, the mainstream packaging method involves cutting the wafer into individual chips before delivery. As a result, sales are calculated based on the number of chips sold.

In contrast, due to the specific manufacturing processes required by Micro-OLED panel manufacturers, our Micro-OLED backplanes/drivers are typically delivered in the form of whole wafers, without being cut or packaged into individual chips. This is because downstream panel manufacturers need to directly process the wafers to produce the Micro-OLED displays. Consequently, unlike our DDICs, which are sold on a per-chip basis, our Micro-OLED backplanes/drivers are sold on a per-wafer basis, and “wafers” are used as the unit of measurement for sales volume.

Additionally, since panel manufacturers fabricate the Micro-OLED display devices directly on the backplane chips, the size of the Micro-OLED display modules supported by the chips is essentially determined at the time of delivery. This unique characteristic further differentiates the sales and delivery of Micro-OLED products from that of AMOLED DDICs.

- (2) The average selling price of our product is calculated by dividing revenue generated from sale of such product by the sales volume of such product.

Gross Profit and Gross Margin

By Product

We recorded gross profit as revenue less cost of sales. We recorded gross margin as gross profit divided by revenue, expressed as a percentage.

	Year Ended December 31,					
	2023		2024		2025	
	Gross profit	Gross margin	Gross profit	Gross margin	Gross profit	Gross margin
	<i>(in RMB thousands, except for percentages)</i>					
AMOLED DDICs	(8,714) ⁽²⁾	(1.4) ⁽²⁾	2,259	0.3	51,633	6.4
Micro-OLED display backplanes/drivers	11,846	10.0	19,436	25.9	84,621	28.6
Others ⁽¹⁾	61	45.5	213	91.8	6,731	87.7
Total/Overall	<u>3,193</u>	<u>0.4</u>	<u>21,908</u>	<u>2.5</u>	<u>142,985</u>	<u>12.9</u>

Notes:

- (1) Primarily consisting of revenue from sales of board cards and customized development and technology licensing services related to AMOLED DDICs upon demand of our customers. Such services include compensation algorithm IP licensing and board card sales, to enhance display performance.
- (2) We recorded gross loss of RMB8.7 million from AMOLED DDICs in 2023 due to inventory write-offs. See also “Financial Information — Principal Components of Results of Operations — Cost of Sales.”

SUMMARY

Our gross profit increased from RMB21.9 million in 2024 to RMB143.0 million in 2025, primarily due to an improvement in our gross margin from 2.5% to 12.9%, which in turn was the result of enhanced cost control and product mix optimization. Our gross profit from sales of AMOLED DDICs increased by 2,185.7% from RMB2.3 million in 2024 to RMB51.6 million in 2025, primarily due to a reduction in per unit manufacturing costs and the newly launched flagship products manufactured domestically at more favorable costs, resulting in a gross margin increase from 0.3% to 6.4%. Our gross profit from sales of Micro-OLED backplanes/drivers increased by 335.4% from RMB19.4 million in 2024 to RMB84.6 million in 2025, mainly attributable to a significant rise in sales volume, as a result of improved economies of scale and our cost control efforts and operational efficiency improvement.

Our gross profit increased from RMB3.2 million in 2023 to RMB21.9 million in 2024, primarily due to an increase in our gross margin from 0.4% in 2023 to 2.5% in 2024 and a 23.7% increase in our revenue from 2023 to 2024. We recorded a gross loss of RMB8.7 million for sales of AMOLED DDICs in 2023 and a gross profit of RMB2.3 million in 2024, primarily due to a 35.7% increase in our revenue from sales of AMOLED DDICs. We recorded a gross margin of 0.3% for sales of AMOLED DDICs in 2024 as opposed to a gross loss margin of 1.4% in 2023. This is primarily due to (i) a decrease in the per unit costs of our AMOLED DDICs; and (ii) a 52.5% decrease in our inventory write-offs from RMB53.2 million in 2023 to RMB25.3 million in 2024. Our gross profit from sales of Micro-OLED backplanes/drivers increased by 64.1% from RMB11.8 million in 2023 to RMB19.4 million in 2024, primarily due to an increase in gross margin from 10.0% in 2023 to 25.9% in 2024.

Loss for the Year

Loss for the year amounted to RMB232.1 million, RMB309.0 million, and RMB230.3 million in 2023 and 2024 and 2025, respectively. We recorded losses positions during the Track Record Period due to the adoption of a strategic pricing strategy, which led to lower gross profit margins. This approach was aimed at increasing market competitiveness and expanding customer relationships. Additionally, our continued investment in research and development contributed to high R&D expenses, further impacting the bottom line.

Summary of Consolidated Statements of Financial Position

	As of December 31,		
	2023	2024	2025
	<i>(in RMB thousands)</i>		
Total non-current assets	122,688	156,448	107,035
Total current assets	1,091,505	1,069,273	996,982
Total assets	1,214,193	1,225,721	1,104,017
Total non-current liabilities	4,433	1,595	793
Total current liabilities	126,864	235,330	285,733
Total liabilities	131,297	236,925	286,526
Net current assets	964,641	833,943	711,249
Total equity	1,082,896	988,796	817,491

SUMMARY

Net Current Assets/Liabilities

The table below sets forth our current assets and liabilities as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	<i>(in RMB thousands)</i>			<i>(unaudited)</i>
Current assets				
Inventories	373,205	321,859	237,883	228,747
Trade receivables	64,698	102,661	292,405	180,476
Prepayments, other receivables and other assets	71,188	92,813	43,148	50,597
Financial assets at fair value through profit or loss	247,461	415,441	–	–
Derivative financial instruments	1,308	558	–	–
Time deposits	136,821	21,916	42,550	–
Pledged deposits	7,083	9,194	1,253	–
Cash and cash equivalents	189,741	104,831	379,743	591,358
Total current assets	1,091,505	1,069,273	996,982	1,051,178
Current liabilities				
Trade payables	48,492	34,171	57,158	37,981
Other payables and accruals	33,728	40,221	65,702	52,937
Interest-bearing bank loans	30,026	150,815	140,000	255,121
Lease liabilities	3,411	3,427	2,193	2,288
Contract liabilities	7,039	4,655	20,217	7,016
Provision	4,168	2,041	134	23
Derivative financial instruments	–	–	329	–
Total current liabilities	126,864	235,330	285,733	355,366
Net current assets	964,641	833,943	711,249	695,812

See “Financial Information — Liquidity and Capital Resources — Net Current Assets/Liabilities.”

Comparison between March 31, 2026 and December 31, 2025

Our net current assets decreased from RMB711.2 million as of December 31, 2025 to RMB695.8 million as of March 31, 2026, primarily due to (i) a decrease in trade receivables from RMB292.4 million as of December 31, 2025 to RMB180.5 million as of March 31, 2026, (ii) an increase in interest-bearing bank loans from RMB140.0 million as of December 31, 2025 to RMB255.1 million as of March 31, 2026, partially offset by a decrease in trade payables from RMB57.2 million as of December 31, 2025 to RMB38.0 million as of March 31, 2026.

Comparison between December 31, 2025 and December 31, 2024

Our net current assets decreased from RMB833.9 million as of December 31, 2024 to RMB711.2 million as of December 31, 2025, primarily due to (i) a decrease in inventories from RMB321.9 million as of December 31, 2024 to RMB237.9 million as of December 31, 2025, (ii) an increase in other payables and accruals from RMB40.2 million as of December 31, 2024 to RMB65.7 million as of December 31, 2025, partially offset by an increase in time deposit from RMB21.9 million as of December 31, 2024 to RMB42.6 million as of December 31, 2025.

SUMMARY

Comparison between December 31, 2024 and December 31, 2023

Our net current assets decreased from RMB964.6 million as of December 31, 2023 to RMB833.9 million as of December 31, 2024, primarily due to (i) an increase in interest-bearing bank loans from RMB30.0 million as of December 31, 2023 to RMB150.8 million as of December 31, 2024, (ii) a decrease in time deposits from RMB136.8 million as of December 31, 2023 to RMB21.9 million as of December 31, 2024, partially offset by an increase in financial assets at fair value through profit or loss from RMB247.5 million as of December 31, 2023 to RMB415.4 million as of December 31, 2024.

Net Assets

Comparison between December 31, 2025 and December 31, 2024

Our net assets (total equity) decreased from RMB988.8 million as of December 31, 2024 to RMB817.5 million as of December 31, 2025, primarily due to (i) the increase in accumulated losses from RMB527.4 million as of December 31, 2024 to RMB757.7 million as of December 31, 2025 as a result of the net loss incurred during the year, and (ii) the effect of other comprehensive income being limited during the year. These negative impacts were partially offset by an increase in the share-based payments reserve from RMB261.6 million as of December 31, 2024 to RMB321.4 million as of December 31, 2025 due to share-based compensation expenses recognized during the year.

Comparison between December 31, 2024 and December 31, 2023

Our net assets (total equity) decreased from RMB1,082.9 million as of December 31, 2023 to RMB988.8 million as of December 31, 2024, primarily due to (i) the increase in accumulated losses from RMB218.4 million as of December 31, 2023 to RMB527.4 million as of December 31, 2024 as a result of the net loss incurred during the year, and (ii) the effect of other comprehensive income being limited during the year. These negative impacts were partially offset by (i) an increase in capital reserve and share capital as a result of the issue of shares amounting to RMB130.0 million, and (ii) an increase in the share-based payment reserve from RMB176.8 million as of December 31, 2023 to RMB261.6 million as of December 31, 2024 due to share-based compensation expenses recognized during the year.

Summary of Consolidated Statements of Cash Flows

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

	Year ended December 31,		
	2023	2024	2025
	<i>(in RMB thousands)</i>		
Operating cash flows before movements in working capital	(161,141)	(196,077)	(139,177)
Changes in working capital	(5,335)	(55,127)	(8,586)
Interest received	5,067	15,587	14,350
Income tax (paid)/refund	690	-	-
Net cash used in operating activities	(160,719)	(235,617)	(133,413)
Net cash (used in)/generated from investing activities	192,512	(92,765)	448,012
Net cash generated/(used in) from financing activities	24,875	242,585	(18,552)

SUMMARY

	Year ended December 31,		
	2023	2024	2025
	<i>(in RMB thousands)</i>		
Net increase (decrease) in cash and cash equivalents	<u>56,668</u>	<u>(85,797)</u>	<u>296,047</u>
Cash and cash equivalents as of the beginning of year	132,265	189,741	104,831
Effect of foreign exchange rate changes, net	<u>808</u>	<u>887</u>	<u>(21,135)</u>
Cash and cash equivalents as of the end of the year	<u><u>189,741</u></u>	<u><u>104,831</u></u>	<u><u>379,743</u></u>

Net Cash Used in Operating Activities

We recorded net operating cash outflows during the Track Record Period, primarily as a result of operating losses and continued margin pressure in our core business. To improve our net operating cash flow position, we are focused on concrete measures to enhance our gross profit, which in turn will drive operational cash inflow. Specifically, we are actively optimizing our product mix by increasing the proportion of high-margin, premium AMOLED DDICs and Micro-OLED products, and accelerating the launch of next-generation products with greater value-add and higher average selling prices. At the same time, we are implementing cost control initiatives, including negotiating better procurement terms with foundries and OSAT partners by leveraging higher purchase volumes, shifting more production to domestic foundries that offer more competitive wafer pricing, and continuously improving product design to boost manufacturing yield and reduce defect rates.

DIVIDEND

Upon completion of the Global Offering, we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. Any proposed distribution of dividends shall be formulated by our Board and will be subject to approval of our Shareholders. A decision to declare or to pay any dividends in the future, and the amount of any dividend, will depend upon a number of factors, including our earnings and financial condition, operating requirements, capital requirements, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends, and any other factors that our Directors may consider important.

There is no assurance that dividends of any amount will be declared or be distributed in any year. As of the Latest Practicable Date, we did not have any dividend policy and there is no pre-determined dividends pay out ratio. Regulations in the PRC currently permit payment of dividends of a PRC company only out of distributable profits, which refer to after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that it is required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China. As advised by our PRC Legal Advisor, we cannot pay dividends to shareholders as there is no distributable profits in view of the accumulated losses. We will pay dividends according to the applicable PRC laws and our Articles of Association.

SUMMARY

RISK FACTORS

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

- We face significant pricing pressures arising from intensified competition in the AMOLED DDIC industry, increases in memory chip prices and our limited bargaining power with both customers and suppliers, all of which may materially and adversely affect our revenue, gross margin and overall profitability.
- If we fail to develop and introduce new or enhanced products and solutions on a timely basis, our ability to attract and retain customers could be impaired and our competitive position could be harmed.
- Our research and development efforts are not guaranteed to yield the results we anticipate.
- Our growth and profitability depend on general economic conditions and the level of consumer spending.
- Our future growth depends in part on maintaining and building relationships and achieving additional design wins with leading brand companies.

FUTURE PLANS AND USE OF PROCEEDS

Based on an Offer Price of HK\$20.81 per Offer Share, we estimate that we will receive net proceeds of approximately HK\$997.1 million from the Global Offering after deducting the underwriting commissions and other estimated expense in connection with the Global Offering (assuming the Over-allotment Option is not exercised). We intend to use our proceeds for the purposes and in the amounts set forth below.

- Approximately 47.0%, or HK\$468.6 million, will be used to support the research and development and optimization of AMOLED TDDI chips, as well as the expansion of their application scenarios.
- Approximately 33.0%, or HK\$329.0 million, will be used to support the research and development and optimization of Micro-OLED and Micro-LED display drivers backplanes.
- Approximately 10.0%, or HK\$99.7 million, will be used for strategic investments or acquisitions to capture future growth opportunities.
- Approximately 10.0%, or HK\$99.7 million, will be used for working capital and other general corporate purposes, including day-to-day operation and general corporate expenditures.

The additional net proceeds that we would receive if the Over-allotment Option were exercised in full would be HK\$156.7 million.

OUR SINGLE LARGEST SHAREHOLDER GROUP

Upon the Listing, the general partner of Yisheng No. 1 shall be changed from Mr. Han Xu to Dr. Gu Jing. As of the Latest Practicable Date, Yisheng No. 1 has completed all the internal procedures (including the general partner making the written decision to change the general partner

SUMMARY

and the amendment of the partnership agreement) with respect to the change of general partner from Mr. Han Xu to Dr. Gu Jing and Yisheng No. 1 expects to complete all requisite procedures (including the filings with the SAMR authorities) upon the Listing pursuant to applicable laws and regulations in the PRC. See “History, Development and Corporate Structure — Establishment and Evolvement of the Shareholding Platforms of the Company.” Accordingly, immediately following the completion of the Global Offering and upon the conversion and re-designation of Class A Ordinary Shares as Shares without any weighted voting rights on an one-to-one basis (assuming the Over-allotment Option is not exercised), Dr. Gu Jing will act as the general partner of and control each of Shenzhen Yishi, Yisheng No. 1 and Yisheng No. 2, and will be entitled to control approximately 16.99% of the total issued Shares of the Company through Shenzhen Yishi, Yisheng No. 1 and Yisheng No. 2, representing approximately 16.99% of the aggregate voting power at the Company’s general meetings. Accordingly, Dr. Gu Jing, Shenzhen Yishi, Yisheng No. 1 and Yisheng No. 2 will be our Single Largest Shareholder Group upon the Listing.

PREVIOUS LISTING ATTEMPT

For the purposes of the proposed initial public offering in the A-share market and listing on the Shanghai Stock Exchange STAR Market (the “**Proposed A-share Listing**”) and receiving guidance from a qualified sponsor of the A-share listing, the Company entered into a pre-listing tutorial (上市輔導) agreement on January 6, 2023 and made a preliminary filing (上市輔導備案) with the Shenzhen Regulatory Bureau of the CSRC (中國證券監督管理委員會深圳監管局) in January 2023. The Company submitted its A-share listing application to the Shanghai Stock Exchange in June 2023. However, in consideration of the reasons as set out in “— Reasons for the Listing” below and given the market conditions, the Company decided to focus its resources on the Listing on the Stock Exchange and did not proceed with the Proposed A-share Listing. In October 2023, the Company voluntarily withdrew its application in relation to the Proposed A-share Listing. As of the Latest Practicable Date, the Company did not receive any comments or inquiries from the CSRC or the Shanghai Stock Exchange in relation to the Proposed A-share Listing.

To the best of the Directors’ knowledge and belief, there were no disagreements between the Company and the professional parties of the Proposed A-share Listing attempt and the Directors are not aware of any material matter in relation to the Proposed A-share Listing that would affect the Company’s suitability for Listing on the Stock Exchange or other material matters that need to be brought to the attention of the Stock Exchange. Based on the due diligence works conducted by the Joint Sponsors, nothing has come to the Joint Sponsors’ attention that would cause them to have reasonable doubt against the Directors’ view in respect of the Proposed A-share Listing and the Joint Sponsors are not aware of any material matter in relation to the Proposed A-share Listing that needs to be brought to the attention of the Stock Exchange.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of the listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the H Shares to be converted from Unlisted Shares, on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to (i) our revenue for the year ended December 31, 2025, which is over HK\$500 million, and (ii) our expected market capitalization at the time of Listing, which, based on the Offer Price, exceeds HK\$4 billion.

PRE-IPO INVESTMENTS

We underwent rounds of Pre-IPO Investments. For details, see “History, Development and Corporate Structure.”

SUMMARY

GLOBAL OFFERING STATISTICS

The statistics in the following table are based on the assumptions that (i) the Global Offering has been completed and 52,859,200 H Shares are newly issued in the Global Offering, (ii) the Over-allotment Option for the Global Offering is not exercised, and (iii) 374,919,750 Unlisted Shares to be converted into H shares upon the completion of the Global Offering.

	Based on the Offer Price of HK\$20.81 per H Share
Market capitalization of our Shares ⁽¹⁾	HK\$8,902.1 million
Unaudited pro forma adjusted net tangible assets per Share ⁽²⁾	HK\$4.56

Notes:

- (1) The calculation of market capitalization of our Shares is based on 374,919,750 H Shares converted from Unlisted Shares and 52,859,200 H Shares expected to be issued immediately upon completion of the Global Offering (without taking into account H Shares that may be issued upon the exercise of the Over-allotment Option).
- (2) The unaudited pro forma adjusted net tangible assets per Share is arrived at after adjustments referred to in “Appendix II — Unaudited Pro Forma Financial Information” in this Prospectus.

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commission and fees incurred in connection with the Listing and the Global Offering. During the Track Record Period, we recorded listing expenses of RMB28.5 million, among which RMB24.7 million was charged to our consolidated statements of profit or loss and other comprehensive income in 2025, and RMB3.8 million was recognized to our consolidated statements of financial position as of December 31, 2025, which will be deducted from equity upon the Listing.

Our listing expenses are estimated to be approximately HK\$102.9 million (including underwriting commission), accounting for 9.4% of the gross proceeds of the Global Offering (based on Offer Price of HK\$20.81 per H Share and assuming no exercise of the Over-allotment Option). Among our listing expenses, approximately HK\$59.4 million will be accounted for as a deduction from equity upon completion of the Listing, and approximately HK\$43.5 million has been and will be charged to our consolidated statements of profit or loss as listing expense. The listing expenses we incurred during the Track Record Period and expect to incur would consist of approximately HK\$55.0 million underwriting related expenses and fees (including but not limited to commissions and fees), approximately HK\$34.3 million non-underwriting-related expenses and fees of the Joint Sponsors, legal advisors and reporting accountant and approximately HK\$13.6 million for other non-underwriting-related fees and expenses. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

RECENT DEVELOPMENT

Our Directors confirmed that, as of the date of this Prospectus, there has been no material adverse change in our financial position since December 31, 2025, and there has been no event since December 31, 2025 that would materially affect the information as set out in the Accountants’ Report in Appendix I to this Prospectus.

DEFINITIONS

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

“Accountants’ Report”	the accountants’ report of the Company, the text of which is set out in Appendix I to this Prospectus
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	Accounting and Financial Reporting Council
“Articles” or “Articles of Association”	the articles of association of the Company with effect upon the Listing Date (as amended from time to time), a summary of which is set out in Appendix III to this Prospectus
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors of the Company
“Business Day”	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“Capital Market Intermediary(ies)” or “CMI(s)”	the capital market intermediaries participating in the Global Offering and has the meaning ascribed thereto under the Listing Rules
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China”, “Chinese Mainland” or “the PRC”	the People’s Republic of China, unless the context requires otherwise, excluding, for the purposes of this Prospectus only, the regions of Hong Kong, Macau and Taiwan of the People’s Republic of China
“Class A Ordinary Shares”	Class A ordinary shares in the share capital of the Company with a par value of RMB1.00 each, conferring weighted voting rights in the Company such that a holder of a Class A ordinary share is entitled to ten votes per share on all matters subject to the vote at general meetings of the Company, subject to applicable laws and regulations, all of which shall be converted and re-designated as Shares without any weighted voting rights on an one-to-one basis upon the Listing

DEFINITIONS

“Class B Ordinary Shares”	Class B ordinary shares in the share capital of the Company with a par value of RMB1.00 each, conferring a holder of a Class B ordinary share one vote per share on all matters subject to the vote at general meetings of the Company
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”	Viewtrix Technology Co., Ltd (雲英谷科技股份有限公司), a limited liability company established in the PRC on May 30, 2012 which was converted into a joint stock company with limited liability on December 20, 2022, formerly known as Shenzhen Viewtrix Technology Company Limited* (深圳雲英谷科技有限公司)
“Compliance Advisor”	Gram Capital Limited
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“CSDC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“EIT”	enterprise income tax
“EIT Law”	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》)

DEFINITIONS

“Exchange Participant”	a person (a) who, in accordance with the Listing Rules, may trade on or through the Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Stock Exchange as a person who may trade on or through the Stock Exchange
“Extreme Conditions”	extreme conditions as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale serious affects the working public’s ability to resume work or brings safely concern for a prolonged period
“FINI”	“Fast Interface for New Issuance,” the online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for the Listing
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent market research and consulting company
“General Rules of HKSCC”	General Rules of HKSCC published by the Stock Exchange and as amended from time to time
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Group”	the Company and its subsidiaries, or any one of them as the context may require, and where the context requires, the businesses operated by the Company and/or its subsidiaries and their predecessors (if any)
“Guide” or “Guide for New Listing Applicants”	the Guide for New Listing Applicants issued by the Stock Exchange effective from January 1, 2024, as amended, supplemented or otherwise modified from time to time
“H Share(s)”	listed ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and to be listed on the Stock Exchange
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“Hefei Tianze”	Hefei Tianze Qicheng No. 1 Enterprise Management Partnership Enterprise* (合肥天澤啟承壹號企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on March 14, 2018 and one of our Shareholders
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

DEFINITIONS

“HKSCC EIPO”	the application for Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant’s stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via HKSCC’s FINI system to apply for Hong Kong Offer Shares on your behalf
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“HKSCC Operational Procedures”	the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC’s services and the operation and functions of the CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force
“HKSCC Participant”	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong Offer Shares”	5,286,000 H Shares (subject to reallocation as described in the section headed “Structure of the Global Offering”) initially offered by the Company for subscription at the Offer Price pursuant to the Hong Kong Public Offering
“Hong Kong Public Offering”	the offering of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price (plus brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee), on and subject to the terms and conditions described in “Structure of the Global Offering — The Hong Kong Public Offering”
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering listed in the section headed “Underwriting — Hong Kong Underwriters”

DEFINITIONS

“Hong Kong Underwriting Agreement”	the underwriting agreement dated May 14, 2026 relating to the Hong Kong Public Offering entered into among the Company, our Single Largest Shareholder Group, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators and the Hong Kong Underwriters, as further described in the section headed “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Hong Kong Underwriting Agreement”
“HSG”	HSG Venture VIII Holdco G, Ltd., a limited liability company established under the laws of Cayman Islands and one of our Shareholders
“IFRSs”	the International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by IASB and the International Accounting Standards (IAS) and interpretations issued by the International Accounting Standards Committee (IASC)
“IIT Law”	the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》)
“Independent Third Party(ies)”	any person(s) or entity(ies) who is not a connected person of the Company within the meaning of the Listing Rules
“International Offer Shares”	the 47,573,200 H Shares offered by the Company pursuant to the International Offering (subject to reallocation as described in the section headed “Structure of the Global Offering”) together with any additional H Shares which may be allotted and issued by the Company pursuant to the exercise of the Over-allotment Option
“International Offering”	the conditional placing of the International Offer Shares by the International Underwriters at the Offer Price outside the United States in offshore transactions in reliance on Regulation S or any other available exemption from the registration requirements under the U.S. Securities Act, in each case on and subject to the terms and conditions of the International Underwriting Agreement, as further described in the “Structure of the Global Offering” in this Prospectus
“International Underwriters”	the group of international underwriters who are expected to enter into the International Underwriting Agreement to underwrite the International Offering
“International Underwriting Agreement”	the underwriting agreement relating to the International Offering expected to be entered into on or about May 22, 2026 by the Company and the International Underwriters, as further described in the section headed “Underwriting — International Offering”
“Joint Bookrunners”	the joint bookrunners as named in the section headed “Directors and Parties Involved in the Global Offering”

DEFINITIONS

“ Joint Global Coordinators ”	the joint global coordinators as named in the section headed “Directors and Parties Involved in the Global Offering”
“ Joint Lead Managers ”	the joint lead managers as named in the section headed “Directors and Parties Involved in the Global Offering”
“ Joint Sponsors ”	the joint sponsors as named in the section headed “Directors and Parties Involved in the Global Offering”
“ Latest Practicable Date ”	May 11, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this Prospectus prior to its publication
“ Listing ”	listing of the H Shares on the Main Board of the Hong Kong Stock Exchange
“ Listing Date ”	the date, expected to be on or about Wednesday, May 27, 2026, on which the H Shares are listed and from which dealings therein are permitted to take place on the Stock Exchange
“ Listing Rules ” or “ Hong Kong Listing Rules ”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“ Macau ”	the Macau Special Administrative Region of the PRC
“ Main Board ”	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
“ MOF ”	Ministry of Finance of the PRC (中華人民共和國財政部)
“ MIIT ”	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
“ MOFCOM ”	Ministry of Commerce of the PRC (中華人民共和國商務部)
“ Nomination Committee ”	the nomination committee of the Board
“ Ningbo Yuhang ”	Ningbo Yuhang Equity Investment Center (Limited Partnership)* (寧波宇航股權投資中心(有限合夥)), a limited partnership established under the laws of the PRC on March 23, 2016 and one of our Shareholders
“ NPC ”	the National People’s Congress of the PRC (中華人民共和國全國人民代表大會)

DEFINITIONS

“Offer Price”	HK\$20.81, being the price per Offer Share in Hong Kong dollars (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%) at which Offer Shares are to be subscribed for, to be determined in the manner further described in the section headed “Structure of the Global Offering — Pricing” in this prospectus
“Offer Share(s)”	the Hong Kong Offer Share(s) and the International Offer Share(s), together with any additional H Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option
“Over-allotment Option”	the option granted by the Company to the International Underwriters, exercisable by the Sponsor-Overall Coordinators (on behalf of the International Underwriters) pursuant to the International Underwriting Agreement, to require the Company to allot and issue up to an aggregate of 7,928,800 additional H Shares at the Offer Price, representing approximately 15% of the Offer Shares initially available under the Global Offering, to cover over-allocations in the International Offering, if any, exercisable at any time from the date of the International Underwriting Agreement up to (and including) the date which is the 30th day from the last day for lodging of applications under the Hong Kong Public Offering
“Overall Coordinators”	the overall coordinators as named in the section headed “Directors and Parties Involved in the Global Offering”
“Overseas Listing Trial Measures”	The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and five supporting guidelines (《境內企業境外發行證券和上市管理試行辦法》及五項配套指引) promulgated by the CSRC on February 17, 2023 and became effective on March 31, 2023
“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 People’s Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“PRC GAAP”	generally accepted accounting principles of the PRC
“PRC Legal Advisor”	Fangda Partners, the PRC legal advisor to the Company
“PRC Securities Law”	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Pre-IPO Investment(s)”	the investment(s) in our Company undertaken by the Pre-IPO Investors prior to this Global Offering, the details of which are set out in “History, Development and Corporate Structure — Pre-IPO Investments”
“Pre-IPO Investor(s)”	the Pre-IPO investor(s) of our Company, details of which are set out in “History, Development and Corporate Structure — Pre-IPO Investments”
“Pre-IPO Share Incentive Scheme”	the Pre-IPO Share Incentive Scheme approved and adopted by the Company for the grant of awards to eligible participants, a summary of the principal terms of which is set forth in the section headed “Appendix IV — Statutory and General Information — Share Incentive Scheme”
“Prospectus”	this prospectus being issued in connection with the Hong Kong Public Offering
“Qicheng Zhiyuan”	Ningbo Meishan Bonded Port Area Qicheng Zhiyuan Equity Investment Partnership (Limited Partnership)* (寧波梅山保稅港區啟承智源股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on August 8, 2018 and one of our Shareholders
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration Committee”	the remuneration committee of the Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“Securities and Futures Commission” or “SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, including H Shares and Unlisted Shares
“Shareholder(s)”	holder(s) of the Share(s)

DEFINITIONS

“Shenzhen Yishi”	Shenzhen Yishi No. 1 Enterprise Management Center (Limited Partnership)* (深圳翼勢一號企業管理中心(有限合夥)), a limited partnership established under the laws of the PRC on September 10, 2021 and one of our Shareholders
“Single Largest Shareholder Group”	Dr. Gu Jing, Shenzhen Yishi, Yisheng No. 1 and Yisheng No. 2
“Sponsor-Overall Coordinators”	the sponsor-overall coordinators as named in the section headed “Directors and Parties Involved in the Global Offering”
“STA”	the State Taxation Administration of the PRC (中華人民共和國國家稅務總局)
“Stabilizing Manager”	China International Capital Corporation Hong Kong Securities Limited
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the financial years ended December 31, 2023, 2024 and 2025
“treasury shares”	has the meaning ascribed thereto under the Listing Rules
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and/or the International Underwriting Agreement, as the context may require
“United States” or “U.S.”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“Unlisted Share(s)”	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange
“U.S. dollar(s)”, “US\$” or “USD”	United States dollar, the lawful currency of the United States

DEFINITIONS

“U.S. Securities Act”	The U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
“VAT”	value-added tax
“Viewtrix Chengdu”	Chengdu Viewtrix Technology Company Limited* (成都雲英谷科技有限公司), a limited liability company established under the laws of the PRC on April 16, 2024 and a wholly-owned subsidiary of the Company
“Viewtrix Hong Kong”	Hong Kong Viewtrix Technology Limited (香港精優電子科技有限公司), a limited liability company established under the laws of Hong Kong on September 27, 2019 and a wholly-owned subsidiary of the Company
“Viewtrix Kunshan”	Kunshan Viewtrix Electronic Technology Company Limited* (昆山雲英谷電子科技有限公司), a limited liability company established under the laws of the PRC on June 22, 2018 and a wholly-owned subsidiary of the Company
“White Form eIPO”	the application process for Hong Kong Offer Shares with applications issued in applicant’s own name and submitted online through the designated website of the White Form eIPO Service Provider at www.eipo.com.hk
“White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited
“Xiamen Zhiyi”	Xiamen Zhiyi Chuangzhi Investment Partnership Enterprise (Limited Partnership)* (廈門執一創智投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on May 27, 2021 and one of our Shareholders
“Yisheng Hong Kong No. 1”	Hong Kong E-Sheng Limited, a limited liability company established under the laws of Hong Kong on September 27, 2021 and one of the Company’s employee shareholding platforms, details of which are set out in the section headed “History, Development and Corporate Structure — Employee Shareholding Platforms”
“Yisheng Hong Kong No. 2”	HongKong E-Sheng Two Limited, a limited liability company established under the laws of Hong Kong on December 15, 2021 and one of the Company’s employee shareholding platforms, details of which are set out in the section headed “History, Development and Corporate Structure — Employee Shareholding Platforms”

DEFINITIONS

“Yisheng No. 1”	Shenzhen Yisheng No. 1 Enterprise Management Center (Limited Partnership)* (深圳市翼升一號企業管理中心(有限合夥)), a limited partnership established under the laws of the PRC on September 16, 2021 and one of the Company’s employee shareholding platforms, details of which are set out in the section headed “History, Development and Corporate Structure — Employee Shareholding Platforms”
“Yisheng No. 2”	Shenzhen Yisheng No. 2 Enterprise Management Center (Limited Partnership)* (深圳翼升二號企業管理中心(有限合夥)), a limited partnership established under the laws of the PRC on September 10, 2021 and one of the Company’s employee shareholding platforms, details of which are set out in the section headed “History, Development and Corporate Structure — Employee Shareholding Platforms”
“Yisheng No. 3”	Shenzhen Yisheng No. 3 Enterprise Management Center (Limited Partnership)* (深圳翼升三號企業管理中心(有限合夥)), a limited partnership established under the laws of the PRC on September 15, 2021 and one of the Company’s employee shareholding platforms, details of which are set out in the section headed “History, Development and Corporate Structure — Employee Shareholding Platforms”
“%”	per cent

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

* For identification purpose only

GLOSSARY OF TECHNICAL TERMS

“AI”	artificial intelligence
“AMOLED”	active matrix organic light emitting diode, a high-quality display technology known for being brighter, thinner, and more power-efficient
“AR”	augmented reality, a technology that overlays digital information, such as images, sounds and other data, onto the real-world environment in real-time, enhancing the user’s perception and interaction with the surroundings
“Backplane”	a supporting substrate in a display panel that contains the driving circuitry to control each pixel
“brand company”	an electronics company that produces, markets, and sells end products like smartphones, wearables, and other display-based devices to consumers
“CAGR”	compound annual growth rate, representing the year over year growth rate for a multi-period of time, calculating by computing the nth root of the ending value over beginning value then minus one, where n equals to the total number of periods minus one
“captive provider”	a company that develops and supplies Micro-OLED display backplanes/drivers primarily to established brand customers
“CMOS”	complementary metal-oxide-semiconductor, a widely used semiconductor technology for constructing integrated circuits, including microprocessors, microcontrollers, memory chips and image sensors
“CRT”	cathode ray tube
“DDIC”	display driver integrated circuit
“Driver compensation algorithm”	a set of embedded control algorithms implemented in DDICs that dynamically adjust signal output to correct for display inconsistencies
“dual RAM”	a system or device that utilizes two separate RAM modules or channels to improve performance and efficiency
“Fables”	a business model in the semiconductor industry whereby a company designs and sells integrated circuits but outsources the manufacturing to specialized semiconductor foundries
“FAE”	field application engineer
“Fast LCD”	liquid crystal displays optimized for high refresh rates, low response times, and minimal motion blur

GLOSSARY OF TECHNICAL TERMS

“FATP”	final assembly, testing and packaging
“functional module”	a set of parts and units that are integrated together to construct a more complex structure to perform a specific function
“GDS”	graphic data system
“HMI”	human-machine interface
“HUD”	Head-Up Display, a technology that projects information directly into the user’s line of sight, allowing them to view critical data without having to look away from their primary focus area
“independent provider”	a company that designs, develops and supplies Micro-OLED display backplanes/drivers or similar components to a broad range of customers in the open market, without being affiliated with or controlled by any specific terminal brand or downstream device manufacturer. Independent providers do not produce end-user devices under their own consumer brands and typically serve multiple third-party brands and manufacturers
“Integrated Circuit” or “IC”	integrated circuit, a type of miniature electronic device or component, manufactured using semiconductor techniques, integrating all the necessary transistors, resistors, capacitors, inductors and their connecting wires for a circuit onto a small semiconductor wafer (such as a silicon chip or substrate), which is then soldered and encapsulated within a casing to form an electronic device with the desired circuit functions
“LCD”	liquid crystal display, a flat-panel display technology that utilizes liquid crystals to create images
“LCOS”	liquid crystal on silicon, a micro-display technology that uses liquid crystals applied to a reflective silicon backplane
“LTPO”	low-temperature polycrystalline oxide
“Micro-OLED”	micro organic light emitting diode, a miniaturized OLED display technology featuring extremely small pixel pitches and high resolution
“Monocrystalline silicon”	a highly pure form of silicon in which the crystal lattice structure is continuous and unbroken throughout the material, with no grain boundaries. It is a critical material in the semiconductor and photovoltaic industries

GLOSSARY OF TECHNICAL TERMS

“MR”	a technology that blends elements of both virtual reality and augmented reality, enabling real-time interaction between physical and virtual objects within a user’s environment
“OLED”	organic light-emitting diode, a type of light-emitting diode in which the emissive electroluminescent layer is an organic compound film that emits light in response to an electric current
“OSAT”	outsourced semiconductor assembly and test, critical stages of the production process of semiconductor products outsourced to third-party services providers to handle the assembly, packaging and testing of semiconductor devices
“PPI”	pixels per inch, a measurement of pixel density in a digital display or image
“Pixel compensation circuit”	power a circuit design integrated within display panels or driver ICs that uses additional transistors or capacitors to maintain consistent pixel current or voltage
“TDDI”	touch and display driver integration
“TFT-LCD”	thin film transistor liquid crystal display
“RAM”	random access memory
“RAM-less”	or single RAM, a type of electronic device, system, or component that operates with one RAM
“Real-RGB”	a subpixel arrangement used in AMOLED displays where each pixel is composed of a full set of red, green, and blue subpixels
“R&D”	research and development
“Refresh rate”	the number of times per second a display updates its image, measured in hertz
“VR”	televirtual reality, a technology that creates a simulated, immersive environment, allowing users to interact with and experience a computer-generated world as if it were real, typically through the use of specialized headsets and sensors
“XR”	extended reality, typically include AR and VR

FORWARD-LOOKING STATEMENTS

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

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

FORWARD-LOOKING STATEMENTS

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

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

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

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, as well as our financial statements and the related notes, and the “Financial Information” section, 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 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 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 OPERATIONS

We face significant pricing pressures arising from intensified competition in the AMOLED DDIC industry, increases in memory chip prices and our limited bargaining power with both customers and suppliers, all of which may materially and adversely affect our revenue, gross margin and overall profitability.

The market for AMOLED DDICs is characterized by intense competition. According to Frost & Sullivan, the five largest manufacturers of smartphone AMOLED DDICs in Chinese mainland accounted for a combined market share of approximately 80% in 2024. As a relatively young entrant, we have adopted a competitive pricing strategy to establish and expand our market share, resulting in a sustained decline in our average selling prices over the Track Record Period. The competitive dynamics in the AMOLED DDIC market may continue to exert pressure on industry-wide pricing levels, and we may be unable to offset the impact of such pricing trends through cost reductions or volume increases.

These pricing pressures are further compounded by increases in memory chip prices. According to Frost & Sullivan, memory chip prices have increased significantly since late 2025. As memory chips represent one of the largest cost components in consumer electronics end products, brand companies and OEMs have sought to reduce procurement prices of other components — including our AMOLED DDICs — to protect their own margins. Our limited bargaining power with both customers and suppliers exacerbates this exposure: our customers, being large panel manufacturers and brand companies, are generally in a stronger negotiating position than us, while our reliance on a limited number of third-party foundries and OSAT providers constrains our ability to reduce input costs.

Our gross margins have been subject to material volatility. In 2022, our gross margin was materially higher than those recorded during the Track Record Period, before declining sharply at the commencement of the Track Record Period due to intensified competition, a post-peak correction in downstream demand and our competitive pricing strategy. While our gross margin has since improved, we cannot assure you that such improvement is sustainable.

The risks above are interconnected and may compound one another. If we are unable to effectively manage our pricing exposure through product differentiation, technology upgrading or cost reduction measures, our gross margin and profitability may continue to deteriorate, resulting in increased net losses and a material and adverse effect on our business, financial condition and results of operations.

RISK FACTORS

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

In order to compete successfully, we must design, develop, market and sell new or enhanced products that provide higher levels of performance and reliability, offer and integrate new functionalities and meet the expectations of our customers. The intensive competition, introduction of new and upgraded products by our competitors, market acceptance of products based on new or alternative technologies, emergence of new industry standards, or new trends in consumer preferences could render our existing or future products obsolete. Specifically, the development of other display technologies such as LCD or other alternative technologies could render OLED products obsolete if they provide better display solutions in terms of cost, durability and performance.

Our failure to anticipate the next-generation technology roadmap or timely develop new or enhanced products in response to shifts in technology and consumer preferences, including our inability to offer new generation of AMOLED DDICs and Micro-OLED display backplanes/drivers or to transition to the latest technologies quickly, could result in decreased total revenue and our competitors gaining more market share. In particular, we may experience difficulties with product design, development, marketing or certification, which could delay or prevent our development, introduction or marketing of new or enhanced products. If we fail to introduce new or enhanced products that meet the needs of our customers or fail to penetrate new markets in a timely fashion, we will lose market share and our operating results will be adversely affected.

Our research and development efforts are not guaranteed to yield the results we anticipate.

In order to maintain our competitive position and continue to grow our business, we need to continuously develop and introduce innovative products for our existing and potential downstream customers which include display panel manufacturers and brand companies in the consumer electronics industry. The markets of consumer electronics are characterized by continuous technological developments and innovation to address increasingly complex and diverse consumer needs. Accordingly, we emphasize our research and development activities, which require considerable human resources and capital investment. We have invested, and expect to continue to invest, significant resources in research and development; however, we cannot assure you that our R&D efforts will yield the intended results or that we will be able to successfully commercialize new technologies, and any failure to do so may impair our ability to retain existing customers, attract new customers and achieve profitability. In 2023, 2024 and 2025, our research and development expenses amounted to RMB177.0 million, RMB242.2 million and RMB266.0 million, representing 24.6%, 27.2% and 24.1% of our revenue in the respective years. However, we cannot assure you that these efforts will be successful or produce our anticipated results. We may not be able to apply the technologies we developed to introduce new products in time to capture the first-mover advantage, or at all. Any failure in successfully translating our R&D efforts to new products could have a material adverse impact on our business, results of operations and financial condition.

Our growth and profitability depend on general economic conditions and the level of consumer spending.

Our results of operations depend significantly on general economic conditions and consumer spending. Consumer spending is affected by a number of economic and other factors beyond our control, such as interest rates, conditions in the real estate and mortgage markets, unemployment rates, labor and healthcare costs, access to credit, consumer confidence, and other macroeconomic factors affecting the spending behavior of consumers. Economic uncertainty and other related factors may exacerbate negative trends in consumer spending and may cause consumers to postpone or refrain from purchasing consumer electronics, which in turn will negatively affect our customers' demands for our products and therefore adversely affect our business, results of operations and financial condition.

RISK FACTORS

According to Frost & Sullivan, starting from late 2025, the prices of memory chips, including those used in consumer electronics terminals, have increased significantly. As memory chips represent one of the largest cost components in consumer electronics end products, brand companies and their OEMs have come under mounting pressure to reduce their overall bill-of-materials costs. In response, these customers have sought to compress the procurement prices of other components — including display driver integrated circuits such as our AMOLED DDICs — in order to offset the rising memory costs and protect their own margins. Consequently, our operating results are affected by fluctuation in the consumer electronics industry, which is highly competitive and to a large extent driven by end-user markets. Fluctuations in price within the consumer electronics industry could contribute indirectly to reduced sales and declining prices for our products, which will in turn affect our revenue and profit margins. As a result of the foregoing factors, we may experience fluctuations in our results of operations and financial performance.

Specifically, many consumer electronics brand companies face intense competition and constant pressure to cut the selling prices of their end products. Accordingly, many of the brand companies using our products expect ongoing production cost reductions and increased production efficiencies. If we are not able to meet such expectations, our business, financial condition, results of operations and growth prospects will be adversely affected.

Our future growth depends in part on maintaining and building relationships and achieving additional design wins with leading brand companies.

Our products are ultimately applied in smartphones and AR/VR-enabled head mounted displays designed by brand companies, whom we consider our downstream customers. Even though these brand companies are not our customers since they generally do not purchase our products directly, we have strong relationships with leading brand companies, and we intend to maintain and further develop such relationships. These relationships have in the past required, and are expected to continue to require us to make modifications to our products that involve significant technological challenges, as well as participation in lengthy field trials and extensive qualification programs. We cannot assure you that these efforts will result in a design win, or that any such design win would lead to production orders. We also expect these brand companies to place considerable pressure on us to meet their tight development schedules. In addition, such brand companies may require extensive, localized technical support, which would require us to significantly expand our customer support capabilities. We may have to devote a substantial amount of our limited resources to these relationships, which could detract from or delay our completion of other important development projects. Such delays could impair our relationships with these brand companies and negatively impact sales of our products under development. If we cannot achieve design wins in the future, our ability to grow will be limited.

Our revenue and profitability are significantly affected by our product mix, and any unfavorable shift in our product mix could materially and adversely affect our financial results.

We currently offer two categories of products: (i) AMOLED DDICs, primarily used for smartphones, which span a broad range of market segments from mass-market to premium-tier devices, with our premium AMOLED DDICs featuring more advanced specifications — such as higher refresh rates, superior power efficiency and enhanced compensation algorithms — and commanding higher selling prices and margin profiles than our mass-market products; and (ii) Micro-OLED display backplanes/drivers, primarily used for AR/VR head-mounted devices. Different products, and different products within the same category, carry varying selling prices and margin profiles reflecting differences in product complexity and R&D investment. As a result, shifts in the proportion of premium versus mass-market products within our AMOLED DDIC portfolio, as well as changes in the relative contribution of our two product categories, can have a meaningful impact on our blended gross margin and overall profitability.

RISK FACTORS

Our product mix is subject to change in response to market conditions, customer preferences and technological developments, all of which are beyond our full control. Any shift in our product mix towards lower-margin products — whether driven by pricing pressure in our core AMOLED DDIC segment, slower-than-expected commercialization of higher-margin products, or changes in customer demand — could materially reduce our overall gross margin and profitability. We cannot assure you that we will be able to optimize our product mix or successfully expand our portfolio of higher-margin products, and any failure to do so may have a material and adverse effect on our business, financial condition and results of operations.

We work with a limited number of third-party foundries.

As a fabless design house, we rely on third-party foundries for wafer fabrication. Our ability to coordinate effectively with our foundry partners and OSAT providers to manage capacity allocation and production schedules affects our procurement lead times, delivery schedules to our customers and our inventory holding costs, which in turn affect our business operations and financial condition. Since 2018, TSMC has been our primary third-party foundry partner, and we began cooperation with other foundries, including some leading foundries based in Chinese mainland since 2024. In 2023, 2024 and 2025, purchase from TSMC accounted for 65.8%, 74.5% and 42.3% of our total purchases, respectively.

The ability of our foundry partners to provide us with wafers is limited by its available capacity. We do not have a guaranteed level of production capacity from our foundry partners since we do not have long-term contracts with them, and we place our orders on a purchase order basis. As a result, if our foundry partners raise their prices or are unable to meet our required capacity for various reasons, including shortages, or delays in the shipment of semiconductor equipment or raw materials required to manufacture our AMOLED DDICs, and Micro-OLED display backplanes/drivers or if our business relationships with our foundry partners deteriorate, we may not be able to obtain the required capacity and would have to seek alternative foundries, which may not be available on commercially reasonable terms, or at all. In addition, display panel manufacturers and brand companies we work with all have stringent supply chain control procedures in place, which would limit our capability to work with alternative foundries in case of capacity shortage.

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

Our third-party foundry partners are primarily located in Chinese mainland and Taiwan. In addition, we did not engage in any direct shipment arrangements from our third-party foundries to our end customers during the Track Record Period and as of the Latest Practicable Date. As a matter of our standard operations, all fabricated wafers are first delivered to our designated OSAT providers for packaging and testing. Final products are then shipped from the OSAT providers to end customers.

Testing and packaging of our DDICs are done by a limited number of third parties.

In addition to wafer fabrication, we rely on a limited number of OSAT providers for the testing and packaging of our DDICs. Reliance on these third parties for the testing and packaging of our DDICs presents significant risks to us, including (i) limited control over delivery schedules, quality assurance, manufacturing yields and production costs, (ii) potential failure to obtain, or delay in

RISK FACTORS

obtaining key process technologies, (iii) failure by us or our customers to qualify a selected supplier, (iv) capacity shortages during periods of high demand, (v) shortages of materials, (vi) misappropriation of our IP, (vii) limited warranties on ICs or products supplied to us and (viii) potential increases in prices.

The ability and willingness of our OSAT providers to adequately perform is largely outside our control. If one or more of these OSAT providers fails to perform its obligations in a timely manner or at satisfactory quality levels, our ability to bring products to market and our reputation could suffer. For example, in the event that capacity becomes constrained at one or more OSAT providers, we could face difficulties in fulfilling our customers' orders and our revenues could decline. In addition, if these OSAT providers fail to deliver quality products and components to us on time and at reasonable prices, we could face difficulties in fulfilling our customers' orders, our total revenue could decline and our business, financial condition and results of operations would be adversely affected. Our OSAT providers are primarily located in Chinese mainland, and we did not currently engage any OSAT providers based in other BRICS member countries during the Track Record Period and as of the Latest Practicable Date.

We incurred net losses during the Track Record Period and may not be able to achieve or maintain profitability in the future.

We incurred net losses of RMB232.1 million, RMB309.0 million and RMB230.3 million in 2023, 2024 and 2025, respectively. Whether we would be able to achieve profitability in the future is affected by various factors, including our ability to increase the sales volume and price of our products, continually grow revenue and manage and control our cost of sales and other costs and expenses.

Our ability to increase the volume and price of our products depends in part upon the success of our R&D efforts and our relationship with our downstream customers. We cannot assure you that we will be able to increase the sales volume or price of our products, in which case our business, financial condition and results of operations may be materially and adversely affected. In addition, our ability to manage and control our cost of sales and other costs and expenses and improve operational efficiency depends on, among other things, our ability to negotiate favorable pricing with our suppliers, optimize our supply chain management and further achieve economies of scale. If we are unable to enhance our economies of scale or fail to leverage our scale to manage our cost of sales, our business, financial condition and results of operations may be materially and adversely affected. In addition, various uncontrollable factors may affect our ability to achieve profitability, which include general economic condition, consumer spending, competition and technological developments. Therefore, we cannot assure you that we can effectively control our costs and expenses and achieve or maintain profitability in the future.

Failure to achieve expected manufacturing yields for our products and solutions could negatively impact our operating results and damage our reputation.

Manufacturing yields for our products are a function of both product design, which is developed largely by us, and process technology, which is typically owned by a third-party foundry, and low yields can result from either a product design or process technology failure. As such, we are not able to identify yield problems until our designs are manufactured. Once a yield issue is identified, the product is analyzed and tested to determine the cause. As a result, underlying causes of yield problems may not be identified until well into the production process. In addition, resolution of yield problems requires cooperation among, and communication between, us, our foundry and assembly and test partners, and sometimes our customers. Because of our potentially limited access to a wafer foundry's production facility, decreases in manufacturing yields could result in an increase in our costs and force us to allocate our available product supply among end customers. Lower than expected yields could therefore potentially harm our customer relationships, reputation and operating results.

RISK FACTORS

We engage distributors to sell our products, over whom we have limited control. Our business may be adversely affected due to risks relating to our distributors.

In 2023, 2024 and 2025, our revenue generated from sales to distributors amounted to RMB506.1 million, RMB656.7 million and RMB736.2 million, accounting for 70.3%, 73.7% and 66.6% of our total revenue in the respective years. See “Business — Sales and Marketing — Our Distributors” for further details.

The performance of our distributors, as well as the compliance of our distributors with our requirements, are crucial to the sales of our products. However, we cannot guarantee that our distributors will always comply with the terms of the distribution agreements or operate in a manner that aligns with our reputation and standards. Noncompliance by distributors, such as unauthorized sales practices or failure to adhere to contractual obligations, could harm our reputation, disrupt our sales channels and lead to loss of customer trust. Additionally, we face risks of fraud or misconduct by distributors, which could include unauthorized misrepresentation of our products, misappropriation of third-party intellectual property or other unlawful activities. Such actions may expose us to legal liabilities, costly litigation and regulatory scrutiny, regardless of whether the claims are substantiated. Addressing these issues could also strain our management resources and distract from core operations. If we fail to effectively manage our distributors or mitigate risks associated with their actions, we may face disruptions in our sales channels, reputational damage and financial losses, which could materially and adversely affect our business, financial condition and results of operations.

A limited number of customers contribute to a substantial portion of our revenue.

Given the highly concentrated nature of the OLED display panel manufacturers, our revenue is substantially dependent on a limited number of display panel manufacturers and brand companies; any failure to maintain existing customer relationships, increase our wallet share or attract new customers could have a material and adverse effect on our business and results of operations. Our AMOLED DDICs and Micro-OLED display backplanes/drivers are sold to OLED display panel manufacturers, including through distributors. In view of the intensive capital requirement and technological barriers, there are only a limited number of large-scale OLED display panel manufacturers. As such, revenue from our five largest customers in each year during the Track Record Period accounted for 91.0%, 90.2% and 90.7% of our revenue in 2023, 2024 and the 2025, and sales to our largest customer in each year during the Track Record Period accounted for 48.2%, 54.1% and 34.0% of our revenue in the respective years. Considering the industry landscape, we expect these key customers to continue to contribute to a substantial portion of our sales. Furthermore, since our products are featured in end products such as smartphones and tablets, we also rely on the recognition of brand companies in the consumer electronics industry. As a result, we still need to pass the stringent certification requirements of leading consumer electronics brand companies. Therefore, our reputation among the brand companies also significantly affects our business operations and financial condition.

In addition to selling our products to display panel manufacturers directly, we also sell our products to display panel manufacturers through distributors primarily for a shorter cash collection cycle and better capital management. We typically only engage one distributor for sales to a given display panel manufacturer for a given period. As such, we generate a substantial portion of revenue from a limited number of distributors. If any of these distributors cease their cooperation with us, we will need to renegotiate with the display panel manufacturers for direct sales, which entail a longer cash collection cycle and can negatively impact our liquidity.

If our key customers do not continue to transact with us on scales or terms similar to historical levels, or if our reputation among the brand companies deteriorate, our business, financial condition and results of operations will be negatively affected. In particular, these key customers’ products are characterized by rapidly evolving technologies that innovate product features or adoption of new or alternative technologies each time a new product is introduced or an existing product is upgraded.

RISK FACTORS

In addition, we enter into framework agreements with these customers, and the agreements do not specify the number of products these customers will purchase from us in any given year or contain minimum purchase requirements. Product sales are confirmed with purchase orders rather than framework agreements. The loss of or reduction in any key customer's business as a result of our inability to meet the product specifications, to adopt new technologies, our exclusion from a key product development cycle or for any other reason may materially and adversely affect our results of operations.

If (i) there is any reduction, delay or cancelation of orders from one or more of our key customers due to a reduction in their product sales or for any other reason, (ii) one or more of our key customers select our competitors' products; (iii) we lose one or more of our key customers and are not able to obtain additional or alternative customers that can replace the lost sales volume and profit or (iv) any of our key customers fails to make timely payment for our products, our financial condition and results of operations may experience material fluctuations and our sales may decline.

Furthermore, consumer electronics brand companies typically impose strict supply chain control, and to enter into the supply chain of a new brand company can involve lengthy and costly certification process. In addition, there are only a limited number of large-scale OLED display panel manufacturers that we can potentially work with. As such, our capability in diversifying our customer base could be substantially limited.

If our products do not meet display panel manufacturers' and brand companies' quality standards, our business and financial condition may be negatively impacted.

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

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

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

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

RISK FACTORS

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

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

We use third party logistics service providers to deliver our products. Disputes with or terminations of our contractual relationships with our logistics service providers could result in delayed delivery of products or increased costs. We may not be able to continue or extend relationships with our current logistics service providers on terms acceptable to us or establish relationships with new logistics service providers to ensure accurate, timely and cost-efficient delivery services. If we are unable to maintain or develop good relationships with logistics service providers, it may inhibit our ability to offer products in sufficient quantities, on a timely basis, or at prices acceptable to our customers. If there is any breakdown in our relationships with our preferred logistics service providers, we may suffer business interruptions that could materially and adversely affect our business, financial condition and results of operations. As we do not have any direct control over these logistics service providers, we cannot guarantee their quality of services. If there is any delay in delivery, damage to products or any other issue due to transportation shortages, natural disasters, labor strikes or other factors, we may lose customers and sales and our reputation may be tarnished. In addition, our suppliers sometimes deliver materials to us through third party logistics service providers. Delays in delivery could adversely impact our suppliers' ability to timely deliver materials to us, and our ability to deliver to our customers. During the Track Record Period, there has been no material disruption in the operations of our third party logistics service providers that has resulted in any significant delay or shortage in supply. In particular, there has been no shortage of chips or disruption in the supply of chain from our places of production during the Track Record Period.

We may not be able to maintain or enhance our brand recognition.

We believe our brand image has contributed significantly to the success of our business, and, therefore, maintaining and enhancing the recognition, image and acceptance of our brand are critical to our ability to differentiate our products from and to compete effectively with our peers. Our brand image, however, could be jeopardized if we fail to maintain high product quality and keep pace with evolving technology trends, or timely fulfill the orders. If we fail to promote our brand or to maintain or enhance the brand recognition and awareness among our customers, or if we are subject to events or negative allegations affecting our brand image or publicly perceived position of our brand, our business, operating results and financial condition could be adversely affected.

Our business depends on the continuing efforts of our key personnel performing vital functions.

Our business operations depend on the continuing efforts of our management, particularly the members of our senior management team. If one or more members of our management are unable or unwilling to continue their employment with us, we may not be able to replace them in a timely manner, or at all. We may incur additional expenses to recruit and retain qualified replacements. In addition, members of our management may join a competitor or form a competing company. We

RISK FACTORS

may not be able to successfully enforce our contractual rights included in employment agreements with our management. As a result, our business may suffer the loss of services of one or more members of our management, which in turn could have a material and adverse impact on our future prospects, business, results of operations and financial condition.

Our business may be impacted by political events, war, terrorism, public health issues, natural disasters and other business interruptions.

War, terrorism, geopolitical uncertainties, public health issues and other business interruptions could cause damage or disruption to international commerce and the global economy, and thus could have a material adverse effect on us, our customers and suppliers. Our business operations are subject to interruption by, among others, natural disasters, whether as a result of climate change or otherwise, fire, power shortages and other industrial accidents, terrorist attacks and other hostile acts, labor disputes, public health issues, demonstrations or strikes, and other events beyond our control. Such events could decrease demand for our products, make it difficult or impossible for us to make and deliver products to our customers, or to receive materials from our suppliers, and create delays and inefficiencies in our supply chain. In the event of a natural disaster or major public health issue, we could incur significant losses, require substantial recovery time and experience significant expenditures in order to resume operations.

Our sales may be influenced by seasonality.

Our results of operations are affected by seasonal fluctuations in the demand for consumer electronics, which in turn influence our customers' demands for our products. We usually experience higher sales volume in the second half of the year due to increased shopping activities during the holiday season and the consumer electronics product launch cycle. Accordingly, various aspects of our operations, including sales, working capital and operating cash flows, are exposed to the risks associated with seasonal fluctuations in the demand for our products, and our quarterly or half year results may not reflect our full year results.

We face intense competition in the AMOLED DDIC and Micro-OLED display backplanes/drivers industry.

The AMOLED DDIC and Micro-OLED display backplanes/drivers industry in which we operate are highly competitive, and some of our competitors currently garners substantial market shares. General competition in our industry is characterized by price competition and rapid technological changes. We compete with different companies, depending upon the type of product. Some of our competitors may have longer operating histories, greater name recognition, larger customer bases and greater financial, sales and marketing, distribution, technical and other resources and experience than we do. Our competitors' greater size in some cases may provide them with a competitive advantage due to economies of scale. In addition, our competitors may be able to devote greater resources to the research and development of technologies and products that are more effective than ours. They may also adapt more quickly to new or emerging technologies and changes in customer demand and requirements. Our competitors may also intentionally cut their prices, even at the expense of their profit margins, to win greater market share. Our failure to maintain our competitive position with respect to technological advances, to adapt to changing market conditions or to otherwise compete successfully with existing or new competitors may have a material and adverse effect on our business, financial condition and results of operations.

Failure to collect our trade receivables or other receivables in a timely manner may adversely affect our liquidity.

We may not be able to collect our trade receivables in a timely manner, and we may face difficulty collecting receivables for reasons beyond our control, such as customers delaying payment past the relevant credit periods granted or being unable to pay us when payments are due. We had trade receivables of RMB64.7 million, RMB102.7 million and RMB292.4 million as of

RISK FACTORS

December 31, 2023, 2024, and 2025. Trade receivables turnover days were 75 days, 34 days and 65 days in 2023, 2024 and 2025, respectively. In addition, we had financial assets included in prepayments, other receivables and other assets of RMB13.7 million, RMB8.0 million and RMB2.2 million as of December 31, 2023, 2024, and 2025. Our other receivables are also subject to potential impairment. Any significant delay or default in our collection of trade receivables or other receivables may impose pressure on our cash flow and working capital and reduce the pool of available financial resources relative to our expectations and expenditure plans, which in turn could have a material adverse effect on our business, financial condition and results of operations.

We may require additional funding to finance our operations, which may not be available on terms acceptable to us.

We believe that our current cash and cash equivalents and the anticipated cash flows from operations will be sufficient to meet our anticipated cash needs for the next 12 months. We may, however, require additional cash resources to finance our continued growth or other future developments, including any investments or acquisitions we may decide to pursue. To the extent that our funding requirements exceed our financial resources, we will be required to seek additional financing or to defer planned expenditures. We may not be able to obtain additional funds on terms acceptable to us, or at all. In addition, our ability to raise additional funds in the future is subject to a variety of uncertainties, including our future financial condition, results of operations, general market conditions for capital raising and debt financing activities and economic, political and other conditions in the markets in which we operate. Furthermore, as an IC design house, our ability to raise fund from U.S. investors may be restricted in view of the outbound investment rule promulgated by the U.S. Treasury Department that came into effect in January 2025.

Furthermore, if we raise additional funds by incurring debt, we may be subject to various covenants under the relevant debt instruments that may, among other things, restrict our ability to pay dividends or obtain additional financing. Servicing such debt obligations could also be burdensome to our operations. If we fail to service our debt obligations or are unable to comply with any of these covenants, we could be in default under such debt obligations and our liquidity and financial condition could be adversely affected.

If we are unable to perform our contracts, our results of operations and financial condition may be adversely affected.

Contract liability is the obligation to transfer goods or services to a customer for which we have received a consideration (or an amount of consideration that is due) from the customer. As of December 31, 2023, 2024 and 2025, our contract liabilities amounted to RMB7.0 million, RMB4.7 million and RMB20.2 million. If we fail to honor our obligations under our contracts with our customers, we may not be able to convert such contract liabilities into revenue, and our customers may also require us to refund the prepayments they have made, which may in turn adversely affect our liquidity position and financial condition. In addition, if we fail to honor our obligations under our contracts with customers, it may also adversely affect our relationship with such customers, which may in turn affect our results of operations in the future.

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

We maintain insurance coverage over the shipment of our wafers and chips. We cannot assure you that our insurance will provide adequate coverage for all the risks in connection with our business operations. If we were to incur substantial losses and liabilities that are not covered by our insurance policies, we may be required to bear our losses to the extent that our insurance coverage is insufficient. As a result, we could suffer significant costs and diversion of our resources, which could have a material and adverse impact on our business, results of operations and financial condition.

RISK FACTORS

Our information systems may experience system failures, interruptions or security breaches.

Our business operations rely on our information systems for various functions. These systems are critical for maintaining operational efficiency, data accuracy and timely decision-making. However, our information systems are subject to various risks, including system failures, cyber-attacks, data breaches and other security incidents. Any such event could disrupt our operations, compromise our data, and result in significant remediation costs, legal liabilities and reputational damage. Furthermore, our information systems need to be regularly updated and upgraded to keep pace with technological advancements and changing business needs. These updates and upgrades require significant investment and may cause system disruptions or compatibility issues.

We also engage certain third-party service providers for the development, upgrade and maintenance of certain information systems. Any failure of these third-party service providers to meet their service obligations could affect the performance of our information systems. Furthermore, any breach of contract or termination of services by these third-party service providers could result in disruptions to the operation of our information systems and we may incur additional costs and experience delays to find alternative service providers.

We face risks associated with the misconduct of our employees, business partners and their employees and other related individuals.

Our business operations and reputation are significantly influenced by the conduct of our employees, business partners, their employees and other related individuals. Despite our efforts to implement stringent oversight mechanisms and ethical guidelines, it may not always be possible to prevent or detect misconduct by these individuals. The misconduct by these parties, including fraudulent activities, non-compliance with laws and regulations, unethical business practices or any other actions that are inconsistent with our corporate policies and values, may subject us to potential liabilities and damage our reputation, leading to loss of consumers, decreased market share and potential difficulties in attracting and retaining business partners.

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

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

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

To further expand our business and strengthen our industry position, we may form strategic cooperation or make strategic investments and acquisitions to fuel business growth. Acquisitions involve numerous risks, including difficulties in integrating the operations and personnel of the acquired companies, distraction of management from overseeing our existing operations, difficulties in executing new business initiatives, entering markets or lines of business in which we have no or limited direct prior experience, the possible loss of key employees and customers and difficulties in achieving the synergies we anticipated or levels of revenue, profitability, productivity

RISK FACTORS

or other benefits we expected. These transactions may also cause us to (i) significantly increase our interest expense, leverage and debt service requirements if we incur additional debt to pay for an acquisition or investment, (ii) issue Shares that would dilute our current Shareholders' percentage ownership, or (iii) incur asset write-offs and restructuring costs and other related expenses. Acquisitions, joint ventures and strategic investments involve numerous other risks, including potential exposure to unknown liabilities of acquired or investee companies and restrictions under regulations relating to anti-monopoly. There can be no assurance that our acquisitions, joint ventures and other strategic investments will be successful and will not have a material and adverse impact on our business, results of operations and financial condition.

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

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

There is no assurance that we will be able to obtain, renew or maintain all necessary approvals, licenses and permits for our existing or future business operations. Any failure to obtain or maintain such approvals, licenses or permits may result in suspension or cessation of certain business activities, delay or cancellation of our expansion plans, and may subject us to regulatory penalties, fines, or other legal liabilities.

We may also be exposed to significant administrative or legal proceedings and reputational damage arising from actual or perceived non-compliance with laws or regulatory requirements, which could have a material and adverse impact on our business operations, financial condition and prospects.

Any failure or perceived failure to comply with data privacy and security laws could subject us to potential liabilities.

We collect and store business and transaction data generated during or in connection with our business operations, including our business and transactions with our customers, suppliers and business partners. The secure maintenance of such data is critical. Failure to process such data in compliance with applicable legal requirements may result in non-compliance with data security obligations. Our operations are subject to a variety of laws and regulations concerning data privacy and security. Failure to comply with the evolving data protection laws in the PRC, as well as the data security and privacy laws in other jurisdictions where we operate, could result in significant reputational damage and adversely affect our business performance. To ensure compliance with evolving data privacy laws, regulations and standards, it will be necessary to maintain robust internal control and risk management policies, which will require substantial commitment of resources and efforts. The unauthorized access, loss, or misuse of data could lead to increased security costs, damage to our reputation, regulatory proceedings, litigation, fines, investigations, remediation efforts, indemnification expenditures, and disruptions to our business activities. Such incidents may also result in additional costs associated with defending against legal claims. Concerns from our customers, employees, and third parties, even if unfounded, may also have a detrimental impact on our reputation and operations.

We have awarded and may continue to award equity instruments under equity incentive plans, which may cause shareholding dilution to our Shareholders and result in increased share-based compensations.

We adopted a series of share incentive schemes since our incorporation. See "Appendix IV — Statutory and General Information — Share Incentive Scheme." In 2023, 2024 and 2025, we recorded share-based compensations of RMB14.8 million, RMB84.8 million and RMB59.8 million,

RISK FACTORS

respectively. To further incentivize our employees, we may adopt other equity incentive plans and award additional equity incentives in the future. Issuance of Shares with respect to our equity incentive plan may dilute the shareholding of our existing Shareholders and incur substantial share-based compensations that could have a material and adverse impact on our results of operations.

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

We settle our payment to suppliers and receive payment from our customers primarily in RMB, however, certain of our trade receivables and trade payables, as well as a portion of our cash and cash equivalents and time deposits, are denominated in currencies other than RMB. As a result, we are exposed to foreign exchange risks arising from fluctuations in exchange rates.

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

The proceeds from the Global Offering will be received in Hong Kong dollars and we expect a substantial portion of which to be spent in RMB. As a result, any appreciation of the RMB against the Hong Kong dollar may result in the decrease in the value of our proceeds from the Global Offering. Conversely, any depreciation of the RMB against the Hong Kong dollars may adversely affect the value of, and any dividends payable on, the Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. All of these factors could have a material and adverse impact on our business, results of operations and financial condition.

We are exposed to risks related to inventory management and potential obsolescence.

We are exposed to risks related to inventory management and potential obsolescence. Our inventory turnover days were 160 days, 146 days, and 106 days in 2023, 2024 and 2025, respectively. While this trend has shown improvement, we operate in an industry which is characterized by rapid technological advancements, evolving industry standards, and shifting consumer preferences. Consequently, we face a significant risk of our products, particularly older models or those with specific technological features, becoming obsolete. If we are unable to accurately forecast demand or manage our inventory effectively, we may be left with excess or obsolete inventory that we cannot sell at anticipated prices, or at all. Any requirement to sell inventory at significant discounts or to make substantial write-downs for obsolete inventory would increase our cost of revenue and could materially and adversely affect our gross profit margin, financial condition, and results of operations. See also “— Significant inventory write-offs may adversely affect our results of operations and financial positions.”

Significant inventory write-offs may adversely affect our results of operations and financial positions.

In 2023, 2024 and 2025, we recorded inventory write-offs of RMB53.2 million, RMB25.3 million and RMB12.7 million. If the actual selling prices or market demand for our products are lower than expected, or if we are unable to sell or utilize certain raw materials, work-in-progress or finished goods, we may be required to make further write-offs of inventory. Any significant inventory write-offs could increase our cost of sales, reduce our gross profit margin, and adversely affect our results of operations and financial condition, which in turn could have a material adverse effect on our business, financial condition and results of operations.

RISK FACTORS

We recorded net cash outflows from operating activities during the Track Record Period, and we may continue to experience net operating cash outflows in the future.

As of December 31, 2023, 2024 and 2025, we recorded net cash outflows from operating activities of RMB160.7 million, RMB235.6 million and RMB133.4 million respectively.

We have implemented various measures to improve our operating cash flows, including adopting a distribution model and transitioning certain customer settlements to prepayment terms, as well as enhancing our collection management, however, we cannot assure you that these measures will be sufficient to eliminate future operating cash outflows. In addition, we are optimizing our supply chain by partnering with leading domestic wafer foundries to lower procurement costs and negotiate more favorable payment terms. If we are unable to improve our cash conversion cycle, we may experience further pressure on our liquidity, which could adversely affect our working capital, business operations and financial condition.

We may be subject to the risks associated with international trade policies, export controls and economic sanctions, and geopolitical tension.

We operate within a global supply chain, and some of our suppliers are based outside of Chinese mainland. As such, we face risks associated with international trade regulations and geopolitical developments. Recent trade tensions, such as the ongoing U.S.-China trade dispute, have led to high tariffs, export controls and other restrictive measures targeting high-technology goods, semiconductors and electronics.

Regarding U.S. export controls, in October 2022, the U.S. Bureau of Industry and Security (“BIS”) issued an interim final rule (the “**BIS October 2022 IFR**”) to limit China’s access to advanced computing integrated circuits, supercomputers and advanced semiconductor manufacturing. In October 2023, the BIS released another interim final rule (the “**BIS October 2023 IFR**”) that updated and expanded the restrictions from the BIS October 2022 IFR (together with the BIS’s April 2024 interim final rule, the “**BIS 2022/23 IFRs**”). Among other measures, the BIS 2022/23 IFRs added certain advanced and high-performance computing integrated circuits and related computer commodities to the Commerce Control List, imposing new or expanded license requirements for items subject to the U.S. Export Administration Regulations (“**EAR**”) intended for use in developing or producing supercomputers, advanced node integrated circuits and advanced semiconductor manufacturing equipment in certain jurisdictions, including China. Most recently, in December 2024, the BIS issued an interim final rule (the “**BIS December 2024 IFR**”) to further limit China’s access to advanced computing integrated circuits and advanced semiconductor manufacturing equipment.

In addition to the restrictions introduced above, the BIS also maintains lists of individuals and entities subject to enhanced export control restrictions. One such list, the Entity List, includes foreign persons on whom specific trade restrictions are imposed, such as businesses, research institutions, government and private organizations, individuals, and other legal entities. In recent years, the United States has added an increasing number of entities from different countries, including several hundreds in China, to the Entity List and other restricted or prohibited parties’ lists. Due to the sudden and unpredictable nature of these decisions, it is challenging to foresee developments in this area. The United States has recently strengthened export control and economic sanctions on China and other countries, including adding certain entities or individuals onto Entity List and other sanctions lists that limit their access to certain U.S.-origin goods, software, and technologies, items that contain certain portions of U.S.-origin goods, software or technologies, and foreign direct products of certain U.S.-origin software, technologies or equipment.

In May 2025, BIS also issued three guidance and policy documents to strength export controls on overseas AI chips, including policy statement on advanced computing ICs and other commodities to train AI models, industry guideline to prevent diversion of advanced computing ICs, and guidance on the application of General Prohibition 10 to China’s advanced computing ICs.

RISK FACTORS

These policies have introduced uncertainties to global supply chains, limited access to critical raw materials and components, and increased production and compliance costs for companies operating in affected industries. For instance, restrictions on the export of specific technologies or materials to certain regions could disrupt our ability to procure key inputs or supply solutions to customers in affected markets, causing operational delays or interruptions. If these trade restrictions or geopolitical tensions escalate, we may face additional risks such as strained customer relationships and loss of market opportunities.

During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material adverse impact on our business, operations, cost structure or customer relationships as a result of U.S. trade policies. Since the implementation of the U.S. export controls and up to the Latest Practicable Date, we have not experienced any order cancellations from our customers as a result of the U.S. export controls. More specifically, we have not been, and do not expect to be materially and adversely affected by the U.S. tariff on Chinese-manufactured products as currently enforced or announced as of the Latest Practicable Date, on the basis that we do not make any direct exports to the United States. We maintain ongoing and proactive monitoring of potential export control measures that may be imposed by the United States. Our Directors are of the view, and the Joint Sponsors concur, that the Group has not been and is not expected to be materially adversely affected by tariffs imposed by the U.S.. In addition, according to Frost & Sullivan, panel manufacturers, who represent a primary customer type of the Group, normally does not derive significant sales in the United States.

As a fabless IC design house, we use softwares subject to the EAR, including certain electronic design automation (“EDA”) softwares, such as Calibre (the EDA software developed by Siemens). Our current contract ensures continued use of Calibre through 2027, which provides us with sufficient time to implement alternative softwares if required. In addition, we believe that if the existing software become unavailable due to restrictions, we would be able to adopt alternative EDA software, as recognized substitutes are available in the market. As the U.S. continued to impede China’s advanced semiconductor industry, several leading EDA software suppliers in the U.S. stated that they received notices from BIS to cease supplying EDA software to China in May 2025. We understand that these developments introduced uncertainties to global supply chains, limited access to key software and increased production and compliance costs for companies operating in affected industries. If these trade restrictions or geopolitical tensions escalate, we may face additional risks, including reduced access to key software, which could negatively impact our design capabilities. In July 2025, those EDA software suppliers including the Siemens which develops Calibre stated that they received notice from BIS rescinding the restrictions on EDA. As of the Latest Practicable Date, we had not received any notice from our EDA software vendors regarding suspension or termination of supply. To our knowledge, the recent export control measures in the EDA sector targeting advanced semiconductor technologies in China do not affect our continued use of the software we have already procured. We utilize EDA software primarily in the design and development of ICs based on mature process nodes. In the event that any of our existing softwares become unavailable due to export restrictions, we would be able to seek alternative suppliers to support our design and R&D activities. If we are unable to continue using Calibre, we may utilize other alternative EDA software solutions that are currently available in the market, including Empyrean Argus.

In addition, to the best of our knowledge, during the Track Record Period and as of the Latest Practicable Date, we have not sourced any other raw materials from the U.S. or of U. S.-origin other than EDA software.

During the Track Record Period and as of the Latest Practicable Date, our internal policy and systems may not be sufficient to ascertain whether our products involved any items subject to the EAR. This is primarily because the relevant regulations, particularly the technical parameters and scope under EAR are complex and subject to frequent changes. Our internal systems may not have been fully sufficient to identify, on a real-time and granular basis, whether certain components,

RISK FACTORS

technologies or end-use scenarios related to our products or supply chain partners could be subject to EAR restrictions. As such, we may inadvertently become subject to the restrictions mentioned above, which in turn may have an adverse effect to our business, results of operations and financial position.

Increased compliance costs and operational challenges arising from adhering to complex export control regulations and sanctions could still strain our resources. Tariffs, quotas and local content rules may further raise production costs that could be passed onto us by our suppliers, impacting the profitability and competitiveness of our solutions.

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

On October 28, 2024, the U.S. Department of the Treasury (“**Treasury**”) issued a final rule, codified in the United States Code of Federal Regulations at 31 C.F.R. part 850, to implement the Executive Order 14105 of August 9, 2023 (the “**Final Rule**”), which became effective on January 2, 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. persons for a wide range of investments in entities associated with China (including Hong Kong and Macau) that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems, collectively defined as “Covered Foreign Persons.” U.S. persons subject to the Final Rule are prohibited from making, or required to report, certain investments in Covered Foreign Persons, which are defined as “Covered Transactions,” and include certain acquisitions of an equity interest, certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. The Final Rule contains exceptions for certain investments, including those in publicly traded securities, except when the U.S. person investor secures rights that go beyond standard minority shareholder protections. The Final Rule may introduce new hurdles and uncertainties for cross-border collaborations, investments, and funding opportunities of China-based issuers including us. On February 21, 2025, U.S. President issued a memo entitled the “America First Investment Policy” (the “**America First Memo**”), indicating that Executive Order 14105 is under review and the Trump Administration will consider new or expanded restrictions, such as broadening the sectors.

Our Directors are of the view that we are deemed to be a covered foreign person engaged in one of the “covered activities” (each as defined in the Final Rule) as we design integrated circuits as described in the definition of “notifiable transactions” in 31 C.F.R. §850.217. We are not directly or indirectly engaged in any “covered activities” as described in the definition of “prohibited transactions” (each as defined in the Final Rule) as we do not design, fabricate or package any integrated circuit described in 31 C.F.R. §850.224(c), (d) or (e) and activities described in the other sections of 31 C.F.R. §850.224. Our current product portfolio primarily consists of DDICs for consumer electronics, which are not designed for advanced computing purposes and do not meet the high-performance thresholds specified in 31 C.F.R. §850.224. In addition, we do not possess, and have not invested in, fabrication, packaging or advanced semiconductor manufacturing capabilities. However, there is no assurance that the Treasury will take the same view as ours. U.S. persons engaged in a “covered transaction” (as defined under the Final Rule) that involves the acquisition of our equity interests (including the subscription of our H Shares in the Global Offering may need to make a notification to Treasury pursuant to the Final Rule, which could limit our ability to raise capital or contingent equity capital from U.S. investors. In addition, even though U.S. persons’ investment of certain publicly traded securities (such as purchasing our H Share in the open market) falls under an exception in the Final Rule could still limit our ability to raise capital or contingent equity capital from U.S. investors after this Global Offering given that the relevant laws, regulations and policies continue to evolve. The application and implication of the Final Rule, the America First Memo and any related policies, laws and regulations are complex, which may be changed and updated from time to time. Future changes in the Final Rule, the America First Memo and any related policies, laws and regulations or their interpretations, or any similar or more expansive

RISK FACTORS

restrictions imposed by the U.S. or other jurisdictions, may result in additional costs on our business and/or limit our ability to raise capital or contingent equity capital from U.S. investors and other sources that may otherwise be beneficial to us, which could adversely affect our performance, financial condition and prospects.

RISKS RELATING TO THE JURISDICTION IN WHICH WE OPERATE

Changes in economic, political and social conditions could have a material and adverse impact on our future prospects, business, results of operations and financial condition.

All our revenue is derived from our businesses in Chinese mainland, Hong Kong and Taiwan, China during the Track Record Period. Accordingly, our future prospects, business, results of operations, and financial condition are, to a material extent, subject to economic, political and legal developments in the PRC. If the macroeconomic condition in China experiences significant adverse changes, demand for our products and our ability to maintain our operations may suffer, which could consequently lead to a material and adverse impact on our business, results of operations and financial condition. Moreover, if foreign governments implement laws or regulations restricting investment in Chinese entities and we are deemed to be subject to such restrictions, the investment and transactions in our Shares, our business prospects, results of operations, financial conditions and future capital raising may be adversely affected.

China's economy has experienced significant growth over the past decades. In recent years, the PRC government has implemented measures emphasizing the utilization of market forces in economic reform and the establishment of sound corporate governance practices in business enterprises. These economic reform measures may be adaptively adjusted from industry to industry or across different regions of the country. Changes in China's business environment could have a material and adverse impact on our business, results of operations and financial condition.

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

We are a company incorporated under the PRC laws and a majority of our assets are located in Chinese mainland. In addition, most of our Directors and senior management reside in Chinese mainland. As a result, it may be complex for investors to effect service of process outside of Chinese mainland upon us, our Directors or senior management or to enforce judgments obtained against us in courts outside Chinese mainland. A judgment of a court of another jurisdiction may be reciprocally recognized or enforced in Chinese mainland only if the jurisdiction has a treaty with Chinese mainland or if the jurisdiction has been otherwise deemed by the courts of Chinese mainland to satisfy the requirements for reciprocal recognition, subject to the satisfaction of other requirements. However, Chinese mainland is not a party to treaties providing for the reciprocal enforcement of judgments of courts with certain foreign countries such as the United States, and enforcement in Chinese mainland of judgments of a court in these jurisdictions may consequently be difficult, as the case in many other jurisdictions. Under the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by Courts of Mainland and of the Hong Kong Special Administrative Region Pursuant to Agreed Jurisdiction by Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "Arrangement"), where any designated PRC court or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil or commercial case pursuant to a choice of court agreement in writing, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the judgment.

On January 14, 2019, the Supreme People's Court and the Department of Justice under the Government of the Hong Kong Special Administrative Region signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "2019 Arrangement"), which became

RISK FACTORS

effective on January 29, 2024. The 2019 Arrangement regulates, among others, the scope and particulars of judgments, the procedures and methods of the application for recognition or enforcement, the review of the jurisdiction of the court that issued the original judgment, the circumstances where the recognition and enforcement of a judgment shall be refused, and the approaches towards remedies for the reciprocal recognition and enforcement of judgments in civil and commercial matters between the courts in Chinese mainland and those in Hong Kong. However, the Arrangement will remain applicable to a “choice of court agreement in writing” within the meaning of the Arrangement which is made before the effective date of 2019 Arrangement.

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

On July 6, 2021, the relevant PRC government authorities issued the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》). These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies. See “Regulatory Overview — Regulations Related to Overseas Securities Offering and Listing and Full Circulation” for details.

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection of China, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “Archives Rules”), which came into effect on March 31, 2023. The Archives Rules require that, in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. The interpretation and implementation of the Archives Rules may evolve, failure to comply with which may materially affect our business, results of operations or financial conditions.

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

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

RISK FACTORS

We are subject to the currency exchange regulatory system.

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

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

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

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

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

Companies operating in the PRC have to participate in various employee benefit plans required by the government, including certain social insurance, housing provident funds and other welfare-oriented payment obligations. The requirement and implementation of employee benefit plans may vary considering the different levels of economic development in different locations in the PRC, and the relevant government authorities may examine whether an employer has made adequate payments of the requisite employee benefit payments, employers who fail to make adequate payments as required may be subject to late payment fees, fines and/or other penalties. There is no assurance that our historical and current practice will at all times be deemed in full compliance with relevant laws and regulations by government authorities. In the event of any such non-compliance, we may be required to pay any shortfall in social insurance contributions within a prescribed time period and to pay penalties if we fail to do so.

During the Track Record Period, we have fully complied with the relevant PRC laws and regulations by making the required contributions to social insurance and housing provident funds for all of our employees. We have ensured that the contributions are made in accordance with the applicable laws and regulations, and have taken the necessary measures to ensure full compliance. As of the Latest Practicable Date, no competent governmental authorities had imposed administrative action, fine or penalty to us nor had any competent governmental authorities required us to settle the outstanding amount of social insurance payments and housing provident fund

RISK FACTORS

contributions. Although we are currently fully compliant with all applicable laws and regulations, we cannot assure you that we will not face any challenges or regulatory changes in the future that may impact our compliance. Our business, reputation and results of operations may be adversely affected.

During the Track Record Period, we engaged a third party human resources agency to arrange the payment of social insurance contributions and housing provident funds for some of our employees, all of which were paid in full. If the relevant local competent government authority is of the view that this third party agency arrangement does not satisfy the requirements under the relevant PRC laws and regulations, we may be deemed to have violated applicable regulations by the relevant authorities and be subject to corresponding fine. The PRC Legal Advisor has further advised us that the risk of us being imposed of fine is relatively remote provided that we complete the rectification in a timely manner. Therefore, we believe that such arrangement will not materially affect our business, results of operations or financial condition.

In addition, as the interpretation and implementation of the Labor Contract Law, the Social Insurance Law and other labor related regulations are evolving, we cannot assure you that our employment practice do not and will not violate labor-related laws and regulations in the PRC, which may subject us to labor disputes or government investigations, we cannot assure that such risks we may be exposed to will not adversely affect our reputation, business, results of operations and financial condition or otherwise divert our resources in handling any lawsuits, legal proceedings or complaints.

We have not completed registration procedures for some of our leased properties, and we have not received valid title certificates for some of our leased properties.

As of the Latest Practicable Date, two of our leased properties in Chinese mainland that are used for office purposes had not completed lease registration filings. The primary reason is that the respective lessors have not yet obtained the property ownership certificates, and have issued written confirmations to us stating that such circumstances would not affect our rights to lease and use the properties.

According to our PRC Legal Advisors, the failure to complete lease registration may, under certain circumstances, lead to administrative fines ranging from RMB1,000 to RMB10,000 per lease contract. As of the Latest Practicable Date, we have not been aware of any notice or allegation of penalty from PRC government authorities for our failure on the registration of these properties. In addition, even if any lease were to be affected due to ownership or registration issues, we would be able to secure alternative premises within a reasonable period, and our operations would not be materially and adversely affected.

Furthermore, with respect to our leased properties with a gross floor area of approximately 1,249 sq.m., the owners are yet to provide valid title certificates or other ownership documents. We use these properties as our offices. The respective lessors have provided confirmations on their ownership status and their authority to lease the premises to us. Any dispute or claim in relation to these properties, including lessors' alleged unauthorized leasing of these properties, could force us to relocate our offices. If any of our leases are terminated or become unenforceable as a result of challenges from third parties, we would need to seek alternative properties and incur relocation costs.

As of the Latest Practicable Date, the lease registration filings for our other leased properties had been completed in accordance with applicable requirements. We will continue to enhance our internal control procedures over lease compliance matters to ensure that the leasing and use of our properties will not have a material adverse impact on our business operations.

RISK FACTORS

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for our H Shares.

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 Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters), which may not be indicative of the price at which our Shares will be traded following the 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 trading volume and market price of our H Shares may be volatile, which may result in substantial losses for investors subscribing for or purchasing our H Shares pursuant to the Global Offering.

The trading price of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in Chinese mainland that have listed their securities in Hong Kong may affect the volatility in the price of and trading volumes for our H Shares. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment toward Chinese mainland based companies listed in Hong Kong and consequently may impact the trading performance of our Shares. These factors may significantly affect the market price and volatility of our Shares, regardless of our actual operating performance.

Future sales or perceived sales of substantial amounts of our Shares in the public market could negatively affect the price of our Shares and our ability to raise additional capital in the future.

The market price of our H Shares could decline as a result of future sales of a substantial number of our Shares or other securities relating to our H Shares in the public market, the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or perceived sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. Equity-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the Shares.

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

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

Dr. Gu has significant influence over us and his interests may not always be aligned with the interest of our other Shareholders.

Upon the completion of the Global Offering (assuming that the Over-allotment Option is not exercised), Dr. Gu, our chairman and executive Director, will be interested in and control an aggregate of approximately 16.99% of our enlarged issued share capital. Dr. Gu will, through his voting power at the Shareholders' meetings and his position on the Board, have significant influence

RISK FACTORS

over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional H Shares or other equity securities, timing and amount of dividend payments, and our management. Dr. Gu may not act in the best interests of our minority Shareholders.

We have significant discretion as to how we will use the net proceeds of the Global Offering, and you may not necessarily agree with how we use them.

Our management may spend the net proceeds from the Global Offering in ways you may not agree with or that do not yield a favorable return to our shareholders. We plan to use the net proceeds from the Global Offering to, among other things, invest in the research and development of new products. See “Future Plans and Use of Proceeds” for further details. However, our management will have discretion as to the actual application of our net proceeds. You are entrusting your funds to our management, whose judgment you must depend on, for the specific uses we will make of the net proceeds from this Global Offering.

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

No dividend has been paid or declared by our Company during the Track Record Period. Under the applicable PRC laws, the payment of dividends may be subject to certain limitations. The calculation of our profit under applicable accounting standards differs in certain respects from the calculation under IFRS. As a result, we may not be able to pay a dividend in a given year even if we were profitable as determined under IFRS. Our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the PRC laws and regulations and requires approval at our shareholders’ meeting. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution.

The dividends payable to investors and gains on the sale of our H Shares by our investors are subject to PRC tax.

Under applicable PRC tax laws, regulations and statutory documents, non-PRC resident individuals and enterprises are subject to different tax obligations with respect to dividends received from us or gains realized upon the sale or other disposition of our H Shares. Non-PRC individuals are generally subject to PRC individual income tax under the IIT Law (《個人所得稅法》) with respect to PRC source income or gains at a rate of 20% unless specifically exempted by the tax authority of the State Council or reduced or eliminated by an applicable tax treaty. We are required to withhold related tax from dividend payments. However, pursuant to applicable regulations, the income gained by individual foreigners from dividends and bonuses of enterprise with foreign investment are exempted from individual income tax for the time being. There is uncertainty as to whether gains realized upon disposition of H shares by non-PRC individuals are subject to PRC individual income tax.

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

Pursuant to applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable

RISK FACTORS

income tax treaty will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' verification. As of the Latest Practicable Date, there were no specific rules on how to levy tax on gains realized by non-resident enterprise holders of H shares through the sale or transfer by other means of H shares.

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

Certain statistics contained in this Prospectus are derived from publicly available official sources.

This Prospectus, particularly the section headed "Industry Overview," contains information and statistics relating to the DDIC industry in China and internationally. Such information and statistics have been derived from various official governments and other publications. We believe that the sources of such information are appropriate, and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. The information and statistics from official government sources have not been independently verified by the Company, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their respective Directors, executive officers or representatives or any other person involved in the Global Offering and no representation is given as to their accuracy. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as or consistent with similar statistics presented elsewhere, and such information may not be complete or up-to-date. In any event, you should consider carefully the importance placed on such information or statistics.

You should read the entire Prospectus carefully and should not rely on any information contained in press articles or other media regarding us and the Global Offering.

There have been, prior to the publication of this Prospectus, and there may be, subsequent to the date of this Prospectus but prior to the completion of the Global Offering, press and media coverage regarding us, our business, our industry and the Global Offering. Such press and media coverage may include references to certain information that does not appear in this Prospectus, including certain operating and financial information and projections, valuations and other information. None of us, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or any other person involved in the Global Offering has authorized the disclosure of any such information in the press or media coverage, or accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication.

Accordingly, prospective investors should not rely on any such information or publication in making their decision whether to invest in our H Shares. Prospective investors are reminded that, in making their investment decisions as to whether to purchase our Shares, they should rely only on the financial, operational, and other information included in this Prospectus. 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 Prospectus.

WAIVER AND CONSENT

In preparation of the Global Offering, the Company has sought the following waiver from strict compliance with the relevant provisions of and consent under the Listing Rules.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

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

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

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

- (i) the Company has appointed Dr. Gu Jing and Ms. Chu Cheuk Ting as the authorized representatives of the Company (the "**Authorized Representatives**") for the purpose of Rule 3.05 of the Listing Rules. The Authorized Representatives will act as the Company's principal channel of communication with the Stock Exchange. They can be readily contactable by phone and email to deal promptly with enquiries from the Stock Exchange and will also be available to meet with the Stock Exchange to discuss any matters on short notice. The contact details of the Authorized Representatives have been provided to the Stock Exchange;
- (ii) all the Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period. In addition, each Director has provided his/her contact details, including office phone numbers, mobile phone numbers, email addresses and fax numbers (if any), to the Authorized Representatives and to the Stock Exchange, so that each of the Authorized Representatives and the Stock Exchange would be able to contact all the Directors (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the Directors on any matters;
- (iii) the Company has appointed Gram Capital Limited as its Compliance Advisor for the period commencing on the Listing Date and ending on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of the Company's financial results for the first full financial year commencing after the Listing Date, or until the agreement is terminated, whichever is earlier. The Compliance Advisor will act as the Company's additional channel of communication with the Stock Exchange, and its representatives will be readily available to answer enquiries from the Stock Exchange; and
- (iv) the Company has appointed designated staff members as the responsible communication officers at the Company's headquarters to oversee regular communication with the Authorized Representatives and the Company's professional advisors in Hong Kong, including its legal advisors and the Compliance Advisor, keep abreast of any correspondence and/or inquiries from the Stock Exchange and report to the executive Directors, streamlining communication between the Stock Exchange and the Company following the Listing.

WAIVER AND CONSENT

CONSENT UNDER PARAGRAPH 1C(2) OF APPENDIX F1 TO THE LISTING RULES IN RESPECT OF SUBSCRIPTION OF OFFER SHARES BY A CLOSE ASSOCIATE OF AN EXISTING SHAREHOLDER AS A CORNERSTONE INVESTOR

Rule 10.04 of the Listing Rules provides that a person who is an existing shareholder of the issuer may only subscribe for or purchase any securities for which listing is sought which are being marketed by or on behalf of a new applicant either in his or its own name or through nominees if the conditions set out in Rules 10.03(1) and (2) of the Listing Rules are fulfilled. Paragraph 1C(2) of Appendix F1 to the Listing Rules provides, inter alia, that no allocations will be permitted to applicant's existing shareholders or their close associates, whether in their own names or through nominees unless the conditions set out in Rules 10.03 and 10.04 are fulfilled, without the prior written consent of the Hong Kong Stock Exchange. Chapter 4.15 of the Guide for New Listing Applicants provides that the Stock Exchange will consider giving consent and granting waiver from Rule 10.04 of the Listing Rules to an applicant's existing shareholders or their close associates to participate in an initial public offering if any actual or perceived preferential treatment arising from their ability to influence the applicant during the allocation process can be addressed. As further described in the section headed "Cornerstone Investments" in this Prospectus, Digital Vista GD Investment LP ("**Digital Vista**"), for the purpose of the Cornerstone Placing, who is considered to be a close associate of an existing Shareholder holding less than 5% voting rights of the Company, which is ultimately controlled by the People's Government of Guangdong Province (廣東省人民政府), i.e., Guangdong Province Semiconductor and Integrated Circuit Industry Investment Fund Partnership (L.P.) (廣東省半導體及集成電路產業投資基金合夥企業(有限合夥)) ("**Semiconductor and IC Fund**"), has entered into a cornerstone investment agreement with the Company, the Joint Sponsors, the Sponsor-Overall Coordinators and the Overall Coordinators, pursuant to which Digital Vista has agreed to participate as a cornerstone investor in the Global Offering to subscribe for the Offer Shares to be issued by the Company under the International Offering. We have applied for a consent under paragraph 1C(2) of Appendix F1 to the Listing Rules, to permit Digital Vista to participate as a cornerstone investor in the Global Offering to subscribe for the Offer Shares to be issued by the Company under the International Offering. The Hong Kong Stock Exchange has agreed to grant the requested waiver and consent subject to the conditions that:

- (a) Semiconductor and IC Fund holds less than 5% of the Company's total voting rights before the Listing;
- (b) Semiconductor and IC Fund is not a core connected person of the Company or its close associate;
- (c) Semiconductor and IC Fund does not have any power to appoint Directors or any other special rights in the Company which may influence the allocation process;
- (d) the allocation to the Digital Vista will not affect the Company's ability to satisfy its public float requirement under Rule 19A.13A and free float requirement under Rule 19A.13C of the Listing Rules;
- (e) the Company and the Overall Coordinators confirmed to the Stock Exchange in writing that no preferential treatment has been, or will be, given to Digital Vista as a cornerstone investor by virtue of its relationship with the Company in any allocation in the placing tranche, other than the preferential treatment of assured entitlement for a cornerstone investor following the principles set out in Chapter 4.15 of the Guide;
- (f) the Company confirms that the cornerstone investment agreement does not contain any material term which is more favorable to Digital Vista than that in the other cornerstone investment agreement; and

WAIVER AND CONSENT

- (g) the Joint Sponsors confirm to the Stock Exchange in writing that based on (i) their discussions with the Company and the Overall Coordinators; and (ii) the confirmations provided to the Stock Exchange by the Company and the Overall Coordinators, and to the best of their knowledge and belief, no preferential treatment has been, nor will be, given to Digital Vista as a cornerstone investor by virtue of its relationship with the Company in any allocation in the placing tranche, other than the preferential treatment of assured entitlement for a cornerstone investor following the principles set out in Chapter 4.15 of the Guide, and details of the allocation will be disclosed in the Company's prospectus and/or allotment results announcement.

For further information about the relevant cornerstone investment, please refer to the section headed "Cornerstone Investments" in this Prospectus.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

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

CSRC FILING

The CSRC issued notice of filing on March 23, 2026 for the Global Offering and for the submission of the application to list our H Shares on the Hong Kong Stock Exchange. In granting its notice of filing, the CSRC accepts no responsibility for our financial soundness, nor for the accuracy of any of the statements made or opinions expressed in this Prospectus.

INFORMATION ON THE GLOBAL OFFERING

This Prospectus is published solely in connection with the Hong Kong Public Offering. For applications under the Hong Kong Public Offering, this Prospectus contains the terms and conditions of the Hong Kong Public Offering. The Global Offering comprises the Hong Kong Public Offering of initially 5,286,000 Offer Shares and the International Offering of initially 47,573,200 Offer Shares (subject, in each, to reallocation on the basis as set out in “Structure of the Global Offering” in this Prospectus).

The Offer Shares are offered solely on the basis of the information contained and representations made in this Prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this Prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by the Company, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of our or their affiliates or any of their respective directors, officers, employees, advisers, agents or representatives, or any other persons or parties involved in the Global Offering. Neither the delivery of this Prospectus nor any subscription or acquisition made under it shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this Prospectus or that the information in this Prospectus is correct as of any subsequent time.

For details of the structure of the Global Offering, including its conditions and the arrangements relating to the Over-allotment Option and stabilization, see “Structure of the Global Offering.”

PROCEDURE FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedure for applying for the Hong Kong Offer Shares is set forth 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/her acquisition of Hong Kong Offer Shares to, confirm that he/she is aware of the restrictions on the offer and sale of the Hong Kong Offer Shares described in this Prospectus.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

No action has been taken to permit a public offering of the Offer Shares outside Hong Kong or the distribution of this Prospectus in any jurisdiction other than Hong Kong. Accordingly, and without limitation to the following, this Prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances 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 for subscription. The distribution of this Prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been offered and sold, and will not be offered and sold, directly or indirectly, in the PRC or the United States.

UNDERWRITING

The Listing is sponsored by the Joint Sponsors and the Global Offering is managed by the Sponsor-Overall Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters subject to the terms and conditions of the Hong Kong Underwriting Agreement. The International Offering is expected to be fully underwritten by the International Underwriters, subject to the agreement on the Offer Price between the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and us. For further details on the Underwriters and the underwriting arrangements, please refer to the section headed “Underwriting” in this Prospectus.

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

We have applied to the Stock Exchange for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the H Shares to be converted from Unlisted Shares. Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence on Wednesday, May 27, 2026. No part of our H Shares 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 as of the Latest Practicable Date.

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

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange and our compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Hong Kong Stock Exchange or any other date as determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time. All necessary arrangements have been made for the H Shares to be admitted in to CCASS. Investors should seek the advice of their stockbroker or other professional advisers for the details of the settlement arrangements as such arrangements may affect their rights and interests.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

REGISTER OF MEMBERS AND STAMP DUTY

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

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

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

PROFESSIONAL TAX ADVICE RECOMMENDED

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

LANGUAGE

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

ROUNDING

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

CURRENCY TRANSLATIONS

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

Unless otherwise specified, this Prospectus contains certain translations for the convenience purposes at the following rates: (i) the translations between Renminbi and U.S. dollars were made at the rate of RMB6.8467 to US\$1.00; (ii) the translations between Hong Kong dollars and Renminbi were made at the rate of HK\$1.1433 to RMB1.00; and (iii) the translations between U.S. dollars and Hong Kong dollars were made at the rate of HK\$7.8278 to US\$1.00.

No representation is made that any amounts in RMB or Hong Kong dollars can be or could have been at the relevant dates converted at the above rate or any other rates.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

DIRECTORS

Name	Address	Nationality
Executive Directors		
Dr. Gu Jing (顧晶博士)	Room 203, Building 17 Huichengyuan Fifth Village Xuhui District Shanghai PRC	Chinese
Mr. Han Zhiyong (韓志勇先生)	No. 253 800 Gaojing Road Xujing Town Qingpu District Shanghai PRC	Singaporean
Non-Executive Directors		
Ms. Zhan Jing (詹靜女士)	2-1801 18 Kaibin Road Xuhui District Shanghai PRC	Chinese
Mr. Zhou Zhifeng (周志峰先生)	Room 901, Unit 2 Building 6, No. 76 Yard Baiziwan Nan'er Road Chaoyang District Beijing PRC	Chinese
Independent Non-Executive Directors		
Dr. Jiang Yimin (蔣毅敏博士)	1-1-1003 No. 12 Yard, Xindong Road Chaoyang District Beijing PRC	Chinese
Ms. Zhou Xinru (周欣如女士)	Room 1808, Building 2 Ruihong Xincheng Hongkou District Shanghai PRC	Chinese
Mr. Chang Eric Jackson (張世澤先生)	Room C, Floor 3 Shouson Garden 6A Shouson Hill Wong Chuk Hang Hong Kong	Canadian

For further details, see “Directors and Senior Management” in this Prospectus.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors

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

CITIC Securities (Hong Kong) Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

Sponsor-Overall Coordinators

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

CLSA Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

Overall Coordinators

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

CLSA Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

**GF Securities (Hong Kong) Brokerage
Limited**
27/F, GF Tower
81 Lockhart Road
Wanchai
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

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

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

CLSA Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

**GF Securities (Hong Kong) Brokerage
Limited**
27/F, GF Tower
81 Lockhart Road
Wanchai
Hong Kong

**Joint Bookrunners, Joint Lead Managers
and Capital Market Intermediaries**

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

CLSA Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

**GF Securities (Hong Kong) Brokerage
Limited**
27/F, GF Tower
81 Lockhart Road
Wanchai
Hong Kong

AVICT Global Asset Management Limited
Units 6704B-06A, Level 67
International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

Webull Securities Limited
Suites 2509-12, 25/F, Tower 6
The Gateway, Harbour City
Kowloon
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Legal Advisors to the Company

As to Hong Kong and U.S. laws:

Freshfields
55th Floor, One Island East
Taikoo Place, Quarry Bay
Hong Kong

As to PRC law:

Fangda Partners
24/F, HKRI Centre Two
HKRI Taikoo Hui
288 Shi Men Yi Road
Shanghai 200041
PRC

Legal Advisors to the Joint Sponsors and the Underwriters

As to Hong Kong and U.S. laws:

Clifford Chance
27/F, Jardine House
One Connaught Place
Hong Kong

As to PRC law:

Han Kun Law Offices
20/F, Kerry Plaza Tower 3
1-1 Zhongxinsi Road
Futian District
Shenzhen 518048
Guangdong
PRC

Auditor and Reporting Accountants

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

Industry Consultant

**Frost & Sullivan (Beijing) Inc.,
Shanghai Branch Co.**
Room 2504
Wheelock Square
No. 1717 West Nanjing Road
Shanghai
PRC

Receiving Banks

CMB Wing Lung Bank Limited
45 Des Voeux Road Central
Hong Kong

Bank of China (Hong Kong) Limited
1 Garden Road
Hong Kong

CORPORATE INFORMATION

Registered Office	Rooms A1603, 1604 and 1605 Shenzhen National Engineering Laboratory Building 20 Gaoxinnanqi Road Gaoxin District Community, Yuehai Avenue Nanshan District Shenzhen, Guangdong Province PRC
Headquarters and Principal Place of Business in the PRC	Rooms A1603, 1604 and 1605 Shenzhen National Engineering Laboratory Building 20 Gaoxinnanqi Road Gaoxin District Community, Yuehai Avenue Nanshan District Shenzhen, Guangdong Province PRC
Place of Business in Hong Kong	31/F, Tower Two, Times Square 1 Matheson Street Causeway Bay Hong Kong
Company's Website	<u>www.viewtrixtech.com</u> <i>(The information contained in this website does not form part of this Prospectus)</i>
Company Secretary	Ms. Chu Cheuk Ting <i>(ACG HKACG)</i> 31/F, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
Authorized Representatives	Dr. Gu Jing Room 203, Building 17 Huichengyuan Fifth Village Xuhui District Shanghai PRC Ms. Chu Cheuk Ting 31/F, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
Audit Committee	Mr. Chang Eric Jackson <i>(Chairperson)</i> Dr. Jiang Yimin Ms. Zhan Jing
Remuneration Committee	Dr. Jiang Yimin <i>(Chairperson)</i> Ms. Zhou Xinru Dr. Gu Jing

CORPORATE INFORMATION

Nomination Committee

Dr. Jiang Yimin (*Chairperson*)
Ms. Zhou Xinru
Dr. Gu Jing

Compliance Advisor

Gram Capital Limited
Room 1209
12/F, Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Central
Hong Kong

H Share Registrar

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

Principal Bank

DBS Bank (China) Ltd. Shanghai Branch
17th Floor, DNS Bank Tower
1318 Lujiazui Ring Road
Pudong, Shanghai
PRC

INDUSTRY OVERVIEW

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

FROST & SULLIVAN REPORT

We commissioned Frost & Sullivan to conduct market research on the semiconductor industry and prepare the Frost & Sullivan Report. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York that offers industry research and market strategies. We have contracted to pay RMB420,000 to Frost & Sullivan for compiling the Frost & Sullivan Report. In preparing the Frost & Sullivan Report, Frost & Sullivan conducted detailed primary research which involved discussing the status of the industry with certain leading industry participants and conducting interviews with relevant parties. Frost & Sullivan also conducted secondary research which involved reviewing company reports, independent research reports and data based on its own research database. Frost & Sullivan obtained the figures for the estimated total market size from historical data analysis plotted against macroeconomic data as well as considered the above-mentioned industry key drivers. Its market engineering forecasting methodology integrates several forecasting techniques with the market engineering measurement-based system and relies on the expertise of the analyst team in integrating the critical market elements investigated during the research phase of the project. These elements primarily include expert-opinion forecasting methodology, integration of market drivers and restraints, integration with the market challenges, integration of the market engineering measurement trends and integration of econometric variables.

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

THE GLOBAL AND CHINESE MAINLAND DDIC MARKET

Overview of Display Technology Development

Display technology serves as the primary interface for human-computer interaction in the era of artificial intelligence, and its strategic importance continues to grow alongside advances in AI. Display technology is not only a medium for presenting information but also a crucial interface through which AI perceives user intent, understands the environment, and makes intelligent decisions.

The mainstream display technologies have evolved from CRT to LCD. CRTs were rapidly phased out due to their bulky size and glass-packaged structure, which was ill-suited for portable devices. LCDs, in turn, began to be replaced by AMOLED, which offered significantly higher contrast ratios and thinner display modules. The new generation of display technology represented by AMOLED has made breakthroughs with flexible substrate materials, allowing screens to be foldable and rollable while further reducing thickness, gradually replacing LCD technology in applications such as smartphones, tablets, wearable devices, and automotive applications, and becoming the mainstream in the market.

INDUSTRY OVERVIEW

Introduction and Classification of DDIC

The DDIC is a key control component of the display panel, integrating the display panel's control circuit into a single chip. It sends signals to the display panel, thereby controlling the brightness and color of the screen and allowing image information, such as letters and graphics to be displayed.

The mainstream DDICs primarily include LCD DDICs and AMOLED DDICs. In addition, there have been significant technological breakthroughs in Micro-OLED display backplanes/drivers through deep integration with CMOS technology, making them the fastest-growing segment in recent years. The table below sets out a comparison among LCD DDICs, AMOLED DDICs, and Micro-OLED display backplanes/drivers:

	LCD DDIC	AMOLED DDIC	Micro-OLED Display Backplane/Driver
Driving Method	Voltage drive, low precision requirements	Current drive, high precision requirements	Current drive, extremely high precision requirements
Driving Complexity . . .	Low	High	Very High
Display Principle	Backlight adjusts light through liquid crystal	Each pixel emits light by itself	Micro-OLED pixels emit light by themselves
Technology Maturity . . .	Very Mature	Rapidly Developing	Early Development Stage
Cost	Low	Medium and is continuously reduction	Higher
Power consumption . . .	High	Medium	Low
Screen size support range	3" ~ >100"	1" ~ 80", PPI<500	< 1.4", PPI >2,000

Based on the type of end customers, DDICs can be categorized into the pre-installation brand market and the post-installed non-brand repair market. The pre-installed brand market refers to the DDICs that are required to undergo certification by brand companies and are ultimately integrated into display modules sold to such brand companies or their OEM partners, before being installed as original components in the branded products. The post-installed non-brand repair market refers to DDICs used in aftermarket repair or sold to third-party display repair suppliers, and ultimately applied as third-party replacement parts for original display panels.

The pre-installed brand market for DDICs has the following features:

- **High technical requirements:** Smart device brand companies imposes stringent performance, power efficiency and compatibility requirements on DDICs, which need to be highly aligned with the overall design and functionality of smart devices.
- **High supply stability requirements:** Due to the clear planning and batch-based procurement in the smart device manufacturing process, the supply of DDICs must be stable and reliable to prevent production interruptions.
- **High certification thresholds:** DDICs suppliers need to pass the strict certification procedure, which typically include evaluations of product quality, production processes, after-sales service.

INDUSTRY OVERVIEW

Set forth below is a comparison between the pre-installed brand market and the post-installed non-brand repair market:

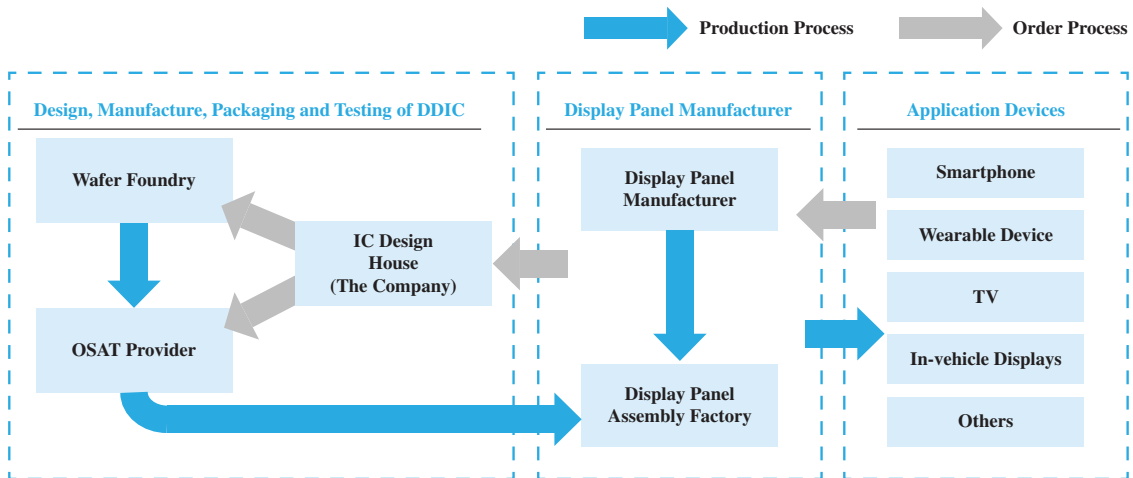
	Pre-Installation Brand Market	Post-Installed Non-Brand Repair Market
Customers	Smart device brand companies and their collaborating panel manufacturers	Various repair institutions and others
Technical requirements	High, requiring a high degree of compatibility with the overall design of smart devices	Low
Supply stability requirements	High	Low
Certification threshold.	High	Low

The global and Chinese mainland DDIC markets are predominantly driven by the pre-installed brand market, which represents a significantly larger market share than the post-installed non-brand repair market. Globally, the shipment share of the pre-installed brand market increased from approximately 94% in 2020 to 96% in 2024; in Chinese mainland, it increased from approximately 93% in 2020 to 95% in 2024. This trends also demonstrates the ongoing decline in the post-installed non-brand repair market, which has been adversely affected by the increasing display module integration, such as chip-on-film (COF) and chip-on-glass (COG) packaging. The aftermarket share in Chinese mainland was slightly higher in 2020, at approximately 7%, driven by a more active third-party repair market. However, this share decreased to approximately 5% in 2024. Overall, DDIC sales volume are primarily driven by demand from brand companies, while aftermarket demand remains limited and continues to shrink.

DDIC Industry Chain

In the DDIC industry chain, display panel manufacturers typically provide design requirements to DDIC design houses. Upon completion of the IC design, the DDIC design houses place production orders with wafer foundries and OSAT providers. The wafer foundries deliver the finished wafers to the providers who conduct packaging and final testing processes. The completed DDICs are then shipped directly to display panel or module manufacturers. Subsequently, these panel manufacturers provide the assembled display panels to various end applications. Within the semiconductor industry, three key operational frameworks have emerged: the fabless model, the foundry model, and the IDM (Integrated Device Manufacturer) model. In the fabless model, companies focus exclusively on the design and development of semiconductors, outsourcing the fabrication process to specialized third-party manufacturers known as foundries. This allows fabless firms to remain capital-efficient, agile, and focused on innovation. In contrast, foundries are dedicated to the manufacturing of chips for other firms, offering access to advanced process technologies without requiring customers to invest in their own fabrication facilities. The IDM model, on the other hand, involves a single company managing both the design and manufacturing processes internally. While this approach provides greater control over the entire value chain, it also involves much more capital investment and operational complexity. The fabless model has been driven by its inherent advantages, including reduced capital expenditure, increased flexibility in choosing manufacturing partners, and faster time-to-market, making it particularly attractive to companies operating in fast-evolving technology sectors.

INDUSTRY OVERVIEW



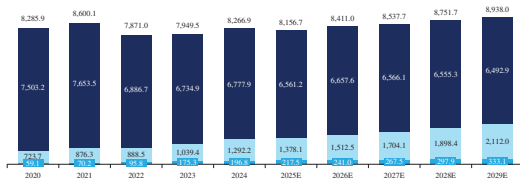
Global and Chinese Mainland DDIC Market Size

The global sales volume of DDICs recorded a slight decrease from approximately 8,285.9 million units in 2020 to 8,266.9 million units in 2024. The fluctuations in the global DDIC market between 2020 and 2023 were primarily driven by a combination of macroeconomic, technological and supply chain factors. Between 2022 and 2023, the global DDIC industry experienced a decline, primarily due to cyclical demand adjustments following the pandemic-driven surge of consumer electronics in 2020 and 2021. During the early phase of the COVID-19 pandemic, global lockdowns and remote work trends led to a sharp, short-term increase in demand for consumer electronics such as PCs, smartphones, and data center equipment. This surge temporarily drove DDIC products. The global DDIC market experienced a decline in 2022, primarily due to the declining demand in the consumer electronics market caused by the earlier concentrated release of demand, coupled with the continued weakening impact of the pandemic in overseas markets. In 2023, this downward trend persisted as inventory digestion continued and end-market demand remained subdued, particularly in PCs and smartphones. In addition, supply chain disruptions and capacity constraints in the wafer foundry sector further limited production and sales volume. The decrease in smartphone and other terminal device markets further contributed to the overall reduction in DDIC demand.

Furthermore, the industry's ongoing shift toward advanced display technologies, such as AMOLED, coupled with the increasing adoption of circuit solutions that are more integrated, has led to a reduction in demand for LCD DDICs. In terms of product segmentation, LCD DDICs remained the dominant type in the global market in 2024, with sales volume approximately 6,777.9 million units accounting for 82.0% of total DDIC sales volume. As the penetration rate of AMOLED in downstream applications gradually increases, AMOLED DDICs are expected to become the key growth driver in the coming years, with their global market share projected to expand from 15.6% in 2024 to 23.6% in 2029. The sales revenue of DDIC globally declined slightly from US\$10,955.9 million in 2020 to US\$10,255.5 million in 2024, with a CAGR of (1.6)%. It is expected the sales revenue of DDIC globally will reach US\$10,694.4 million in 2029, with a CAGR of 0.8% from 2024 to 2029.

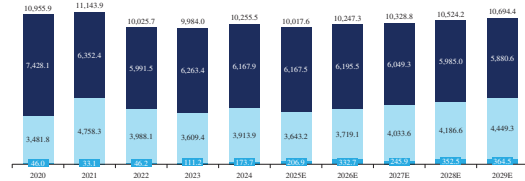
Sales Volume of DDIC, Globally

Million, 2020-2029			
CAGR	2020-2024	2024-2029E	
Total	0.1%	1.6%	
LCD	0.5%	0.9%	
AMOLED	15.6%	11.1%	
Others	15.1%	11.1%	



Sales Revenue of DDIC, Globally

Million US\$, 2020-2029			
CAGR	2020-2024	2024-2029E	
Total	(1.6)%	0.8%	
LCD	(4.5)%	(0.9)%	
AMOLED	3.0%	2.6%	
Others	39.4%	16.0%	



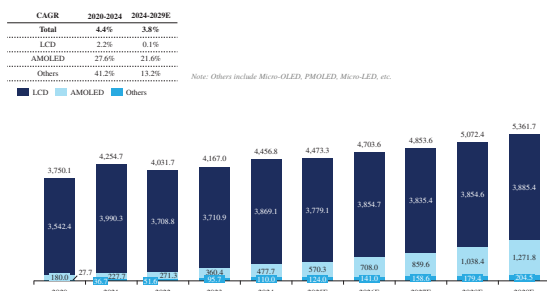
Source: Omdia, Expert Interview, Frost & Sullivan

INDUSTRY OVERVIEW

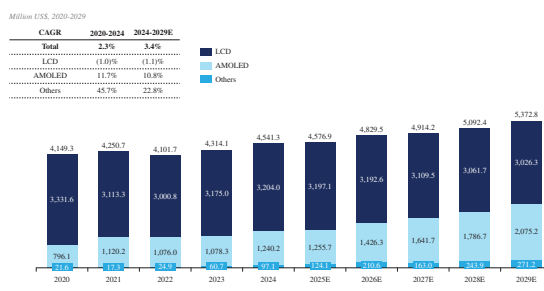
In recent years, global panel manufacturing capacity has increasingly shifted to Chinese mainland. Chinese mainland's share of global display panel production capacity increased from 50.0% in 2020 to 70.0% in 2024, and is expected to reach 80.0% by 2029. As this industrial shift continues, the growth rate of Chinese mainland DDIC market has significantly outpaced the global market. The sales volume of DDICs in Chinese mainland increased from approximately 3,750.1 million units in 2020 to 4,456.8 million units in 2024, representing a CAGR of 4.4%. Chinese mainland's share of the global market rose from 45.3% in 2020 to 53.9% in 2024. In the future, with further acceleration of supply chain localization, Chinese mainland's DDIC market is expected to continue expanding, reaching approximately 5,361.7 million units by 2029, and its share of the global market is projected to be 60.0%. In terms of product types, LCD DDICs still account for the majority of sales, yet AMOLED DDICs are expected to become the principal growth driver, with market share projected to grow from 10.7% in 2024 to 23.7% by 2029.

The sales revenue of DDIC in Chinese Mainland increased from USD4,149.3 million in 2020 to US\$4,541.3 million in 2024, and is expected to reach US\$5,372.8 million in 2029, with a CAGR of 3.4% from 2024 to 2029, and its market share of global market will reach 50.2% in 2029.

Sales Volume of DDIC in Chinese Mainland



Sales Revenue of DDIC in Chinese Mainland



Source: Omdia, Expert Interview, Frost & Sullivan

OVERVIEW OF GLOBAL AND CHINESE MAINLAND AMOLED DDIC MARKET

AMOLED DDIC

AMOLED display technology offers various advantages, including ultra-high contrast, low power consumption, flexible panel structures, wide viewing angles and high response speeds. Its main advantage lies in the high degree of pixel-level control, which allows individual pixels to be turned off completely when not in use, thereby producing deeper blacks and higher contrast, as well as improved viewing angles and color reproduction capabilities. Additionally, turning off unused pixels while displaying images helps reduce overall power consumption.

Unlike LCDs, AMOLED panels utilize self-emissive technology and do not require components such as backlight, liquid crystal modules or color filters. As a result, AMOLED modules are thinner and lighter, making them particularly suitable for mobile devices such as smartphones, where space is constrained and compact module dimensions are critical. Furthermore, due to the absence of a rigid backlight layer and the commercialization of flexible substrates, AMOLED panels offer significant advantages in the application of flexible displays, supporting innovations such as foldable and wearable devices.

AMOLED DDICs are integrated circuits specifically designed to drive AMOLED panels. Functioning as a signal conversion “bridge” within the panel, they convert image data signals from the main control chip such as an application processor or graphics processor into the voltage and current signals required to activate each pixel, thereby controlling the brightness and color output of the display.

INDUSTRY OVERVIEW

Major Downstream Applications of AMOLED DDIC

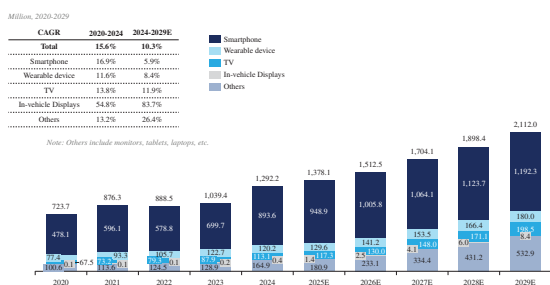
- Smartphones:** The AMOLED panel aligns with the prevailing trends of lightweight and foldable smartphones. Smartphones represent the largest downstream application for AMOLED DDIC. From 2020 to 2029, the penetration rate of smartphones with AMOLED panels has been steadily increasing. In terms of sales volume, the penetration rate increased from 37.0% in 2020 to 60.1% in 2024 and is projected to reach 69.9% by 2029. Leading global smartphone brands are driving the adoption of AMOLED panels, with the penetration rate among the top three smartphone brands by sales volume reaching 70.2% in 2024.
- Wearable Devices:** AMOLED technology, with its lightweight, flexible structure, high contrast and low power consumption, has seen increasing adoption in mid-to-high-end wearable devices such as smartwatches.
- Televisions:** AMOLED is primarily used in the premium TV segment and is favored by high-end consumers and professional imaging users due to its superior display quality.
- In-Vehicle Displays:** The rapid expansion of the electric vehicle sector and the trend toward intelligent and multi-screen automotive interiors have driven demand for high-definition, large-format displays, providing a broad application opportunities for AMOLED panels.
- Others:** AMOLED display panels are gradually penetrating other applications, including laptops and tablet, etc.

Global and Chinese Mainland AMOLED DDIC Market Size

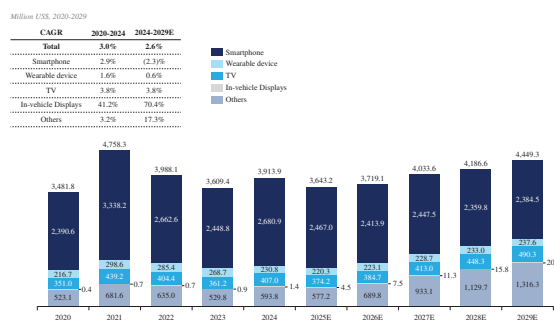
From 2020 to 2024, the global AMOLED DDIC market experienced robust growth, with sales volume increasing from approximately 723.7 million units in 2020 to 1,292.2 million units in 2024, representing a CAGR of 15.6%. Due to the slowdown in smartphone shipments, the CAGR of the global AMOLED DDIC market from 2024 to 2029 is expected to be slightly lower, reaching approximately 2,112.0 million units by 2029, with a projected CAGR of 10.3%. In terms of downstream applications, the smartphone market is the primary application for AMOLED DDIC, accounting for 69.2% of the global market in 2024. It is anticipated that future new applications, particularly TV and in-vehicle displays, will become the main growth drivers.

The sales revenue of AMOLED DDIC globally increased from US\$3,481.8 million in 2020 to US\$3,913.9 million in 2024, with a CAGR of 3.0%. In 2021, the wafer shortages and rising raw material prices led to the increase in average price, therefore, the market revenue had a sudden increase in 2021. Starting in 2022, with the release of production capacity and high inventory, it experienced a downward trend, which continued to 2023. The decline narrowed and prices stabilized in 2024, which reflected a market recovery in 2024. Looking ahead, shipments of smartphones, the largest downstream application of AMOLED DDICs, are expected to continue to decline, leading to a corresponding decrease in AMOLED DDIC shipments, and resulting in a slightly lower future CAGR for the global AMOLED DDIC sales revenue from 2024 to 2029 compared to historical figures. It is expected the sales revenue of AMOLED DDIC globally will reach US\$4,449.3 million in 2029, with a CAGR of 2.6% from 2024 to 2029.

Sales Volume of AMOLED DDIC, Globally



Sales Revenue of AMOLED DDIC, Globally



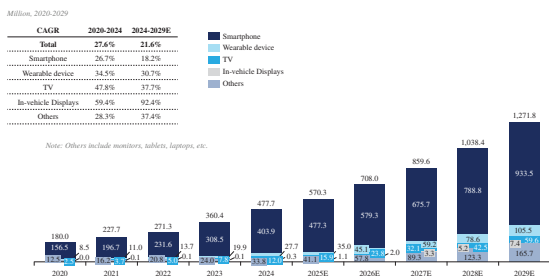
Source: Omdia, Expert Interview, Frost & Sullivan

INDUSTRY OVERVIEW

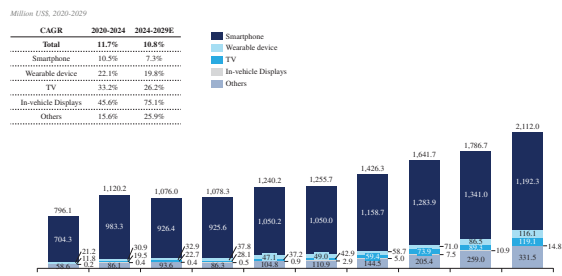
Chinese display panel manufacturers are gradually capturing a larger share of the global AMOLED display panel market. In 2024, the top five Chinese panel manufacturers accounted for 51.3% of the total AMOLED display panel sales globally, creating significant market opportunities for upstream AMOLED DDIC manufacturers in China. The sales volume of AMOLED DDIC in Chinese mainland has grown substantially, increasing from 180.0 million units in 2020 to 477.7 million units in 2024, with a CAGR of 27.6%, and is projected to reach 1,271.8 million in 2029, with its global market share further increasing from 37.0% to 60.2%. In terms of downstream applications, smartphones remain the dominant driver of AMOLED DDIC demand, accounting for 84.6% of the mainland Chinese market with a market share of 45.2% of the global market in 2024. The sales volume of smartphone AMOLED displays in Chinese mainland is projected to increase at a CAGR of 18.2%, capturing 78.3% of the global market share by 2029.

The sales revenue of AMOLED DDIC in Chinese Mainland has increased from US\$796.1 million in 2020 to US\$1,240.2 million in 2024, with a CAGR of 11.7%. Its market share in global market has increased from 22.9% in 2020 to 31.7% in 2024. It is expected the sales revenue of AMOLED DDIC in China will reach US\$2,075.2 million in 2029, with a CAGR of 10.8% from 2024 to 2029, and its share of global market will reach 46.6% in 2029.

Sales Volume of AMOLED DDIC in Chinese Mainland



Sales Revenue of AMOLED DDIC in Chinese Mainland



Source: Omdia, Expert Interview, Frost & Sullivan

Growth Drivers for Global and Chinese Mainland AMOLED DDIC Market

- The PRC government has issued favorable policies to support the development of the industry.** In May 2024, the National Integrated Circuit Industry Investment Fund launched its third phase, with an investment exceeding RMB150.0 billion. AMOLED, as a core area of next-generation display technology, has received comprehensive support spanning material research and development to manufacturing processes. Policy initiatives extend beyond traditional measures such as tax reductions and equipment procurement subsidies, encompassing dedicated projects under the “National Key Research and Development Program.” These projects foster collaboration among universities, research institutes, and enterprises to drive advancements in next-generation display technologies. For example, the Electronic Information Manufacturing Industry 2023-2024 Steady Growth Action Plan (《电子信息制造业2023-2024年稳增长行动方案》) issued by the Ministry of Industry and Information Technology and the Ministry of Finance in 2023, has proposed to promote the expansion of applications of AMOLED, Micro-LED, 3D display, laser display, etc. for the fields of new intelligent terminals, culture, tourism, landscape, commercial display, etc. As another example, the Notice on Import Tax Policies for Supporting the Development of New-Type Display Industry from 2021 to 2030 (《關於2021-2030年支持新型顯示產業發展進口稅收政策的通知》) issued by the Ministry of Finance, the General Administration of Customs, and the State Taxation Administration in 2021, has proposed that enterprises undertaking major projects related to new display devices will be granted tariff exemptions on imported equipment.

INDUSTRY OVERVIEW

- **AMOLED is a favor choice as downstream applications focusing on enhancing user experience.** AMOLED's flexible and ultra-thin module design aligns seamlessly with the structural demands of foldable smartphones. Additionally, AMOLED's high contrast and low latency characteristics (the contrast ratio of AMOLED is around 100,000:1, whereas LCD is around 1,000:1, the latency time of AMOLED is around 0.001ms, whereas LCD is around 5-20ms) significantly enhance AI-driven visual interactions. For example, real-time image quality optimization in AI image processing leverages AMOLED's pixel-level light control capabilities to deliver upgraded visual feedback, redefining the user experience.
- **Advancement in semiconductor manufacturing processes.** A single chip now incorporates multifunctional modules such as power management, timing control, and temperature compensation. This system-level integration reduces chip size by over 40% and significantly lowers screen power consumption by eliminating signal transmission losses between modules. These technological advancements are also extending into broader Internet of Things (IoT) applications. In addition, advanced semiconductor manufacturing processes equip AMOLED DDICs with enhanced data processing and power management capabilities. This enables AMOLED DDICs to handle larger data volumes with higher transmission speeds, thereby supporting downstream products featuring superior display specifications, such as 4K and 8K resolutions with exceptional image detail, alongside high refresh rates of up to 120Hz and 144Hz, ultimately enhancing the user experience.

Development Trends of Global and Chinese Mainland AMOLED DDIC Market

- **Industry entry barrier remains exceptionally high:** Chinese mainland's AMOLED DDIC development began later than in other regions due to high technical barriers. Early suppliers that entered the supply chains of domestic smart device brand companies underwent rigorous assessments, with most originating from South Korea, Taiwan, China and other established regions. So far, among DDIC suppliers based in Chinese mainland, only the Company has made significant technological breakthroughs and penetrated into the high-barrier industry as a major supplier and established strong partnerships with both panel manufacturers and brand companies. Owing to the high risk aversion of brand companies, once a DDIC supplier secures a position in their supply chain, it becomes exceptionally difficult to be replaced, providing a significant competitive advantage for early entrants.
- **The integration of DDIC and TDDI:** The integrated design of DDIC and TDDI not only simplifies the internal structure of electronic devices but also effectively reduces costs, offering significant advantages to terminal device manufacturers. As TDDI chip technology continues to mature and improve, the demand for TDDI chips is expected to keep increasing. The development of this technology not only enhances the overall performance of devices but also provides consumers with superior visual and touch experiences. In 2024, the global sales volume of TDDI chips increased to 1,040.0 million units. It is expected to reach 1,431 million, with a CAGR of 6.6% by 2029.
- **The rapid expansion of the electric vehicle market and the acceleration of automotive intelligence driving the growing demand for multi-screen, large-screen and high-definition in-vehicle displays:** Consumers now expect more from in-vehicle displays, moving beyond a single instrument panel to richer, more intuitive interactive information. As a result, multi-screen, large-screen and high-definition displays have become inevitable trends in the evolution of automotive displays. In 2020, global sales volume of in-vehicle AMOLED DDICs amounted to 0.07 million units, increasing to 0.4 million by 2024, representing a CAGR of 54.8%. By 2029, global sales volume of in-vehicle AMOLED DDICs is projected to increase to 8.4 million units, with a CAGR of 83.7%. AMOLED panels, with their superior display quality, ultra-thin profile, and flexible bendability, are ideally positioned to meet these demands, offering automotive manufacturers innovative and attractive display solutions.

INDUSTRY OVERVIEW

Development Trends of Global and China's Smartphone AMOLED DDIC Market

- **Smartphone AMOLED DDICs are dipping into mid-range and low-end models:** AMOLED offers superior performance compared to LCD in terms of color rendering, flexible display, viewing angle, response speed, panel thickness and power consumption. It meets the growing demand for high-quality displays, thinness, long battery life, and diverse form factors in mobile phones. However, due to initial production capacity and yield constraints, costs are relatively high. Its commercialization began with high-end flagship series, which have a higher cost tolerance. As panel manufacturers expand AMOLED production capacity and improve production yields, AMOLED costs continue to decline, accelerating the penetration of AMOLED panels in mid-range and low-end phones, thereby boosting demand for smartphone AMOLED DDICs.
- **The rising of foldable smartphones become a new direction for smartphone brands for differentiated selling points:** In recent years, foldable smartphones have been constrained by material costs and process limitations, such as display screens, hinges, and UTG glass, resulting in high costs and slow penetration. However, with the continuous advancement of display technology, hinge design, materials, and production scale, production costs are expected to gradually decrease, driving rapid growth in foldable phone shipments. The global foldable phone shipments are expected to grow from 22 million units in 2024 to 100 million units in 2029, accounted for 1.8% to 7.0% of total smartphones, with a CAGR of 35.3% during that period. AMOLED which aligns with the current trends of foldable and lightweight, will be benefited from the increasing trend of fordable smartphone.

COMPETITIVE LANDSCAPE OF GLOBAL AND CHINESE MAINLAND'S SMARTPHONE AMOLED DDIC MARKET

Overview of the competitive landscape of global and Chinese mainland's smartphone AMOLED DDIC market

The global smartphone AMOLED DDIC market is relatively concentrated, with the top five players accounting for approximately 81.3% of total sales volume in 2024. The market can be divided into two main types of participants: captive AMOLED DDIC suppliers (affiliated with panel manufacturers) and independent AMOLED DDIC suppliers. Independent AMOLED DDIC suppliers, unlike their captive counterparts, lack the technical support and established business ties with panel manufacturers. As a result, they must possess stronger R&D capabilities and the ability to develop broader downstream customer channels to remain competitive in the market. This distinction highlights the higher operational and innovation demands placed on independent suppliers.

Ranking of Sales Volume of Global Smartphone AMOLED DDIC

In terms of sales volume for smartphone AMOLED DDIC in 2024, the Company ranks fifth among all market participants in the global smartphone AMOLED DDIC market, with a market share of 5.7%; additionally, the Company is the third largest independent supplier in the global smartphone AMOLED DDIC market. The Company is also the largest Chinese mainland-based supplier in global smartphone AMOLED DDIC market.

Ranking	Company	Supplier type	Headquarters address	Smartphone AMOLED DDIC sales volume in 2024 (million units)	Market share (%)
1 . . .	Company A ⁽¹⁾	Captive	South Korea	380	42.5%

INDUSTRY OVERVIEW

Ranking	Company	Supplier type	Headquarters address	Smartphone AMOLED DDIC sales volume in 2024 (million units)	Market share (%)
2 . . .	Company B ⁽²⁾	Independent	Taiwan, China	120	13.4%
3 . . .	Company C ⁽³⁾	Captive	South Korea	100	11.2%
4 . . .	Company D ⁽⁴⁾	Independent	Taiwan, China	75	8.4%
5 . . .	The Company	Independent	Chinese Mainland	51	5.7%

Source: Expert Interview, Frost & Sullivan

Notes:

- (1) A core division within a South Korean electronics giant, which was established in 1938, with around 9 thousand employees and engages in the business of offering a wide range of products including image sensors, and display drivers for various applications like mobile devices, automotive, and IoT. The shares of its parent company are listed on the Korea Exchange (“**KRX**”).
- (2) Established in 1997, with around 4 thousand employees, it engages in the business of offering DDIC and multimedia system-on-chips, with key products including display drivers for smartphones, tablets, and TVs, and multimedia solutions for consumer electronics. Its shares are listed on the Taiwan Stock Exchange (“**TWSE**”).
- (3) A core division of a South Korean electronics giant which was established in 1999, with around 2 thousand employees and engages in the business of the design and sales of DDIC and power management ICs. The shares of its parent company are listed on the KRX.
- (4) Established in 2003, with around 1 thousand employees, it engages in the business of offering high-performance, low-power display and touch solutions for various display technologies and application scenarios, with customers including major panel manufacturers and device vendors. Its shares are listed on the TWSE.

Ranking of Sales Revenue of Global Smartphone AMOLED DDIC

In terms of sales revenue for smartphone AMOLED DDIC in 2024, the Company ranked fifth among all market participants in the global smartphone AMOLED DDIC market, with a market share of 4.3%; additionally, the Company is the third largest independent supplier in the global smartphone AMOLED DDIC market. Furthermore, the Company is also the largest supplier based in Chinese mainland in global smartphone AMOLED DDIC market.

Ranking	Company	Supplier type	Headquarters address	Smartphone AMOLED DDIC sales revenue in 2024 (million US\$)	Market Share (%)
1 . . .	Company A	Captive	South Korea	1,216	45.5%
2 . . .	Company B	Independent	Taiwan, China	372	13.9%
3 . . .	Company C	Captive	South Korea	320	11.9%
4 . . .	Company D	Independent	Taiwan, China	233	8.7%
5 . . .	The Company	Independent	Chinese Mainland	115	4.3%

Source: Expert Interview, Frost & Sullivan

Ranking of Sales Volume of Smartphone AMOLED DDIC in Chinese mainland

In terms of the sales volume of smartphone AMOLED DDIC in Chinese mainland in 2024, the Company ranked third among all market participants in Chinese mainland’s smartphone AMOLED DDIC market, with a market share of 12.4%; In addition, the Company is also the largest Chinese mainland-based supplier in Chinese mainland’s smartphone AMOLED DDIC market.

INDUSTRY OVERVIEW

Ranking	Company	Supplier type	Headquarters address	Smartphone AMOLED DDIC sales volume (million units)	Market share (%)
1 . . .	Company B	Independent	Taiwan, China	105	26.0%
2 . . .	Company D	Independent	Taiwan, China	75	18.6%
3 . . .	The Company	Independent	Chinese Mainland	50	12.4%
4 . . .	Company E ⁽¹⁾	Independent	Taiwan, China	48	11.9%
5 . . .	Company C	Captive	South Korea	45	11.1%

Source: Expert Interview, Frost & Sullivan

Note:

- (1) Established in 2004, with around 1 thousand employees, it engages in the business of the development and sales of DDIC, with products mainly applied in smartphones, digital cameras, GPS devices, automotive displays, tablets, laptops, and LCD monitors. Its shares are listed on the TWSE.

Ranking of Sales Revenue of Smartphone AMOLED DDIC in Chinese mainland

In terms of the sales revenue of smartphone AMOLED DDIC in China in 2024, the Company ranked fifth among all market participants in China's smartphone AMOLED DDIC market, with a market share of 10.5%; In addition, the Company is also the largest supplier based in Chinese mainland in China's smartphone AMOLED DDIC market.

Ranking	Company	Supplier type	Headquarters address	Smartphone AMOLED DDIC sales revenue in 2024 (million US\$)	Market Share (%)
1 . . .	Company B	Independent	Taiwan, China	273	26.0%
2 . . .	Company D	Independent	Taiwan, China	203	19.3%
3 . . .	Company C	Captive	South Korea	135	12.9%
4 . . .	Company E	Independent	Taiwan, China	134	12.8%
5 . . .	The Company	Independent	Chinese mainland	111	10.5%

Source: Expert Interview, Frost & Sullivan

Key Success Factors and Entry Barriers in Global and China's AMOLED DDIC Market

- **Collaboration with brand companies:** In the field of AMOLED DDIC, certification by brand companies not only reflects technical capability but also serves as a testament of the ability to coordinate within the industry chain. This system leads to long certification cycles, deep supply chain binding and high customer stickiness, resulting in new players lacking historical cooperation track records and mass production experience.
- **Industry know-how:** The AMOLED DDIC market requires participants to continuously update their industry knowledge, technology and understanding to respond to changes at any time. New entrants who cannot establish technical expertise in the iteration of chip process will find it difficult to break through from sample validation to mass delivery, making it challenging to meet strict downstream customer requirements.

INDUSTRY OVERVIEW

- **Accumulation of technology and talent:** The industry has a high demand for specialized talent, requiring high-quality professionals who are proficient in hardware and familiar with software. Attracting and retaining such talent is extremely challenging, as these professionals are currently concentrated overseas, and there is a limited number of top technical talents in Chinese mainland. Companies that possess a large number of such talents create a talent barrier.

THE MICRO-OLED DISPLAY BACKPLANES/DRIVERS MARKET

Introduction of Micro-OLED Display Backplanes/Drivers

Micro-OLED technology represents a significant advancement in display technology by combining the strengths of semiconductor manufacturing processes, such as monocrystalline silicon CMOS, with the attributes of OLED display technology. This integration results in distinct advantages, including high pixel density, rapid response times, high contrast ratios, and rich color saturation. Additionally, Micro-OLED displays are known for their slim profiles, low power consumption, integration capabilities, and multifunctionality. They also help reduce visual fatigue and offer a high degree of customizability. These benefits make Micro-OLED displays an ideal choice for high-precision, small-size display applications such as XR devices. The use of Micro-OLED technology can significantly enhance user experience and drive the evolution and adoption of display technologies.

Micro-OLED display backplane/driver is one of the core components of the Micro-OLED display system, tasked with controlling and driving the pixel illumination of the Micro-OLED screen. Typically, Micro-OLED displays utilize monocrystalline silicon (CMOS) as the substrate material. Through further manufacturing processes, OLED pixels are integrated onto the monocrystalline silicon chip, achieving high pixel density and high-resolution display capabilities. This approach not only ensures the display's performance but also supports the miniaturization and integration of the entire display system, which is essential for modern, compact electronic devices that require high-quality visual output in a small form factor.

Downstream Analysis of Micro-OLED Display Backplanes/Drivers

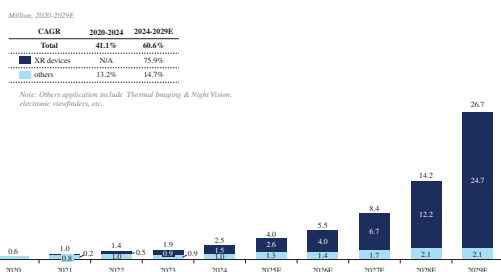
- **XR Devices:** Micro-OLED technology is becoming the mainstream development direction of display technology for VR and AR devices due to its excellent display performance. Compared to Fast LCD, Micro-OLED achieves higher pixel density, fast response speed, thin and lightweight design, and high contrast and color saturation.
- **Thermal Imaging & Night Vision:** Micro-OLED can operate over a wide temperature range, which is important for thermal imaging equipment used in extreme temperature conditions. At the same time, the high brightness and high contrast of Micro-OLEDs allow them to provide clear vision at night or in low light environments, which is critical for night vision equipment.
- **Electronic Viewfinder (EVF):** Micro-OLED has a high pixel density and high contrast ratio, which makes it better at displaying details and color levels for professional photography. At the same time, the thinness and lightness of Micro-OLED make them more suitable for integration into high-end cameras, helping to reduce the overall weight of the camera and improve portability.
- **Other downstream applications:** such as in-vehicle HUDs, digital scopes and flight helmets.

INDUSTRY OVERVIEW

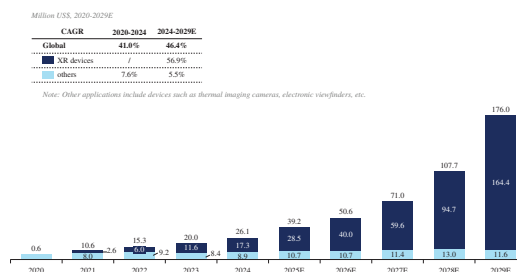
Global Market Size of Micro-OLED Display Backplanes/Drivers

Driven by the demand for downstream XR devices, the sales volume of global Micro-OLED display backplane/driver has shown significant growth, increasing from 0.6 million units in 2020 to 2.5 million units in 2024, at a CAGR of 41.1%, and is expected to reach 26.7 million units by 2029, at a CAGR of 60.6%. In terms of downstream applications, XR devices are the most dominant application, and is expected that future sales volume of Micro-OLED display backplane/driver in the field of XR devices will reach 24.7 million units in 2029, with a CAGR of 75.9%. In terms of revenue, the market has increased from USD6.6 million in 2020 to USD26.1 million in 2024, with a CAGR of 41.0%. It is expected to reach US\$176 million by 2029 with a CAGR of 46.4%. Among it, XR devices increased from US\$17.3 million in 2024, and is expected to reach US\$164.4 million in 2029 with a CAGR of 56.9%.

Sales Volume of Micro-OLED Display Backplane/Driver, Globally

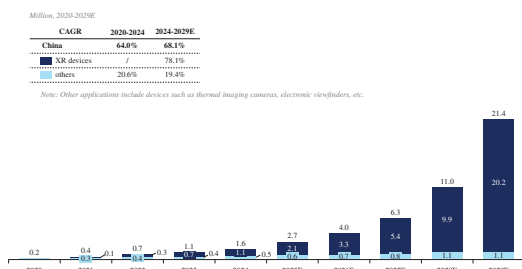


Sales Revenue of Global Micro-OLED Display Backplane/Driver

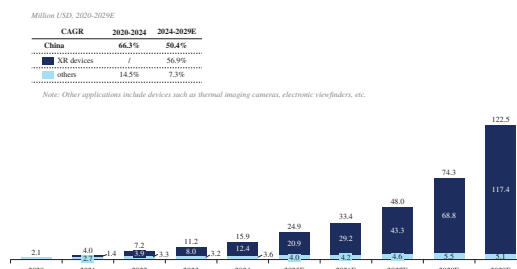


Source: Expert Interview, Frost & Sullivan

Sales Volume of Micro-OLED Display Backplane/Driver in China



Sales Revenue of Micro-OLED Display Backplane/Driver in China



Source: Expert Interview, Frost & Sullivan

In terms of sales volume, China's Micro-OLED display backplane/driver market increased from 0.2 million in 2020 to 1.6 million in 2024 with a CAGR of 64.0%. It is expected to reach 21.4 million in 2029 with a CAGR of 68.1%. Among it, XR devices increased from 1.1 million in 2024 to 20.2 million in 2029 with a CAGR of 78.1%. In terms of revenue, the market increased from USD2.1 million in 2020 to USD15.9 million in 2024, with a CAGR of 66.3%. As the technology gradually matures and production scales, the cost of manufacturing declines, leading to a progressive reduction in the ASP of Micro-OLED display backplane/drivers. The downward pressure on ASPs resulted in a relatively stabilized expectation for the market in 2024 to 2029. It is forecasted to increase to USD122.5 million by 2029 with a CAGR of 50.4%. Among it, XR device section is expected to increase to USD117.4 million in 2029.

INDUSTRY OVERVIEW

Key Drivers of Global Micro-OLED Display Backplane/Driver Market

Growing shipments of XR devices and increasing penetration of Micro-OLED in XR devices applications. The shipment of XR devices increased from 10.7 million in 2020 to 19.6 million in 2024 with a CAGR of 16.3%. It is expected to increase to 255.4 million by 2029 with a CAGR of 67.1%. These devices require high-resolution and high refresh rate displays to provide immersive and responsive experiences, which Micro-OLED technology is particularly adept at delivering. As a result, the adoption of Micro-OLED displays in XR devices is on the rise, leading to a corresponding increase in the need for specialized Micro-OLED display backplanes/drivers that can effectively control and drive these advanced displays.

Improvements in semiconductor manufacturing processes. As the technology evolves, the ability to integrate more functions and components onto a single chip improves, leading to more efficient and powerful display drivers. This progress not only boosts the performance of Micro-OLED displays in terms of resolution, color accuracy and power consumption by approximately 30%, but also supports the development of innovative features. The emergence of new display technologies such as quantum dot OLED, which can offer improved color gamut and brightness by approximately 50%, along with new driver architectures that integrate touch functionality, are creating additional opportunities for the Micro-OLED display backplane/driver market.

Key Trends of Global Micro-OLED Display Backplane/Driver Market

Micro-OLED display backplane/driver will support 4K+ resolutions and higher pixel densities. As XR devices demand more detailed and immersive visual experiences, the need for high-resolution and high-pixel-density displays becomes critical. Micro-OLED technology, with its inherent capabilities to provide sharp images and vibrant colors, is well-suited for these applications. The support for 4K and higher resolutions will enable more detailed and lifelike visuals, while increased pixel density will ensure clarity and smoothness even at closer viewing distances. Moreover, stacked technology will allow for brighter displays. This is particularly important for XR devices, which often operate in various lighting conditions, including outdoor environments. Brighter displays ensure that the content remains visible and engaging regardless of the ambient light.

Micro-OLED display backplane/driver will integrate more functional modules. This integration aims to achieve more compact designs and higher levels of system integration. By combining multiple functions into a single chip, manufacturers can reduce the overall size and complexity of electronic devices, making them more portable and efficient. Additionally, the inclusion of advanced features like AI image enhancement will improve the visual quality and user experience of Micro-OLED displays.

Micro-OLED will likely replace Fast LCD as the dominant XR display technology. As production costs for Micro-OLEDs are expected to decrease, their inherent advantages will become more prominent. Micro-OLEDs offer high brightness, low power consumption, and low latency, which are critical for providing immersive and responsive XR experiences. These characteristics make Micro-OLED an ideal choice for the next generation of XR devices. Starting from 2021, Micro OLED displays had only 0.5 million shipment and takes 3.0% of the global XR device displays. It further increased to 2.8 million shipment and a corresponding 14.5% of the total market. Its penetration is anticipated to further increase to take 57.4% of the global market with an expected shipment of 146.7 million. The anticipated reduction in production costs will make Micro-OLEDs more accessible and competitive in the market, driving their adoption as the mainstream display technology for XR applications.

Competitive Landscape of Global Micro-OLED Display Backplane/Driver Market

Due to significant technological barriers, the number of participants in the global Micro-OLED display backplane/driver market is relatively limited, resulting in a high level of market concentration. In terms of sales volume in 2024, the top two major market participants collectively accounted for 94.7% of the market share.

INDUSTRY OVERVIEW

In terms of the sales volume of Micro-OLED display backplane/driver in 2024, the Company ranked second among all participants in the global Micro-OLED display backplane/driver market, holding a market share of 40.7%. The Company is also the largest independent and China-based supplier in global Micro-OLED display backplane/driver market. In terms of sales revenue in 2024, the top two market participants collectively accounted for 95.0% of the market share. The Company ranked second among all participants in the global Micro-OLED display backplane/driver market, holding a market share of 41.0%.

Ranking of Sales Volume of Global Micro-OLED Display Backplane/Driver Market

Ranking	Company	Supplier type	Headquarter	Sales volume of Micro-OLED display backplane/driver (million units)	Market share (%)
---------	---------	---------------	-------------	---	------------------

1 . . .	Company F ⁽¹⁾	Captive	Japan	1.4	54.0
2 . . .	The Company	Independent	Chinese Mainland	1.0 ⁽²⁾	40.7

Ranking of Sales Revenue of Global Micro-OLED Display Backplane/Driver Market

Ranking	Company	Manufacturer type	Headquarters address	Sales revenue of Micro-OLED display backplane/driver (million US\$)	Market Share (%)
---------	---------	-------------------	----------------------	---	------------------

1 . . .	Company F	Captive	Japan	14.1	54.0%
2 . . .	The Company	Independent	Chinese Mainland	10.7	41.0%

Source: Expert Interview, Frost & Sullivan

Notes:

- (1) A core division of a Japanese electronics giant which was established in 1946 and engages in the business of high-end display. The shares of its parent company are listed on the Tokyo Stock Exchange and New York Stock Exchange.
- (2) For the convenience of comparison, different shipping forms are ranked as a unified unit on a as-converted basis.

In terms of sales volume in 2024 in China, the top two market participants collectively accounted for 80.6% of the market share, the Company ranked the top among all participants in China's Micro-OLED display backplane/driver market, holding a market share of 63.7%. In terms of sales revenue in 2024, the top two market participants collectively accounted for 82.9% of the market share, the Company ranked the top among all participants in China's Micro-OLED display backplane/driver market, holding a market share of 65.9%.

Ranking of Sales Volume of China's Micro-OLED Display Backplane/Driver Market

Ranking	Company	Manufacturer type	Headquarters address	Sales volume of Micro-OLED display backplane/driver (10,000 unit)	Market Share (%)
---------	---------	-------------------	----------------------	---	------------------

1 . . .	The Company	Independent	Chinese Mainland	101.5	63.7%
2 . . .	Company F	Captive	Japan	27.0	16.9%

Ranking of Sales Revenue of China's Micro-OLED Display Backplane/Driver Market

Ranking	Company	Manufacturer type	Headquarters address	Sales revenue of Micro-OLED display backplane/driver (million US\$)	Market Share (%)
---------	---------	-------------------	----------------------	---	------------------

1 . . .	The Company	Independent	Chinese Mainland	10.5	65.9%
2 . . .	Company F	Captive	Japan	2.7	16.9%

Source: Expert Interview, Frost & Sullivan

INDUSTRY OVERVIEW

Analysis of Historical Price Trends of Major Raw Materials

The price trend of the Company's raw material, wafer, is overall stable, from 2022 to 2024, the price of wafer was fluctuating within a range of 5%. The average wafer price of foundry services for DDICs charged by the Chinese foundries are usually lower than those charged by the overseas foundries by 10%-30% as a result of advancements of wafer manufacturing technologies and more competitive pricing strategy adopted by Chinese foundries. Hence, wafer prices in China are comparatively more competitive.

REGULATORY OVERVIEW

REGULATIONS AND POLICIES RELATING TO INTEGRATED CIRCUIT AND INFORMATION INDUSTRY

The Outline for Promoting the Development of the National Integrated Circuit Industry (《國家集成電路產業發展推進綱要》), promulgated by the State Council on June 24, 2014 and came into effect on the same date, states that the development goal of the integrated circuit industry is to reach an advanced international standard in the major links of the integrated circuit industry chain by 2030, with a number of enterprises entering the international first tier and achieving leapfrog development. The main tasks and development priorities are to focus on the development of the integrated circuit design industry, accelerate the development of the integrated circuit manufacturing industry, enhance the development level of the advanced packaging and testing industry, and make breakthroughs in the key equipment and materials for integrated circuits.

The Guiding Catalogue of Key Products and Services in Strategic Emerging Industries (2016 Edition) (《戰略性新興產業重點產品和服務指導目錄(2016版)》) promulgated by the National Development and Reform Commission (the “NDRC”) on January 25, 2017, clarifies eight industries in five major areas, which are further subdivided into 174 sub-directions under 40 key directions and nearly 4,000 subdivided products and services. Among them are integrated circuit chip products, new-type display devices, virtual reality head-mounted display devices and augmented reality glasses.

The Catalogue for Guidance on Industrial Restructuring (2024 Version) (《產業結構調整指導目錄(2024年本)》), promulgated by the NDRC which was most recently amended on December 27, 2023 and came into effect on February 1, 2024, categorizes the integrated circuit design and the manufacturing of display panel components and specialized production equipment under the encouraged category.

The Outline of the Plan for the Integrated Development of the Yangtze River Delta Region (《長江三角洲區域一體化發展規劃綱要》), which was issued by the Central Committee of the Chinese Communist Party and the State Council on December 1, 2019 and became effective on the same date, focuses on the ten key areas, among which is the integrated circuits, and calls for accelerating the development of the integrated circuits industry chain, and the cultivation a number of leading enterprises with international competitiveness.

To conscientiously implement the Outline of the Plan for the Integrated Development of the Yangtze River Delta Region, the Ministry of Science and Technology and other five ministries and commissions jointly promulgated the Program for the Construction of the G60 Science and Technology Corridor in the Yangtze River Delta (《長三角G60科創走廊建設方案》) (the “**G60 Program**”) on October 27, 2020. According to the G60 Program, the construction of Science and Technology Corridor in the Yangtze River Delt should adhere to the combination of market mechanism-led and industrial policy guidance, which shall jointly prepare the development plan of advanced manufacturing industry, the strengthen of the synergistic and staggered development of regional advantageous industries around several industries, among which is the integrated circuits, the advancement of the upgrading of the industrial structure, the construction of a number of national strategic emerging industry bases with global competitiveness, and the cultivation of a number of leading enterprises with international competitiveness in the key fields.

The Several Policies to Promote the High-quality Development of the IC Industry and the Software Sectors in the New Era (《新時期促進集成電路產業和軟件產業高質量發展的若干政策》), promulgated by the State Council on July 27, 2020 and came into effect on the same date, launches a series of supporting policies in aspects of fiscal and taxation, investment and financing, research and development, import and export, talents, intellectual property rights, market application and international cooperation, to optimize the development environment of the integrated circuit industry and software sectors, deepen international cooperation in the industry, and enhance the industrial innovation capability and development quality.

REGULATORY OVERVIEW

The Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and Outlines of Objectives in Perspective of the Year 2035 (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》), promulgated by the National People's Congress on March 11, 2021 and came into effect on the same date, points out the focus of key areas including high-end chips, operating systems, key artificial intelligence algorithms, sensors, and the PRC shall speed up technology R&D, and make breakthroughs in basic theories, basic algorithms, and equipment materials.

The Guiding Opinions on Accelerating the Cultivation and Development of High-Quality Enterprises in the Manufacturing Industry (《關於加快培育發展製造業優質企業的指導意見》), promulgated by the MIIT, the Ministry of Science and Technology, the MOF and other departments on June 1, 2021 and came into effect on the same date, states that innovation consortiums or strategic alliances for technological innovation shall be established through high-quality enterprises, on the basis of which collaborative innovation shall be conducted and efforts shall be doubled to make breakthroughs to key and core technologies, products and equipment in the fields such as integrated circuits and demonstrate the applications in the aforesaid field.

The Notice of "14th Five-Year Plan" for the Development of Digital Economy (《“十四五”數字經濟發展規劃的通知》) promulgated by the State Council on December 12, 2021 and came into effect on the same date, specifies that during the "14th Five-Year Plan" period, the promotion of digital industrialization should be accelerated. Strategic and forward-looking fields such as integrated circuits, key software, and artificial intelligence should be focused on, the basic research and development capabilities of digital technology should be improved, and the engineering and industrialization of innovative technologies should be accelerated. Key and core technologies in the fields of high-end chips, operating systems, industrial software, core algorithms and frameworks should be broken through, and the integrated research and development of general-purpose processors, cloud computing systems, and key software technologies should be strengthened. In addition, the competitiveness of key links in the industrial chain should be improved, and the supply chain systems of key industries such as 5G, integrated circuits, new energy vehicles, artificial intelligence, and industrial internet should be improved.

REGULATIONS AND POLICIES RELATING TO NEW DISPLAY TECHNOLOGY

The Notice regarding Accelerating the Development of the Industrial Internet (《關於推動工業互聯網加快發展的通知》) promulgated by the General Office of the MIIT on March 6, 2020, which became effective on the same date, states that industrial internet platforms shall be encouraged to enhance the support capacity of new technologies such as 5G, artificial intelligence (AI), blockchain and augmented reality (AR)/virtual reality (VR), and strengthen the integration of digital functions throughout the whole process of design, production, operation, maintenance and management.

The Notice of Issuing the Action Plan for the Integrated Development of Virtual Reality and Industry Application (2022-2026) (《虛擬現實與行業應用融合發展行動計劃(2022-2026年)》) promulgated by the MIIT and other departments on October 28, 2022, which became effective on the same date, states that by 2026, crucial breakthroughs in 3D, virtual-real integrated, immersive audio-visual key technologies will be achieved; the next-generation humanoid virtual reality terminal products will be continuously diversified, and the industrial ecosystem will be further improved, so that the large-scale application of virtual reality will be realized in important industries and fields; several key enterprises and industrial clusters with strong international competitiveness will be established, thereby creating an industrial development pattern in which technology, products, services, and applications all prosper.

REGULATORY OVERVIEW

The Notice of Issuing the Guiding Opinions for Accelerating the High-Quality Development of the Audio-Visual Electronic Industry (《關於加快推進視聽電子產業高質量發展的指導意見》) promulgated by the MIIT and other departments on December 15, 2023, which became effective on the same date, states that new audio-visual electronic consumption scenarios shall be created. By relying on new display, ultra high-definition video, virtual reality, immersive audio, naked-eye 3D and other emerging technical fields, enterprises shall be encouraged to participate in the construction of smart city and other innovation scenarios and shall be supported in participating in tackling of key problems in innovation application scenarios.

The Implementation Opinions on Promoting the Innovative Development of Industries of the Future (《關於推動未來產業創新發展的實施意見》) promulgated by the MIIT and other six departments on January 18, 2024, which became effective on the same date, states that the research on, among other things, quantum dot displays and holographic displays shall be accelerated; breakthroughs shall be made in developing Micro-LED, laser, printing, and other display technologies; large-scale application and barrier-free, fully flexible, and 3D display effects shall be achieved; the adoption of these technologies in scenarios such as smart devices, intelligent connected vehicles, remote connectivity, and cultural content presentation shall be expedited.

Notice of Issuing the Upgraded Plan for the “Sailing” Initiative to Scale Up 5G Applications (《5G規模化應用“揚帆”行動升級方案》) promulgated by the MIIT and other eleven departments on November 22, 2024, which became effective on the same date, states that terminal manufacturers shall accelerate the advancement of mobile phones to support ultra-high-definition video display, and the integration of 5G with artificial intelligence, virtual reality, and other technologies shall be promoted to explore new methods of content production, distribution, and experience.

REGULATIONS ON FOREIGN INVESTMENT

The establishment, operation and management of companies in the PRC are mainly governed by the Company Law of the PRC (《中華人民共和國公司法》) (the “**PRC Company Law**”), which was promulgated by the Standing Committee of the NPC (the “**SCNPC**”) on December 29, 1993 and came into effect on July 1, 1994. The PRC Company Law was amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018, and December 29, 2023 respectively. The latest revised PRC Company Law came into effect on July 1, 2024. The currently effective PRC Company Law applies to both PRC domestic companies and foreign-invested companies. The investment activities in the PRC conducted by foreign investors are also governed by the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “**Foreign Investment Law**”), which was approved by the National People’s Congress on March 15, 2019, along with the Implementing Rules of the PRC Foreign Investment Law (《中華人民共和國外商投資法實施條例》) (the “**Implementing Rules of Foreign Investment Law**”) promulgated by the State Council on December 26, 2019, and the Interpretations of the Supreme People’s Court on Several Issues Concerning the Application of the Foreign Investment Law of the PRC (《最高人民法院關於適用〈中華人民共和國外商投資法〉若干問題的解釋》) (the “**Foreign Investment Law Interpretation**”) promulgated by the Supreme People’s Court on December 26, 2019, all of which took effect on January 1, 2020.

Pursuant to the Foreign Investment Law, “foreign investments” refer to investment activities conducted by foreign investors (including foreign natural persons, foreign enterprises or other foreign organizations) directly or indirectly in the PRC, which include any of the following circumstances: (i) foreign investors setting up foreign-invested enterprises in the PRC solely or jointly with other investors, (ii) foreign investors obtaining shares, equity interests, property portions or other similar rights and interests of enterprises within the PRC, (iii) foreign investors investing in new projects in the PRC solely or jointly with other investors, and (iv) investment in other methods as specified in laws, administrative regulations, or as stipulated by the State Council. The Implementing Rules of Foreign Investment Law introduce a see-through principle and further provide that foreign-invested enterprises that invest in the PRC shall also be governed by the Foreign Investment Law and its implementing rules.

REGULATORY OVERVIEW

The Foreign Investment Law and the Implementing Rules of Foreign Investment Law provide that a system of pre-entry national treatment and negative list shall be applied to the administration of foreign investment, where “pre-entry national treatment” means that the treatment given to foreign investors and their investments at market access stage shall be no less favorable than that given to domestic investors and their investments except for the foreign investments in the “restricted” or “prohibited” fields or industries, and “negative list” means the special administrative measures for foreign investment’s access to the foregoing “restricted” or “prohibited” fields or industries. Foreign investment beyond the negative list will be granted national treatment. In the meantime, relevant competent government departments have formulated a catalog of industries for which foreign investments are encouraged according to the needs for national economic and social development, to list the specific industries, fields and regions in which foreign investors are encouraged and guided to invest. According to the Encouraged Industry Catalogue for Foreign Investment (2022 version) promulgated by the NDRC and the MOFCOM on October 26, 2022 and became effective on January 1, 2023, industry of integrated circuit design is categorized under the encouraged category.

Pursuant to the Foreign Investment Law and the Implementing Rules of Foreign Investment Law, and the Information Reporting Measures for Foreign Investment (《外商投資信息報告辦法》) jointly promulgated by the MOFCOM and the SAMR, which took effect on January 1, 2020, a foreign investment information reporting system shall be established and foreign investors or foreign-invested enterprises shall report investment information to competent commerce departments of the government through the enterprise registration system and the enterprise credit information publicity system.

On December 19, 2020, the NDRC and the MOFCOM promulgated the Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》), which came into effect on January 18, 2021, setting forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, the scopes of review and procedures to review, among others.

REGULATIONS ON OVERSEAS INVESTMENT

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

Pursuant to the Administrative Measures for Outbound 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, a domestic enterprise making an outbound investment shall obtain approval or conduct record-filing for outbound investment projects, report relevant information, and cooperate with the supervision and inspection. Sensitive projects carried out by domestic enterprises directly or through overseas enterprises controlled by them shall be subject to approval, specifically, including projects involving sensitive countries and regions and sensitive industries. Non-sensitive projects directly carried out by domestic enterprises, namely, non-sensitive projects involving domestic enterprises’ direct contribution of assets or rights and interests or provision of financing or guarantee shall be subject to record-filing.

REGULATIONS ON HOUSE LEASING

Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》), which was promulgated by the SCNPC on July 5, 1994 and last revised on August 26, 2019, in case of house leasing, the lessor and lessee are required to enter into a written

REGULATORY OVERVIEW

lease contract, containing such provisions as the leasing term, usage, rental and repair liabilities, as well as other rights and obligations of both parties, and go through registration and filing procedures with the real estate administration department.

On December 1, 2010, the Ministry of Housing and Urban-Rural Development promulgated the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), which became effective on February 1, 2011. According to such measures, the lessor and the lessee are required to complete property leasing registration and filing formalities within 30 days from execution of the property lease contract with the development authorities or real estate authorities of the municipality or county where the leased property is located. If a company fails to do as aforesaid, it may be ordered to rectify within a stipulated period, and if such company fails to rectify, a fine ranging from RMB1,000 to RMB10,000 may be imposed.

According to the Interpretation of the Supreme People's Court on Several Issues concerning the Application of Law in the Trial of Cases about Disputes Over Lease Contracts on Urban Buildings (2020 version) (《最高人民法院關於審理城鎮房屋租賃合同糾紛案件具體應用法律若干問題的解釋(2020修正)》), which became effective on January 1, 2021, where the ownership of a leased property changes during the period when the lessee is in possession in accordance with the leasing contract, and the lessee claims continued performance of the original leasing contract by the transferee of the property, the people's court shall support the claim, unless the leased property falls under certain circumstances, or the parties agree otherwise.

REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Patent

Pursuant to the Patent Law of the PRC (《中華人民共和國專利法》) (the “**Patent Law**”) promulgated by the SCNPC on March 12, 1984, which was most recently amended on October 17, 2020 and came into effect on June 1, 2021, and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) (the “**Implementation Rules of the Patent Law**”) promulgated by the State Council on June 15, 2001, which was most recently amended on December 11, 2023 and came into effect on January 20, 2024, there are three types of patents in the PRC, “invention”, “utility model” and “design”. Invention patents are valid for twenty years, while design patents are valid for fifteen years and utility model patents are valid for ten years, from the date of filling application.

Trademark

In accordance with the Trademark Law of the PRC (《中華人民共和國商標法》) (the “**Trademark Law**”) which was promulgated by the SCNPC on August 23, 1982, and was most recently amended on April 23, 2019 and came into effect on November 1, 2019, and the Implementation Regulations for the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) which was promulgated by the State Council on August 3, 2002, and was amended on April 29, 2014 and came into effect on May 1, 2014, registered trademarks in the PRC include commodity trademarks, service trademarks, collective trademarks and certification trademarks.

The Trademark Office of China National Intellectual Property Administration (the “**Trademark Office**”) is responsible for the registration and administration of trademarks throughout the PRC and grants a term of ten years to registered trademarks. Trademarks are renewable every ten years where a registered trademark needs to be used after the expiration of its validity term. A registration renewal application shall be filed within twelve months prior to the expiration of the term.

REGULATORY OVERVIEW

Copyright

In accordance with the Copyright Law of the PRC (《中華人民共和國著作權法》) which was promulgated by the SCNPC on September 7, 1990, and was most recently amended on November 11, 2020 and came into effect on June 1, 2021, and the Implementation Regulations of the PRC Copyright Law (《中華人民共和國著作權法實施條例》) promulgated by the State Council on August 2, 2002, last amended on January 30, 2013 and came into effect on March 1, 2013, Chinese citizens, legal persons, or other organizations shall, whether published or not, be entitled to copyrights in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software.

Designs of Integrated Circuits Layout

According to the Regulations on the Protection of Integrated Circuit Layout Designs (《集成電路佈圖設計保護條例》) (the “**Regulations on the Protection**”) promulgated by the State Council on April 2, 2001 and came into effect on October 1, 2001, the owner of an integrated circuit layout design has exclusive rights to the design in accordance with the provisions of the Regulations on the Protection. The exclusive rights to the layout designs arise upon registration with the intellectual property administration department of the State Council, and layout designs that have not been registered are not protected by the Regulations on the Protection. The protection period for the exclusive rights of a layout design is 10 years, starting from the date of application for registration of the design or from the date of putting it into commercial exploitation anywhere in the world for the first time, whichever is earlier. However, regardless of whether or not a layout design is registered or commercially used, it is no longer protected by the Regulations on the Protection 15 years after the date of completion of the layout design.

Computer Software

The Regulations on the Protection of Computer Software (《計算機軟件保護條例》) promulgated by the State Council on December 20, 2001, which was most recently amended on January 30, 2013 and came into effect on March 1, 2013, provide that the PRC citizen, legal person or other organization is entitled to the copyright of the software that such person, entity or organization develops, whether the software is released publicly or not.

The Computer Software Copyright Registration Measures (《計算機軟件著作權登記辦法》), promulgated by the National Copyright Administration (國家版權局) on February 20, 2002 and last amended on June 18, 2004, regulate registrations of software copyrights, exclusive licensing contracts for software copyrights and assignment agreements. The National Copyright Administration administers software copyrights registration, and China Copyright Protection Center (中國版權保護中心) is designated as the software registration authority. China Copyright Protection Center grants registration certificates to the computer software copyrights applicants which meet the relevant requirements.

Domain Name

In accordance with the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) which was promulgated by the MIIT on August 24, 2017 and came into effect on November 1, 2017, domain name registrations are handled through domain name service agencies established under the relevant regulations, and applicants become domain name holders upon successful registration. Domain name registration follows a “first come, first file” principle as well.

REGULATIONS ON PRODUCT QUALITY

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated by the SCNPC on February 22, 1993 and last amended on December 29, 2018, the market supervision and administration department under the State Council is in charge of the

REGULATORY OVERVIEW

national supervision of product quality, a manufacturer is prohibited from producing or selling products that do not meet applicable standards and requirements for safeguarding human health and ensuring human and property safety. Products must be free from unreasonable dangers threatening human and property safety. Where a defective product causes physical injury to a person or property damage, the aggrieved party may make a claim for compensation from the producer or the seller of the product. Producers and sellers of non-compliant products may be ordered to cease the production or sale of the products and could be subject to confiscation of the products and/or fines. Earnings from sales in contravention of such standards or requirements may also be confiscated, and in severe cases, an offender's business license may be revoked.

REGULATIONS ON IMPORT AND EXPORT

The Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) was promulgated by the SCNPC on May 12, 1994, which was most recently amended on December 30, 2022 and came into effect on the same date. Before December 30, 2022, any foreign trade business operator engaged in the import and export of goods or technologies must go through the record filing and registration formalities with the MOFCOM (formerly known as the Ministry of Foreign Trade and Economic Cooperation) or the agency entrusted by the MOFCOM, however, according to the latest amendment, such record filing and registration formalities are no longer required from December 30, 2022.

Pursuant to the Customs Law of the PRC (《中華人民共和國海關法》) adopted by the SCNPC on January 22, 1987, which was most recently amended on April 29, 2021 and came into effect on the same date, the General Administration of Customs of the PRC (the "GACC") is the state's entry and exit customs supervision and administration authority. The consignee or the consignor of imports or exports may complete the declaration formalities for inspection on its own or by entrusting a declaration agency enterprise to complete the declaration formalities for inspection and complete the filing formalities with the immigration inspection and quarantine authorities in accordance with the law.

According to the Provisions on the Administration of Recordation of Customs Declaration Entities of the PRC (《中華人民共和國海關報關單位備案管理規定》) promulgated by the GACC on November 19, 2021 and came into effect on January 1, 2022, consignees or consignors of imports and exports and customs declaration enterprises applying for filing shall obtain market entity qualification; in the case of consignees or consignors of imports and exports applying for filing, they shall also complete filing formalities for foreign trade business operators.

According 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 took effect on May 1, 2024, trade activities that import goods into or export goods from China's customs territory shall comply with these regulations. Goods that are prohibited from import and export shall not be imported or exported; goods that are restricted from import and export shall be subject to licensing or quota management; and goods that can be freely imported and exported shall not be restricted. Import and export operators shall go through customs clearance procedures with the relevant import and export licenses or import and export quota licenses.

REGULATIONS ON TAXATION

Enterprise Income Tax

The EIT Law and the Implementation Rule for 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》) which was enacted on December 6, 2007 by the State Council and became effective on January 1, 2008, and last amended on December 6, 2024, are the principal law and regulation governing enterprise income tax in the PRC. According to the EIT Law and its implementation rules, enterprises are classified into resident enterprises and non-resident

REGULATORY OVERVIEW

enterprises. Resident enterprises refer to enterprises that are legally established in the PRC, or are established under foreign laws but whose actual management bodies are located in the PRC. Non-resident enterprises refer to enterprises that are legally established under foreign laws and have set up institutions or sites in the PRC but with no actual management body in the PRC, or enterprises that have not set up institutions or sites in the PRC but have derived incomes from the PRC. A uniform income tax rate of 25% applies to all resident enterprises and non-resident enterprises that have set up institutions or sites in the PRC to the extent that such incomes are derived from their set-up institutions or sites in the PRC, or such income is obtained outside the PRC but have an actual connection with the set-up institutions or sites. And non-resident enterprises that have not set up institutions or sites in the PRC or have set up institutions or sites but the incomes obtained by the said enterprises have no actual connection with the set-up institutions or sites, shall pay enterprise income tax at the rate of 10% in relation to their income sources from the PRC.

Value-Added Tax

The major PRC Law governing VAT are the Interim Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) issued on December 13, 1993 by the State Council, and last revised and became effective on November 19, 2017, as well as the Implementation Rules for the Interim 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 on December 25, 1993 by the MOF, last revised on October 28, 2011, and became effective on November 1, 2011, which provides that any entities and individuals engaged in the sale of goods, supply of processing, repair and replacement services, and import of goods within the territory of the PRC are taxpayers of VAT and shall pay the VAT in accordance with the law and regulation. The rate of VAT for sale of goods is 17% unless otherwise specified. With the VAT reforms in the PRC, the rate of VAT has been changed several times. The MOF and the STA issued the Notice of on Adjusting VAT Rates (Cai Shui [2018] No. 32) (《關於調整增值稅稅率的通知》(財稅[2018]32號)) on April 4, 2018 to adjust the tax rates of 17% and 11% applicable to any taxpayer's VAT taxable sale or import of goods to 16% and 10%, respectively, and this adjustment became effect on May 1, 2018. Subsequently, the MOF, the STA and the General Administration of Customs jointly issued the Announcement on Relevant Policies for Deepening the VAT Reform (《關於深化增值稅改革有關政策的公告》) on March 20, 2019 to make a further adjustment, which came into effect on April 1, 2019. The tax rate of 16% applicable to the VAT taxable sale or import of goods shall be adjusted to 13%, and the tax rate of 10% applicable thereto shall be adjusted to 9%. 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 became effective on January 1, 2026 and replaced the Interim Regulations on Value-added Tax of the PRC.

REGULATIONS ON EMPLOYMENT AND SOCIAL WELFARE

Employment

The major PRC laws and regulations that govern employment relationship are the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated by the SCNPC on July 5, 1994, which was most recently amended and came into effect on December 29, 2018, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007, which was last amended on December 28, 2012 and came into effect on July 1, 2013, and the Implementation Rules of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council on September 18, 2008 and came into effect on the same date. Pursuant to the aforementioned laws and regulations, labor relationships between employers and employees must be executed in written forms. These series of laws and regulations set out specific provisions concerning the execution, the terms and the termination of a labor contract, and the rights and obligations of the employees and employers, respectively. Wages may not be lower than the local minimum wage level. Employers must establish a system for labor safety and sanitation, strictly abide by state standards and provide relevant training to their employees. At the time of

REGULATORY OVERVIEW

hiring, the employers shall truthfully inform the employees of the scope of work, working conditions, working place, occupational hazards, work safety, salary, and other matters which the employees request to be informed about.

Social Insurance and Housing Fund

Employers in the PRC are required to contribute, for and on behalf of their employees, to a series of social insurance funds, including funds for pension, unemployment insurance, medical insurance, work-related injury insurance, maternity insurance, and housing fund. These payments are made to local administrative authorities and employers who fail to contribute may be fined and be ordered to make up for the outstanding contributions. The various laws and regulations that govern the employers' obligations to contribute to the social insurance funds include the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on October 28, 2010, and was amended with immediate effect on December 29, 2018, the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), which was promulgated by the State Council on January 22, 1999, and was amended with immediate effect on March 24, 2019, the Regulations on Work-related Injury Insurance (《工傷保險條例》), which was promulgated by the State Council on April 27, 2003, and was amended on December 20, 2010, and the Regulations on Management of the Housing Fund (《住房公積金管理條例》), which was promulgated by the State Council on April 3, 1999, and was most recently amended with immediate effect on March 24, 2019.

REGULATIONS ON FOREIGN EXCHANGE ADMINISTRATION

The legal currency of the PRC is Renminbi, which is currently subject to foreign exchange regulation and cannot be freely converted into foreign currency. The SAFE with the authorization of the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange regulations.

On January 29, 1996, the State Council promulgated the Regulations of the PRC Foreign Exchange Administration (《中華人民共和國外匯管理條例》) (the “**Foreign Exchange Regulations**”) which became effective on April 1, 1996. The Foreign Exchange Regulations classify all international payments and transfers into current items and capital items. Most of the current items are no longer subject to SAFE's approval, while capital items remain unchanged. The Foreign Exchange Regulations were subsequently amended on January 14, 1997 and August 5, 2008. The latest amendment to the Foreign Exchange Regulations clearly states that no restriction will be imposed on international current payments and transfers.

On August 5, 2008, the State Council promulgated the revised Foreign Exchange Regulations, which have made substantial changes to the foreign exchange supervision system of the PRC. First, the regulations have adopted an approach of balancing the inflow and outflow of foreign exchange. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities; second, the regulations have improved the RMB exchange rate floating system based on market supply and demand under management; third, in the event that international balance of payment suffer or may suffer a material misbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard or control measures against international balance of payment; fourth, the regulations have enhanced the supervision and administration of foreign exchange transactions and grant extensive authorities to SAFE to enhance its supervisory and administrative powers.

According to the relevant laws and regulations in the PRC, PRC enterprises which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at designated banks that carry foreign exchange business, on the strength of valid receipts and proof. Foreign

REGULATORY OVERVIEW

investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange may, after paying taxes in accordance with the law, on the strength of resolutions of the board of directors or resolutions of shareholders on the distribution of profits, effect payment from foreign exchange accounts opened at designated banks that carry foreign exchange business, or effect exchange and payment at designated banks.

Pursuant to the Notice on Issues Concerning the Foreign Exchange Administration of Overseas Listing (Hui Fa [2014] No. 54) (《關於境外上市外匯管理有關問題的通知》(匯發[2014]54號)) issued by SAFE and became effective on December 26, 2014, a domestic company shall, within 15 business days of the date of the end of its overseas listing issuance, register the overseas listing with the branch office of SAFE located at its registered address; the proceeds from an overseas listing of a domestic company may be repatriated to China or deposited overseas, provided that the intended use of the proceeds shall be consistent with the content of the prospectus document or other public disclosure documents. A domestic company (except for bank financial institutions) shall present its certificate of overseas listing to open a dedicated foreign exchange account at a domestic bank for its initial public offering (or follow-on offering) and repurchase business to handle the exchange, remittance and transfer of funds for the business concerned.

According to the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (Hui Fa [2015] No. 13) (《關於進一步簡化和改進直接投資外匯管理政策的通知》(匯發[2015]13號)) promulgated by SAFE on February 13, 2015 and became effective on June 1, 2015, and partially repealed on December 30, 2019, the foreign exchange registration under domestic direct investment and the foreign exchange registration under overseas direct investment shall be directly examined and handled by banks. SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice on Further Facilitating Cross-border Trade and Investment (Hui Fa [2019] No. 28) (《關於進一步促進跨境貿易投資便利化的通知》(匯發[2019]28號)) issued by the SAFE on October 23, 2019 and implemented on the same date, which was last amended on December 4, 2023, restrictions have been removed on the use of capital funds by non-investment foreign-invested enterprises for domestic equity investment. In addition, restrictions have also been removed on the use of funds in domestic asset realization accounts for foreign exchange settlement and the use of security deposits for foreign exchange settlement by foreign investors. Eligible enterprises in pilot areas are allowed to use capital funds, foreign debt, overseas listings and other income under capital items for domestic payments without providing the banks with proofs of authenticity in advance, provided that their use of funds shall be genuine and in compliance with the current regulations governing the use of income from capital items.

REGULATIONS RELATED TO CYBER SECURITY AND DATA SECURITY

The PRC government has proposed or promulgated a number of new measures and regulations in recent years regarding cybersecurity and data security.

On July 1, 2015, the SCNPC issued the National Security Law of the PRC (《中華人民共和國國家安全法》), (the “**National Security Law**”) which came into effect on the same day. The National Security Law provides that the PRC shall build a network and information security guarantee system and improve network and information security protection capability to realize the controllable security of the network and information key technologies and critical infrastructure and the information systems and data in important fields. In addition, a national security review and supervision system is required to be established to review, among other things, foreign investment, key technologies and network information technology products and services and other important activities that impact or are likely to impact the national security of the PRC.

REGULATORY OVERVIEW

On November 7, 2016, the SCNPC promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the “**Cybersecurity Law**”), which came into effect on June 1, 2017. The Cybersecurity Law applies to the construction, operation, maintenance, and use of networks as well as the supervision and administration of cybersecurity in China. Network service providers who do not comply with the Cybersecurity Law may be subject to corrective orders, warnings, fines, suspension of their businesses, shutdown of their websites, and revocation of their business licenses.

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 took effect on September 1, 2021. The Data Security Law provides for data security on entities and individuals carrying out data processing activities. The Data Security Law also introduces a data classification and layered protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used. The appropriate level of protection measures is required to be taken for each respective category of data. Violation of the Data Security Law may be subject to an order to cease illegal activities, warnings, fines, suspension of business and revocation of business licenses or operating permits, and the personnel directly in charge or other directly responsible personnel may be imposed with fines.

On July 30, 2021, the State Council promulgated the Regulations on the Protection of the Security of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), which became effective on September 1, 2021. According to the regulations, a “critical information infrastructure” refers to an important network facility and information system in important industries such as, among others, public communications, and information services, as well as other important network facilities and information systems that may seriously endanger national security, the national economy, the people’s livelihood, or the public interests in the event of damage, loss of function, or data leakage. The competent authorities shall inform the relevant operators in a timely manner if such operators are determined as the critical information infrastructure operators.

On December 28, 2021, the Cyberspace Administration of China (the “**CAC**”), together with certain other PRC governmental authorities, promulgated the Cybersecurity Review Measures (《網絡安全審查辦法》) that replaced the previous version and took effect from February 15, 2022. Pursuant to these measures, the purchase of network products and services by a critical information infrastructure operator or the data processing activities of a network platform operator that affect or may affect national security will be subject to a cybersecurity review. In addition, network platform operators with personal information of over one million users shall be subject to cybersecurity review before listing abroad (國外上市). The competent governmental authorities may also initiate a cybersecurity review against the operators if the authorities believe that the network product or service or data processing activities of such operators affect or may affect national security. The Cybersecurity Review Measures provide that the relevant violators shall be subject to legal consequences in accordance with the Cybersecurity Law and the Data Security Law.

On September 24, 2024, the CAC promulgated The Regulation on Network Data Security Management (《網絡數據安全管理條例》), which became effective on January 1, 2025. The regulation aims to regulate network data processing activities, ensure the security of network data, promote the reasonable and effective use of network data in accordance with the law, protect the legitimate rights and interests of individuals and organizations, and safeguard national security and public interests. This regulation puts forward general requirements and provisions for network data security, further specifies rules concerning personal information protection, and fine-tunes mechanisms for the management of important data.

In the meantime, the PRC regulatory authorities have also enhanced the supervision and regulation on cross-border data transfer.

REGULATORY OVERVIEW

On July 7, 2022, the CAC promulgated the Measures for the Security Assessment of Cross-Border Data Transfer (《數據出境安全評估辦法》), which took effect on September 1, 2022. These measures require that to provide data abroad, a data processor falling under any of the following circumstances shall, through the local cyberspace administration at the provincial level, apply to the CAC for security assessment of outbound data: (i) where a data processor provides critical data abroad; (ii) where a critical infrastructure operator or a data processor processing the personal information of more than one million people provides personal information abroad; (iii) where a data processor has provided personal information of 100,000 individuals or sensitive personal information of 10,000 individuals in total abroad since January 1 of the previous year; and (iv) other circumstances prescribed by the CAC for which declaration for security assessment for outbound data transfers is required.

REGULATIONS ON ANTI-UNFAIR COMPETITION AND ANTI-MONOPOLY

Anti-unfair Competition

Pursuant to the Anti-unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》), promulgated by the SCNPC on September 2, 1993, which was most recently amended with immediate effect on April 23, 2019, unfair competition refers to that the operator disrupts the market competition order and damages the legitimate rights and interests of other operators or consumers in violation of the provisions set forth therein in its production and operating activities. Operators shall abide by the principle of voluntariness, equality, impartiality, integrity, as well as laws and business ethics during production and operating activities.

Anti-Monopoly

Pursuant to the Anti-monopoly Law of the PRC (《中華人民共和國反壟斷法》) (the “**Anti-monopoly Law**”) promulgated by the SCNPC on August 30, 2007, which was most recently amended on June 24, 2022 and became effective on August 1, 2022, the monopolistic practices include any monopoly agreement reached by any operators, abuse of market-dominating position by any operators and any concentration of operators which has eliminated or limited or may eliminate or limit the market competition. Specifically, competing business operators may not enter into monopoly agreements that eliminate or restrict competition, such as by boycotting transactions, fixing or changing the price of commodities, limiting the output of commodities, dividing the sales markets or the raw material supply markets, unless the agreement will satisfy the exemptions under the Anti-Monopoly Law, such as improving technologies, increasing the efficiency and competitiveness of small and medium-sized enterprises, or safeguarding legitimate interests in cross-border trade and economic cooperation with foreign counterparts.

REGULATIONS RELATED TO OVERSEAS SECURITIES OFFERING AND LISTING AND FULL CIRCULATION

On February 17, 2023, the CSRC promulgated the Overseas Listing Trial Measures. The Overseas Listing Trial Measures reformed the regulatory regime for overseas securities offering and listing by domestic companies, into a filing-based system. Pursuant to the Overseas Listing Trial Measures, no overseas offering and listing shall be made under any of the following circumstances: (i) where such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) where the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) where the domestic company intending to make the securities offering and listing, or its controlling shareholder(s) and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or have undermined the order of socialist market economy during the latest three years; (iv) the domestic company intending to make the securities offering and listing is currently under investigation for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has

REGULATORY OVERVIEW

yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

Initial public offerings or listings in overseas markets shall be filed with the CSRC within three business days after the relevant application is submitted overseas. The Overseas Listing Trial Measures also require subsequent reports to be filed with the CSRC upon the occurrence of any of the material events after an issuer has offered and listed securities in an overseas market, such as (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other relevant competent authorities; (iii) change of listing status or transfer of listing segment; (iv) voluntary or mandatory delisting. Where an issuer's main business undergoes material changes after overseas offering and listing and is therefore beyond the scope of business stated in the filing documents, such issuer shall submit to the CSRC an ad hoc report and a relevant legal opinion issued by a domestic law firm within three business days after occurrence of the changes.

Furthermore, according to the Overseas Listing Trial Measures and their related guidelines, "Full circulation" represents the shareholders of domestic unlisted shares of domestic companies, which directly offer and list securities in overseas markets, converting its domestic unlisted shares into shares listed and traded on an overseas trading venue. The term "domestic unlisted shares" refers to shares offered by a domestic company but not listed or quoted for trading on any domestic trading venues. "Full circulation" shall comply with relevant regulations of the CSRC and the shareholders of domestic unlisted shares shall entrust the domestic company to report the "Full circulation" with CSRC by filing materials on certain key issues, including whether the "Full circulation" has fulfilled adequate internal decision-making procedures, necessary internal approvals and authorizations, and whether the "Full circulation" involves approval or filing procedures set out in the laws, regulations and policies for state-owned asset administration, industry supervision and foreign investment, and if so, whether such approval or filing procedures have been performed.

Failure to fulfill filing procedures or offering and listing securities in an overseas market in violation of the forgoing prohibitive provisions may subject PRC domestic companies to order rectification, warnings and a fine of RMB1 million to RMB10 million. Controlling shareholders and actual controllers of the domestic company that organize or instruct the aforementioned violations shall be imposed a fine of RMB1 million to RMB10 million. Directly liable persons-in-charge and other directly liable persons shall be each imposed a fine of RMB0.5 million to RMB5 million.

Pursuant to the Overseas Listing Trial Measures and their related guidelines, this Global Offering is subject to the filing requirements of the CSRC. We are also required to fulfill the filing procedure with the CSRC in accordance with the Overseas Listing Trial Measures for the conversion of certain domestic unlisted shares into H Shares and the listing of the H Shares on the Stock Exchange. We will submit the initial filing application to the CSRC with respect to the submission of our application for the Listing and the conversion of certain domestic unlisted shares into H Shares and the listing of the H Shares on the Stock Exchange.

Furthermore, according to the Archives Rules, PRC domestic companies that directly or indirectly conduct overseas offerings and listings, shall strictly abide by applicable PRC laws and regulations on confidentiality when providing or publicly disclosing, either directly or through their overseas listed entities, documents and materials to securities services providers such as securities companies and accounting firms or overseas regulators in the process of their overseas offering and listing. In the event such documents or materials contain state secrets or working secrets of government agencies, the PRC domestic companies shall first obtain approval from competent authorities according to law, and file with the secrecy administrative department at the same level; in the event that such documents or materials, if leaked, will jeopardize national security or public interest, the PRC domestic companies shall strictly fulfill relevant procedures stipulated by applicable national regulations. The PRC domestic companies shall also provide a written statement of the specific state secrets and sensitive information provided when providing documents and

REGULATORY OVERVIEW

materials to securities companies and securities service providers, and the securities companies and securities service providers shall properly retain such written statements for inspection. Furthermore, the Archives Rules also provide where overseas securities regulators and relevant competent overseas authorities request to inspect, investigate or collect evidence from PRC domestic companies concerning their overseas offering and listing or their securities firms and securities service providers that undertake securities business for such PRC domestic companies, such inspection, investigation and evidence collection must be conducted under a cross-border regulatory cooperation mechanism, and the CSRC or other competent authorities of the PRC government will provide necessary assistance pursuant to bilateral and multilateral cooperation mechanism. Domestic companies, securities firms and securities service providers shall first obtain approval from the CSRC or other competent PRC authorities before cooperating with the inspection and investigation by the overseas securities regulators or competent overseas authority or providing documents and materials requested in such inspection and investigation.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

According to Frost & Sullivan, we are the fifth-largest supplier, and the largest Chinese mainland-based supplier, in the global smartphone AMOLED DDIC market in terms of sales volume in 2024, primarily engaged in the design and sale of branded AMOLED DDICs to leading smartphone manufacturers.

MILESTONES

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

<u>Year</u>	<u>Milestone</u>
2012	The Company was established with its headquarters in Shenzhen. The Company launched its first image algorithm integrated circuit.
2015	The Company started to offer image algorithm IPs to customers.
2016	The Company launched an algorithm IP powering the world's first display featuring a 4K resolution.
2018	The Company introduced its first silicon-based 0.39-inch Micro-OLED display backplane, with a pixel density of up to 5,644 ppi.
2019	The Company launched its first AMOLED DDIC with a resolution of WQHD+. The Company launched its first AMOLED DDIC, supporting an FHD+ resolution and a 60Hz refresh rate.
2020	The application of the silicon-based Micro-OLED display backplane has expanded to 0.71-inch and 1.03-inch modules, offering a refresh rate of up to 90Hz. The Company launched a high-end AMOLED DDIC supporting a WFHD+ resolution and an ultra-high refresh rate of 168Hz.
2021	The size of the silicon-based Micro-OLED display backplane application products has increased to 0.49 inches, with the maximum refresh rate boosted to 120Hz. The AMOLED DDIC has completed brand terminal validation and officially entered the brand market. The Company's silicon-based Micro-OLED display backplane has officially achieved mass production and application in consumer-grade VR/AR products.
2022	The Company achieved mass delivery in the brand market.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Milestone
2023	<p>The high-frame-rate AMOLED DDIC supporting LTPO has achieved exclusive supply for the smartphones of a leading brand.</p> <p>The Company launched its first AMOLED driver chip supporting LTPO panels.</p>
2024	The Company deepened cooperation with Chinese production partners for the IC fabrication, who have achieved mass production of our products.
2025	We were recognized as a Specialized, Refined, Distinctive and Innovative “Little Giant” Enterprise (專精特新“小巨人”企業) by the Ministry of Industry and Information Technology of the PRC.

MAJOR SUBSIDIARIES

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

Name of subsidiary	Place of establishment	Date of establishment	Equity interest attributable to the Company	Principal business activities
Viewtrix Kunshan . . .	PRC	June 22, 2018	100%	R&D, procurement and sales of chips
Viewtrix Hong Kong .	Hong Kong	September 27, 2019	100%	R&D and sales of chips

MAJOR SHAREHOLDING CHANGES OF THE COMPANY

Establishment, Early Development of the Company and Historical Nominee Shareholding Arrangements

On May 30, 2012, the Company was established as a limited liability company under the laws of the PRC under the name of Shenzhen Viewtrix Technology Company Limited* (深圳雲英谷科技有限公司) with a registered capital of RMB10,000,000. Upon establishment, the Company was held as to 58.65% by Beijing Jiaping Investment Management Company Limited* (北京嘉平投資管理有限公司) (“**Beijing Jiaping**”), who was a then nominee shareholder on behalf of an individual, being an Independent Third Party (the “**2012 Underlying Shareholder**”), 35.85% by Shanghai Qianyang Packing Design Company Limited* (上海乾洋包裝設計有限公司) (“**Shanghai Qianyang**,” a company controlled by the 2012 Underlying Shareholder, then known as Shanghai Qianyang Investment Management Consulting Company Limited* (上海乾洋投資管理諮詢有限公司)) and 5.50% by an individual, being an Independent Third Party (the “**2012 Independent Investor**”), respectively.

On October 25, 2012, Beijing Jiaping, Shanghai Qianyang entered into an equity transfer agreement with Dr. Gu Jing, pursuant to which (i) Beijing Jiaping agreed to transfer its 25.15% equity interest in the Company and (ii) Shanghai Qianyang agreed to transfer its 5.85% equity interest in the Company to Dr. Gu Jing, in each case for a nominal consideration of RMB1, as the registered capital of the Company had not been paid at the time of such transfer. Such equity transfers were completed and duly settled on November 21, 2012.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Immediately after the completion of the equity transfers, the Company was held by Beijing Jiaping, Dr. Gu Jing, Shanghai Qianyang and the 2012 Independent Investor as to 33.5%, 31.0%, 30.0% and 5.5%, respectively, with a registered capital of RMB10,000,000, which was fully paid up by the then shareholders in November 2012.

Beijing Jiaping Nominee Shareholding Arrangements

On December 1, 2012, Beijing Jiaping, Dr. Gu Jing and four then employees of the Company entered into a nominee shareholding agreement, pursuant to which Dr. Gu Jing and the four then employees became the beneficial owners of the equity interests held by Beijing Jiaping in the Company (the “**Beijing Jiaping Nominee Shareholding Arrangements**”). At the same time, the nominee shareholding arrangement between the 2012 Underlying Shareholder and Beijing Jiaping was terminated, and the 2012 Underlying Shareholder was no longer interested in the Company through Beijing Jiaping. The Beijing Jiaping Nominee Shareholding Arrangements served as an equity incentive for key employees of the Company, and there was no monetary consideration paid in this regard. As advised by our PRC Legal Advisor, the Beijing Jiaping Nominee Shareholding Arrangements did not violate any applicable mandatory PRC laws and regulations.

From December 2012 to April 2020, there were rounds of equity transfers among and by the beneficial owners of the Beijing Jiaping Nominee Shareholding Arrangements.

On April 10, 2020, to streamline and optimize the Company’s shareholding structure, Beijing Jiaping and Shanghai Yizhen Enterprise Management Center (Limited Partnership)* (上海翼臻企業管理中心(有限合夥)) (“**Shanghai Yizhen**,” a shareholding platform whose general partner was Dr. Gu Jing) entered into an equity transfer agreement, pursuant to which (i) Beijing Jiaping agreed to transfer all of its then equity interest, being 6.34% in the Company, to Shanghai Yizhen and (ii) each of the then beneficial owners underlying the Beijing Jiaping Nominee Shareholding Arrangements made a capital increase to Shanghai Yizhen in proportion to their respective beneficial interest in the Company through Beijing Jiaping. The consideration of such equity transfer was nil. Such equity transfer and capital contribution were completed and duly settled on April 14, 2020. Accordingly, the Beijing Jiaping Nominee Shareholding Arrangement were terminated.

On November 29, 2021, to streamline and optimize the Company’s shareholding structure, Shanghai Yizhen and Shenzhen Yizhen No. 1 Enterprise Management Center (Limited Partnership)* (深圳翼臻一號企業管理中心(有限合夥)) (“**Shenzhen Yizhen**,” a shareholding platform whose general partner was Dr. Gu Jing until September 2022) entered into an equity transfer agreement, pursuant to which Shanghai Yizhen agreed to transfer all of its then RMB2,350,000 registered capital in the Company to Shenzhen Yizhen at nil consideration. Such equity transfer was duly settled and completed on December 24, 2021.

Historical Acting-in-Concert Agreement among Dr. Gu Jing, Hefei Tianze and Ningbo Yuhang

On November 17, 2020, in order to ensure the continuity and stability of the Company’s business operations and strengthen the control of Dr. Gu Jing, Dr. Gu Jing, Hefei Tianze and Ningbo Yuhang entered into an acting-in-concert agreement (the “**Historical Acting-in-Concert Agreement**”), pursuant to which Hefei Tianze and Ningbo Yuhang agreed to act in concert with Dr. Gu Jing and his controlled entities in board meetings and general meetings of the Company from November 17, 2020 to November 17, 2022.

The Historical Acting-in-Concert Agreement was terminated on July 29, 2022 as a result of the weighted voting rights structure coming into effect in July 2022 as set out below.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Weighted Voting Rights Structure

Considering the introduction of external financings (see below “— Pre-IPO Investments”), and in order to ensure the control of Dr. Gu Jing and his leadership in the Company’s development pathway, the Company adopted a weighted voting rights structure in July 2022, pursuant to which, each Class A Ordinary Share entitles its holder to ten votes at the Company’s general meetings (subject to applicable PRC laws and regulations) whereas each Class B Ordinary Share entitles its holder to one vote at the Company’s general meetings. The holders of the Class A Ordinary Shares shall be parties which had made significant contributions to the Company’s development or business growth, and who expected to continuously serve as directors of the Company (the “**Weighed Voting Rights Structure**”).

Under the Weighed Voting Rights Structure, Dr. Gu Jing held an aggregate of 48,840,956 Class A Ordinary Shares, comprising 36,204,584 Class A Ordinary Shares and 12,636,372 Class A Ordinary Shares through Shenzhen Yishi and Yisheng No. 2, both being his controlled entities, respectively, as of the Latest Practicable Date.

The Weighed Voting Rights Structure will be unwound upon the Listing. See “Share Capital — Our Voting Structure before and after the Listing.”

Major Shareholding Changes and Pre-IPO Investments Prior to the Conversion into a Joint Stock Company

Series Angel Financing

On March 28, 2013, the Company, its then shareholders, Vertex Asia Fund Pte. Ltd. (“**Vertex Asia**”) and White Cloud Valley (HK) Investment Limited (“**White Cloud Valley**”) entered into a capital increase agreement, pursuant to which each of Vertex Asia and White Cloud Valley agreed to subscribe for the increased registered capital of RMB12,500,000 of the Company at a consideration of RMB10 million, respectively (the “**Series Angel Financing**”). The consideration was determined based on arm’s length negotiation with reference to the Company’s then valuation, operating and financial conditions as well as its future earnings and development prospect.

The Series Angel Financing had been duly settled and completed as of the Latest Practicable Date. See “— Pre-IPO Investments” for further details.

Series A Financing

On October 12, 2015, the Company, its then shareholders and Boe Technology Group Co., Ltd. (京東方科技集團股份有限公司) (“**Boe Technology**”) entered into a capital increase agreement, pursuant to which Boe Technology agreed to subscribe for the increased registered capital of RMB4,166,666 of the Company at a consideration of RMB50 million (the “**Series A Financing**”). The consideration was determined based on arm’s length negotiation with reference to the then valuation of the Company.

The Series A Financing had been duly settled and completed as of the Latest Practicable Date. See “— Pre-IPO Investments” for further details.

Series A+ Financing and Series B Financing

On December 28, 2017, the Company, its then shareholders, Shenzhen Wanchuang Shidai Venture Capital Enterprise (Limited Partnership)* (深圳市萬創時代創業投資企業(有限合夥)) (“**Wanchuang Shidai**”), Shanghai Fuzhishuo Venture Capital Partnership Enterprise (Limited Partnership)* (上海復之碩創業投資合夥企業(有限合夥)) (“**Shanghai Fuzhishuo**”), Shanghai Juyuan Qitai Investment Center (Limited Partnership)* (上海聚源啟泰投資中心(有限合夥)) (“**Juyuan Qitai**”) and Shanghai Jiutangjin Investment Management Partnership Enterprise (Limited

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Partnership)* (上海玖堂金投資管理合夥企業(有限合夥)) (“**Shanghai Jiutangjin**,” collectively with Wanchuang Shidai, Shanghai Fuzhishuo and Juyuan Qitai, the “**Series A+ Investors**”), Qualcomm (China) Holding Company Limited* (高通(中國)控股有限公司) (“**Qualcomm China**”), Chongqing Jichuang Yuyuan Equity Investment Fund Partnership Enterprise (Limited Partnership)* (重慶極創渝源股權投資基金合夥企業(有限合夥)) (“**Jichuang Yuyuan**”), Shenzhen Nanshan Hongtai Equity Investment Fund Partnership Enterprise (Limited Partnership)* (深圳南山鴻泰股權投資基金合夥企業(有限合夥)) (“**Nanshan Hongtai**”), Suzhou Bangsheng Yingxin Venture Capital Enterprise (Limited Partnership)* (蘇州邦盛贏新創業投資企業(有限合夥)) (“**Bangsheng Yingxin**”), Suzhou Qingyue Optoelectronics Technology Co., Ltd.* (蘇州清越光電科技股份有限公司) (“**Qingyue Optoelectronics**,” then known as Kunshan Weixinnuo Technology Company Limited* (昆山維信諾科技有限公司)), Hangzhou Kunwei Investment Partnership Enterprise (Limited Partnership)* (杭州崑巍投資合夥企業(有限合夥)) (“**Hangzhou Kunwei**”), Shanghai Jiutangjin, Shanghai Suishuo Venture Capital Partnership Enterprise (Limited Partnership)* (上海隋碩創業投資合夥企業(有限合夥)) (“**Shanghai Suishuo**”) and Tianjin Jinmi Investment Partnership Enterprise (Limited Partnership)* (天津金米投資合夥企業(有限合夥)) (“**Tianjin Jinmi**,” collectively with Qualcomm China, Jichuang Yuyuan, Nanshan Hongtai, Bangsheng Yingxin, Qingyue Optoelectronics, Hangzhou Kunwei, Shanghai Jiutangjin and Shanghai Suishuo, the “**Series B Investors**”) entered into a capital increase agreement (the “**Series A+ and Series B Financings Agreement**,” for the financing by Series A+ Investor, the “**Series A+ Financing**,” for the financing by Series B Investors, the “**Series B Financing**”). The table below sets out the registered capital subscribed and consideration paid by each of the Series A+ Investors and Series B Investors.

Name	Subscribed registered capital	Consideration Paid
	(RMB)	(RMB)
Series A+ Investors		
Wanchuang Shidai	396,000	7,692,307.69
Shanghai Fuzhishuo	356,400	6,923,076.92
Juyuan Qitai	237,600	4,615,384.62
Shanghai Jiutangjin	39,600	769,230.77
Subtotal	1,029,600	20,000,000
Series B Investors		
Qualcomm China	772,201	15,000,000
Jichuang Yuyuan	772,201	15,000,000
Nanshan Hongtai	1,287,001	25,000,000
Bangsheng Yingxin	257,400	5,000,000
Qingyue Optoelectronics	128,700	2,500,000
Hangzhou Kunwei	257,400	5,000,000
Shanghai Jiutangjin	25,740	500,000
Shanghai Suishuo	231,660	4,500,000
Tianjin Jinmi	128,700	25,000,000
Subtotal	3,861,003	97,500,000
Total	4,890,606	117,500,000

The considerations were determined based on arm’s length negotiations with reference to the Company’s then valuation, operating and financial conditions as well as its future earnings and development prospect.

The Series A+ Financing and the Series B Financing had been duly settled and completed as of the Latest Practicable Date. See “— Pre-IPO Investments” for further details.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

2018 Capital Increase

On December 18, 2018, pursuant to the Series A+ and Series B Financings Agreement, Dr. Gu Jing and Series B Investors made an additional capital increase to the Company (the “**2018 Capital Increase**”) at the same consideration as that of the Series B Financing. The table below sets out the registered capital subscribed and consideration paid by each of Dr. Gu Jing and the Series B Investors.

Name	Subscribed registered capital	Consideration Paid
	(RMB)	(RMB)
Dr. Gu Jing	648,385.73	12,533,296.16
Series B Investors		
Qualcomm China	772,200.74	15,000,000
Jichuang Yuyuan	772,200.74	15,000,000
Nanshan Hongtai	1,287,001.23	25,000,000
Bangsheng Yingxin	257,400.24	5,000,000
Qingyue Optoelectronics	128,700.12	2,500,000
Hangzhou Kunwei	257,400.24	5,000,000
Shanghai Jiutangjin	25,740.03	500,000
Shanghai Suishuo	231,660.25	4,500,000
Tianjin Jinmi	128,700.12	2,500,000
Total	4,509,389.44	87,533,296.16

The 2018 Capital Increase had been duly settled and completed as of the Latest Practicable Date.

Series C Financing

On September 23, 2019, the Company, its then shareholders, Suzhou Industrial Park Qiming Rongke Equity Investment Partnership (Limited Partnership)* (蘇州工業園區啟明融科股權投資合夥企業(有限合夥)) (“**Qiming Rongke**”), Suzhou Qiming Rongying Venture Capital Partnership (Limited Partnership)* (蘇州啟明融盈創業投資合夥企業(有限合夥)) (“**Qiming Rongying**”), QM119 Limited, Qualcomm China, Shenzhen Nanshan Zhonghang Unmanned System Equity Investment Fund Partnership Enterprise (Limited Partnership)* (深圳南山中航無人系統股權投資基金合夥企業(有限合夥)) (“**Nanshan Zhonghang**”), Shenzhen Hongtai Zhiyun Venture Capital Partnership Enterprise (Limited Partnership)* (深圳鴻泰智雲創投合夥企業(有限合夥)) (“**Hongtai Zhiyun**”), Jichuang Yuyuan and Shanghai Suishuo (collectively, the “**Series C Investors**”) entered into a capital increase agreement (the “**Series C Financing**”). The table below sets out the registered capital subscribed and consideration paid by Dr. Gu Jing and each of the Series C Investors.

Name	Subscribed registered capital	Consideration Paid
	(RMB)	(RMB)
Dr. Gu Jing	524,596	10,140,441
Series C Investors		
Qiming Rongke	529,536	16,107,000
Qiming Rongying	285,135	8,673,000
QM119 Limited	2,721,079	82,767,600
		(US\$12 million)
Qualcomm China	272,108	8,276,800
		(US\$1.2 million)

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name	Subscribed registered capital	Consideration Paid
	(RMB)	(RMB)
Nanshan Zhonghang	347,665	10,575,000
Hongtai Zhiyun.	328,761	10,000,000
Jichuang Yuyuan.	23,013	700,000
Shanghai Suishuo	146,019	4,441,500
Total	5,177,912	151,681,341

The considerations were determined based on arm’s length negotiations with reference to the Company’s then valuation, operating and financial conditions as well as its future earnings and development prospect.

The Series C Financing had been duly settled and completed as of the Latest Practicable Date. See “— Pre-IPO Investments” for further details.

Series C+ Financing

On April 10, 2020, the Company, its then shareholders and Hubei Xiaomi Changjiang Industry Fund Partnership (Limited Partnership)* (湖北小米長江產業基金合夥企業(有限合夥)) (“**Xiaomi Changjiang**,” collectively with Nanshan Zhonghang, the “**Series C+ Investors**”) entered into a capital increase agreement (the “**Series C+ Financing**”). The table below sets out the registered capital subscribed and consideration paid by each of Dr. Gu Jing and the Series C+ Investors.

Name	Subscribed registered capital	Consideration Paid
	(RMB)	(RMB)
Dr. Gu Jing	331,296	6,403,952
Series C+ Investors		
Xiaomi Changjiang	1,315,045	40,000,000
Nanshan Zhonghang	657,523	20,000,000
Total	2,303,864	66,403,952

The considerations were determined based on arm’s length negotiations with reference to the Company’s then valuation, operating and financial conditions as well as its future earnings and development prospect.

The Series C+ Financing had been duly settled and completed as of the Latest Practicable Date. See “— Pre-IPO Investments” for further details.

Series D Financing

On November 17, 2020, the Company, its then shareholders, HSG, CICC Pucheng Investment Company Limited* (中金浦成投資有限公司) (“**CICC Pucheng**”) and Qilu (Xiamen) Equity Investment Partnership (Limited Partnership)* (啟騰(廈門)股權投資合夥企業(有限合夥)) (“**Xiamen Qilu**”) and Zhuhai Zhiyi Chuangzhi Investment Enterprise (Limited Partnership)* (珠海執一創智投資企業(有限合夥)) (“**Zhuhai Zhiyi**,” collectively with HSG, CICC Pucheng, Xiamen Qilu, Hangzhou Kunwei, Jichuang Yuyuan, Qualcomm China, QM119 Limited, Qiming Rongke and Qiming Rongying, the “**Series D Investors**”) entered into a capital increase agreement (the “**Series D Financing**”). The table below sets out the registered capital subscribed and consideration paid by each of Dr. Gu Jing and the Series D Investors.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name	Subscribed registered capital	Consideration Paid
	(RMB)	(RMB)
Dr. Gu Jing	836,799	16,175,325
Series D Investors		
HSG	3,089,191	150,000,000
CICC Pucheng	205,946	10,000,000
Xiamen Qilu	361,981	17,576,512
Zhuhai Zhiyi	617,838	30,000,000
Hangzhou Kunwei	65,903	3,200,000
Jichuang Yuyuan	14,416	700,000
Qualcomm China	72,081	3,500,000
QM119 Limited	427,147	20,740,726
Qiming Rongke	25,577	1,241,924
Qiming Rongying	102,308	4,967,696
Total	<u>5,819,187</u>	<u>258,102,183</u>

The considerations were determined based on arm’s length negotiations with reference to the Company’s then valuation, operating and financial conditions as well as its future earnings and development prospect.

The Series D Financing had been duly settled and completed as of the Latest Practicable Date. See “— Pre-IPO Investments” for further details.

Series D+ Financing

On May 8, 2021, the Company, Shanghai Yishi Enterprise Management Center (Limited Partnership)* (上海翼勢企業管理中心(有限合夥)) (“**Shanghai Yishi**”, a limited partnership established under the laws of the PRC where Dr. Gu Jing was the general partner, through which Dr. Gu Jing held his equity interest in the Company), its then shareholders, Shenzhen Hubble Technology Investment Partnership Enterprise (Limited Partnership)* (深圳哈勃科技投資合夥企業(有限合夥)) (“**Hubble Technology**,” collectively with Xiaomi Changjiang, the “**Series D+ Investors**”) entered into a capital increase agreement (“**Series D+ Financing**”). The table below sets out the registered capital subscribed and consideration paid by each of the Series D+ Investors.

Name	Subscribed registered capital	Consideration Paid
	(RMB)	(RMB)
Shanghai Yishi	487,983	9,432,711.39
Series D+ Investors		
Hubble Technology	2,336,801	113,466,637.39
Xiaomi Changjiang	1,021,756	49,612,790.12
Total	<u>3,846,540</u>	<u>172,512,138.9</u>

The considerations were determined based on arm’s length negotiations with reference to the Company’s then valuation, operating and financial conditions as well as its future earnings and development prospect.

The Series D+ Financing had been duly settled and completed as of the Latest Practicable Date. See “— Pre-IPO Investments” for further details.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Series D++ Financing

On July 8, 2021, the Company, Shanghai Yishi, its then shareholders, Guokai Technology Venture Capital Company Limited* (國開科技創業投資有限責任公司) (“**Guokai Technology**”), Suzhou Wofu Ruixin Venture Capital Partnership Enterprise (Limited Partnership)* (蘇州沃賦睿鑫創業投資合夥企業(有限合夥)) (“**Wofu Ruixin**”), Jiaxing Xihao Venture Capital Partnership Enterprise (Limited Partnership)* (嘉興熙灝創業投資合夥企業(有限合夥)) (“**Jiaxing Xihao**”) and Shenzhen Pingshan Kaisheng Integrated Circuits Venture Capital Partnership Enterprise (Limited Partnership)* (深圳坪山凱晟集成電路創業投資合夥企業(有限合夥)) (“**Shenzhen Pingshan**,” collectively with Guokai Technology, Wofu Ruixin, Jiaxing Xihao, Xiamen Zhiyi, Xiamen Qilu, CICC Pucheng, HSG, Hangzhou Kunwei and Jichuang Yuyuan, the “**Series D++ Investors**”) entered into a capital increase agreement (“**Series D++ Financing**”). The table below sets out the registered capital subscribed and consideration paid by each of the Series D++ Investors.

Name	Subscribed registered capital	Consideration Paid
	(RMB)	(RMB)
Shanghai Yishi	134,710	2,603,944
Series D++ Investors		
Guokai Technology	412,376	30,000,000
Wofu Ruixin	549,836	40,000,000
Jiaxing Xihao	270,794	19,700,000
Shenzhen Pingshan	59,107	4,300,000
Xiamen Zhiyi	274,918	20,000,000
Xiamen Qilu	687,294	50,000,000
CICC Pucheng	137,459	10,000,000
HSG	178,697	13,000,000
Hangzhou Kunwei	34,365	2,500,000
Jichuang Yuyuan	9,622	700,000
Total	<u>2,749,178</u>	<u>192,803,944</u>

The considerations were determined based on arm’s length negotiations with reference to the Company’s then valuation, operating and financial conditions as well as its future earnings and development prospect.

The Series D++ Financing had been duly settled and completed as of the Latest Practicable Date. See “— Pre-IPO Investments” for further details.

Series Pre-IPO Financing

On December 21, 2021, the Company, its then shareholders, Jiaxing Haiyun Venture Capital Partnership (Limited Partnership)* (嘉興海雲創業投資合夥企業(有限合夥)) (“**Jiaxing Haiyun**”), Liaoning Haitong New Energy Equity Investment Fund Partnership Enterprise (Limited Partnership)* (遼寧海通新動能股權投資基金合夥企業(有限合夥)) (“**Haitong New Energy**”), Dongguan Yueke Xintai No. 25 Venture Capital Partnership Enterprise (Limited Partnership)* (東莞粵科鑫泰二十五號創業投資合夥企業(有限合夥)) (“**Yueke Xintai No. 25**”), Shenzhen Zhicheng Shuzhi No. 4 Venture Capital Partnership Enterprise (Limited Partnership)* (深圳市智城數智四號創業投資合夥企業(有限合夥)) (“**Zhicheng Shuzhi**”), Shenzhen High-Tech Investment Venture Capital Company Limited* (深圳市高新投創業投資有限公司) (“**Shenzhen High-Tech Investment**”), Chengdu Shengao Investment Zhongxiaodan Venture Capital Equity Investment Fund Partnership (Limited Partnership)* (成都深高投中小擔創業股權投資基金合夥企業(有限合夥)) (“**Shengao Investment**”), Shenzhen High-Tech Fuhai Venture Capital Phase I Partnership Enterprise (Limited Partnership)* (深圳市高新投福海創業投資基金一期合夥企業(有限合夥)) (“**Shenzhen High-Tech Fuhai**”) and Shenzhen Addition No. 2 Venture Capital Partnership

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Enterprise (Limited Partnership)* (深圳市加法貳號創業投資合夥企業(有限合夥)) (“**Shenzhen Addition No. 2**,” collectively with Jiaxing Haiyun, Haitong New Energy, Yueke Xintai No. 25, Zhicheng Shuzhi, Shenzhen High-Tech Investment, Shengao Investment, Shenzhen High-Tech Fuhai and HSG, the “**Series Pre-IPO Investors**”) entered into a capital increase agreement (the “**Series Pre-IPO Financing**”). The table below sets out the registered capital subscribed and consideration paid by each of the Series Pre-IPO Investors.

Name	Subscribed registered capital	Consideration Paid
	(RMB)	(RMB)
Jiaxing Haiyun	706,371	90,000,000
Haitong New Energy	470,914	60,000,000
Yueke Xintai No. 25	274,700	35,000,000
HSG	235,457	30,000,000
Zhicheng Shuzhi	156,971	20,000,000
Shenzhen High-Tech Investment	156,971	20,000,000
Shengao Investment	78,486	10,000,000
Shenzhen High-Tech Fuhai	39,243	5,000,000
Shenzhen Addition No. 2	39,243	5,000,000
Total	<u>2,158,356</u>	<u>275,000,000</u>

The considerations were determined based on arm’s length negotiations with reference to the Company’s then valuation, operating and financial conditions as well as its future earnings and development prospect.

The Series Pre-IPO Financing had been duly settled and completed as of the Latest Practicable Date. See “— Pre-IPO Investments” for further details.

Equity Transfers

From 2013 to 2022, there are several rounds of equity transfers by the then shareholders of the Company, all of which had been duly settled and completed as of the Latest Practicable Date. See “— Pre-IPO Investments — Overview” and “— Pre-IPO Investments — Information about the Pre-IPO Investors” below for further details.

Establishment and Evolvement of the Shareholding Platforms of the Company

Yisheng No. 1

On September 20, 2019, Shanghai Yisheng Enterprise Management Center (Limited Partnership)* (上海翼升企業管理中心(有限合夥)) (“**Shanghai Yisheng**”), a then employee shareholding platform, subscribed for the Company’s increased registered capital of RMB3.52 million (among which RMB0.73 million registered capital was held by Dr. Gu Jing on behalf of Shanghai Yisheng, and such nominee arrangement was terminated in 2021) at a consideration of RMB65.0 million for the purpose of equity incentive.

On November 29, 2021, to streamline and optimize the Company’s shareholding structure, Shanghai Yisheng and Yisheng No. 1, the Company’s current employee shareholding platform, entered into an equity transfer agreement, pursuant to which Shanghai Yisheng agreed to transfer all of its then RMB3,521,861 registered capital in the Company to Yisheng No. 1 at nil consideration. The registered capital held by Shanghai Yisheng was not paid up then and was subsequently paid up by Yisheng No. 1 on July 28, 2022 before the conversion of the Company into a joint stock company with limited liability in December 2022.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Upon the Listing, to improve the efficiency of the management’s decision-making process and subject to completion of relevant procedures required by applicable laws and regulations and the partnership agreement of Yisheng No. 1, the general partner of Yisheng No. 1 will be changed from Mr. Han Xu to Dr. Gu Jing. Upon completion of such change, Yisheng No. 1 will be controlled by Dr. Gu Jing upon the Listing. See “— Corporate Structure — Corporate Structure immediately after the Global Offering.”

Yisheng No. 2

In December 2021, Yisheng No. 2, the current shareholding platform of the Company whose general partner is Dr. Gu Jing, also subscribed for the increased registered capital of RMB1,530,470 in the Company at a consideration of RMB29,583,985 for the purpose of equity incentive.

For further details, see “— Employee Shareholding Platforms” below.

Conversion into a Joint Stock Company with Limited Liability

On December 20, 2022, the Company was converted into a joint stock company with limited liability and renamed to Viewtrix Technology Co., Ltd (雲英谷科技股份有限公司). Upon the completion of the conversion, the Company had a total share capital of RMB53,174,028 divided into 360,000,000 Shares with a nominal value of RMB1.00 each, which were subscribed by all the then Shareholders in proportion to their respective equity interest in the Company before such conversion.

The table below sets forth the shareholding structure of the Company immediately after completion of the conversion.

Name	Number of Shares Held	Share Percentage	Voting Power
Entities controlled by Dr. Gu Jing – Class			
A Ordinary Share			
Shenzhen Yishi ⁽¹⁾	36,204,584	10.06%	46.47%
Yisheng No. 2	10,361,622	2.88%	13.30%
Other Shareholders – Class B			
Ordinary Share			
Yisheng No. 1	23,843,783	6.62%	3.06%
HSG	23,718,425	6.59%	3.04%
QM119 Limited	21,314,190	5.92%	2.74%
Qicheng Zhiyuan	18,343,755	5.10%	2.35%
Nanshan Hongtai	17,426,566	4.84%	2.24%
Shenzhen Yizhen.	15,910,023	4.42%	2.04%
Xiaomi Changjiang	15,820,663	4.39%	2.03%
Hubble Technology	15,820,663	4.39%	2.03%
Boe Technology	15,507,357	4.31%	1.99%
Ningbo Yuhang	14,668,811	4.07%	1.88%
Qualcomm China	8,870,853	2.46%	1.14%
Jiaying Haiyun	8,697,610	2.42%	1.12%
Hefei Tianze	8,632,034	2.40%	1.11%
Jichuang Yuyuan	8,537,163	2.37%	1.10%
Vertex Legacy.	7,805,897	2.17%	1.00%
Xiamen Qilu	7,103,825	1.97%	0.91%
Nanshan Zhonghang	6,805,346	1.89%	0.87%
White Cloud Valley	6,407,569	1.78%	0.82%
Xiamen Zhiyi	6,044,157	1.68%	0.78%
Linghui Cornerstone	4,848,488	1.35%	0.62%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name	Number of Shares Held	Share Percentage	Voting Power
Hangzhou Kunwei	4,164,147	1.16%	0.53%
Shanghai Suishuo	4,125,388	1.15%	0.53%
Qiming Rongke	3,758,239	1.04%	0.48%
Wofu Ruixin	3,722,512	1.03%	0.48%
Yueke Xintai No. 25	3,258,109	0.91%	0.42%
Haitong New Energy	3,188,193	0.89%	0.41%
Guokai Technology	2,791,877	0.78%	0.36%
Qiming Rongying	2,623,075	0.73%	0.34%
Shanghai Fuzhishuo	2,412,907	0.67%	0.31%
Bangsheng Yingxin	2,366,646	0.66%	0.30%
CICC Pucheng	2,324,928	0.65%	0.30%
Hongtai Zhiyun	2,225,785	0.62%	0.29%
Zhicheng Shuzhi	2,181,393	0.61%	0.28%
Shenzhen High-Tech Investment	2,181,393	0.61%	0.28%
Beijing Chengda Technology Center (Limited Partnership) (北京誠大科技中心(有限合伙)) (“Beijing Chengda”) ⁽²⁾	1,861,811	0.52%	0.24%
Jiaxing Xihao	1,833,336	0.51%	0.24%
Qingyue Optoelectronics	1,742,655	0.48%	0.22%
Tianjin Jinmi	1,742,655	0.48%	0.22%
Guangdong Changtuoshi	1,608,605	0.45%	0.21%
Wanchuang Shidai	1,562,344	0.43%	0.20%
Yueke Xintai Industry	1,313,762	0.36%	0.17%
Hainan Jintai	1,118,664	0.31%	0.14%
Shengao Investment	1,090,696	0.30%	0.14%
Yu Huihui	616,632	0.17%	0.08%
Shenzhen Addition No. 2	545,348	0.15%	0.07%
Shenzhen High-Tech Fuhai	545,348	0.15%	0.07%
Shenzhen Pingshan	400,168	0.11%	0.05%
Total	360,000,000	100.00	100.00

Notes:

- (1) In December 2021, all the equity interest in the Company held by Shanghai Yishi was transferred to Shenzhen Yishi. Shenzhen Yishi is a limited partnership where Dr. Gu Jing was the general partner, through which Dr. Gu Jing held his equity interest in the Company.
- (2) On March 16, 2021, the 2012 Independent Investor entered into an equity transfer agreement with Beijing Chengda to transfer all of its then held 275,000 registered capital of the Company to Beijing Chengda, where the 2012 Independent Investor was a general partner then, at nil consideration.

Major Shareholding Changes and Pre-IPO Investments after the Conversion into a Joint Stock Company

2022 Capital Increase

On December 22, 2022, Yisheng No. 2 subscribed for 2,274,750 Shares newly issued by the Company at a consideration of RMB8,214,375 (“2022 Capital Increase”). The consideration was determined on arm’s length basis with reference to the Company’s then valuation and efforts to reserve shares for future share incentive plan(s), which has been duly settled and completed on December 23, 2022.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Series Pre-IPO+ Financing

On December 25, 2022, the Company, its then shareholders, Guangdong Province Semiconductor and Integrated Circuit Industry Investment Fund Partnership (L.P.)* (廣東省半導體及集成電路產業投資基金合夥企業(有限合夥)) (“**Semiconductor and IC Fund**”), Suzhou Houwang Ruilian Venture Capital Partnership Enterprise (Limited Partnership)* (蘇州厚望睿聯創業投資合夥企業(有限合夥)) (“**Houwang Ruilian**”), Hainan Yuxin Taojin No. 2 Equity Investment Fund Partnership Enterprise (Limited Partnership)* (海南鈺信濤金二號股權投資基金合夥企業(有限合夥)) (“**Yuxin Taojin**”), Shenzhen Dinghong Growth Investment Enterprise (Limited Partnership)* (深圳市鼎洪增長投資企業(有限合夥)) (“**Dinghong Growth**”) and Huahui Electronics Technology (Tianjin) Industry Management Partnership (Limited Partnership)* (華慧電科(天津)產業管理合夥企業(有限合夥)) (“**Huahui Dianke**,” collectively with Semiconductor and IC Fund, Houwang Ruilian, Yuxin Taojin and Dinghong Growth, the “**Series Pre-IPO+ Investors**”) entered into a capital increase agreement (the “**Series Pre-IPO+ Financing**”). The table below sets out the number of Shares subscribed and consideration paid by each of the Series Pre-IPO+ Investors.

Name	Number of Shares Subscribed	Consideration Paid <i>(RMB)</i>
Semiconductor and IC Fund	2,700,000	60,000,000
Houwang Ruilian	2,295,000	51,000,000
Yuxin Jintao	900,000	20,000,000
Dinghong Growth	450,000	10,000,000
Huahui Dianke	450,000	10,000,000
Total	6,795,000	151,000,000

The considerations were determined based on arm’s length negotiations with reference to the Company’s then valuation, operating and financial conditions as well as its future earnings and development prospect.

The Series Pre-IPO+ Financing had been duly settled and completed as of the Latest Practicable Date. See “— Pre-IPO Investments” for further details.

Series Pre-IPO++ Financing

On August 30, 2024, the Company, its then shareholders, Xiangfeng Phase II (Xiamen) Equity Investment Partnership Enterprise (Limited Partnership)* (祥峰二期(廈門)股權投資合夥企業(有限合夥)) (“**Xiangfeng Phase II**”) and Chengdu Ceyuan Guangyi Electronics Information Equity Investment Fund Partnership (Limited Partnership)* (成都策源廣益電子信息股權投資基金合夥企業(有限合夥)) (“**Ceyuan Guangyi**,” collectively with Xiangfeng Phase II, the “**Series Pre-IPO++ Investors**”) entered into a capital increase agreement (the “**Series Pre-IPO++ Financing**”). The table below sets out the number of Shares subscribed and consideration paid by each of the Series Pre-IPO++ Investors.

Name	Number of Shares Subscribed	Consideration Paid <i>(RMB)</i>
Xiangfeng Phase II	4,500,000	100,000,000
Ceyuan Guangyi	1,350,000	30,000,000
Total	5,850,000	130,000,000

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The considerations were determined based on arm's length negotiations with reference to the Company's then valuation, operating and financial conditions as well as its future earnings and development prospect.

The Series Pre-IPO++ Financing had been duly settled and completed as of the Latest Practicable Date. See “— Pre-IPO Investments” for further details.

2024 Share Transfer

On August 30, 2024, Ceyuan Guangyi and Wofu Ruixin entered into a share transfer agreement, pursuant to which Wofu Ruixin agreed to transfer 1,139,700 Shares to Ceyuan Guangyi at a consideration of RMB20 million (“**2024 Share Transfer**”). The consideration was determined based on arm's length negotiations with reference to the Company's then valuation, operating and financial conditions as well as its future earnings and development prospect.

The 2024 Share Transfer had been duly settled and completed as of the Latest Practicable Date.

MAJOR ACQUISITION, MERGER AND DISPOSAL

The Company did not conduct any acquisitions, disposals or mergers that it considers to be material during the Track Record Period and up to the Latest Practicable Date.

PREVIOUS LISTING ATTEMPT

For the purposes of the proposed initial public offering in the A-share market and listing on the Shanghai Stock Exchange STAR Market (the “**Proposed A-share Listing**”) and receiving guidance from a qualified sponsor of the A-share listing, the Company entered into a pre-listing tutorial (上市輔導) agreement on January 6, 2023 and made a preliminary filing (上市輔導備案) with the Shenzhen Regulatory Bureau of the CSRC (中國證券監督管理委員會深圳監管局) in January 2023. The Company submitted its A-share listing application to the Shanghai Stock Exchange in June 2023. However, in consideration of the reasons as set out in “— Reasons for the Listing” below and given the market conditions, the Company decided to focus its resources on the Listing on the Stock Exchange and did not proceed with the Proposed A-share Listing. In October 2023, the Company voluntarily withdrew its application in relation to the Proposed A-share Listing. As of the Latest Practicable Date, the Company did not receive any comments or inquiries from the CSRC or the Shanghai Stock Exchange in relation to the Proposed A-share Listing.

To the best of the Directors' knowledge and belief, there were no disagreements between the Company and the professional parties of the Proposed A-share Listing attempt and the Directors are not aware of any material matter in relation to the Proposed A-share Listing that would affect the Company's suitability for Listing on the Stock Exchange or other material matters that need to be brought to the attention of the Stock Exchange. Based on the due diligence works conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would cause them to have reasonable doubt against the Directors' view in respect of the Proposed A-share Listing and the Joint Sponsors are not aware of any material matter in relation to the Proposed A-share Listing that needs to be brought to the attention of the Stock Exchange.

REASONS FOR THE LISTING

The Directors believe that the Listing will be in the interest of the Group's business development strategies, and would be beneficial to the Company and its Shareholders as a whole for, among others, the following reasons:

- (i) the Stock Exchange, as a leading player of the international financial markets, could offer the Company a direct access to the international capital markets, enhance its fundraising capabilities and broaden its fundraising channels and its Shareholders base as well as strengthen its corporate governance;

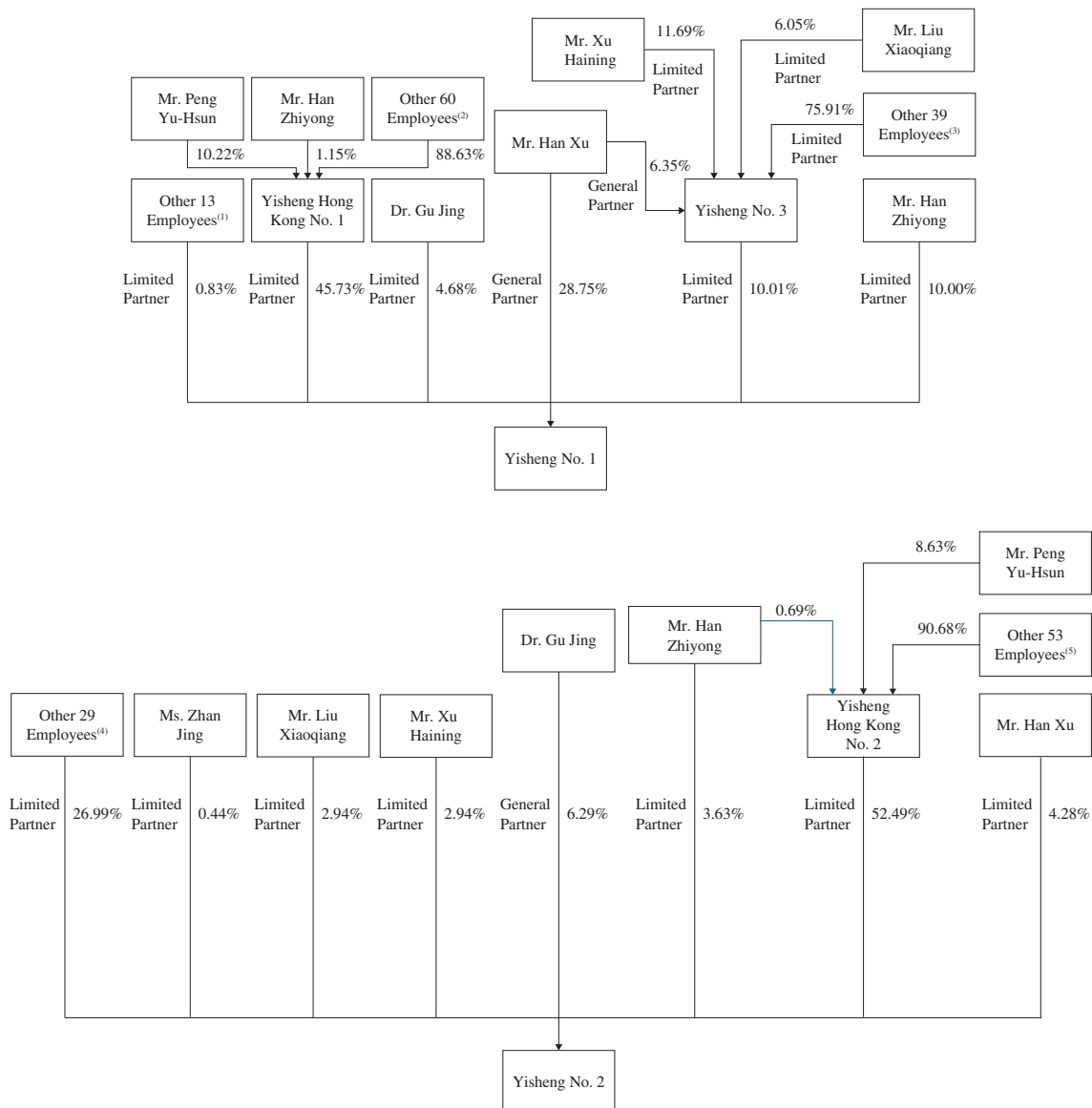
HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (ii) the Listing would give the Company a better platform to further develop its business; and
- (iii) the Listing will raise the Company's brand awareness, business profile and thus, enhance its corporate image to attract customers, business partners and strategic investors as well as to recruit, motivate and retain key management personnel for the Group's business.

Taking into account, among others, the aforementioned factors and the long-term business development strategies of the Group, the Directors consider the Stock Exchange to be a more suitable venue to access international equity markets, and the Listing will be in the best interests of the Company and its Shareholders as a whole.

EMPLOYEE SHAREHOLDING PLATFORMS

As of the Latest Practicable Date, the Company had five employee shareholding platforms, Yisheng No. 1, Yisheng No. 2, Yisheng No. 3, Yisheng Hong Kong No. 1 and Yisheng Hong Kong No. 2. The simplified shareholding structure of these employee shareholding platforms is set out as below.



HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Notes:

- (1) As of the Latest Practicable Date, none of the 13 employees held more than 1.00% equity interest in Yisheng No. 1.
- (2) As of the Latest Practicable Date, none of the 60 employees held more than 10.00% shares in Yisheng Hong Kong No. 1.
- (3) As of the Latest Practicable Date, none of the 39 employees held more than 10.00% equity interest in Yisheng No. 3.
- (4) As of the Latest Practicable Date, none of the 29 employees held more than 2.00% equity interest in Yisheng No. 2.
- (5) As of the Latest Practicable Date, none of the 53 employees held more than 10.00% shares in Yisheng Hong Kong No. 2.

As of the Latest Practicable Date:

- (i) Yisheng No. 3 was interested in Yisheng No. 1 as to approximately 10.01% as a limited partner;
- (ii) Yisheng Hong Kong No. 1 was interested in Yisheng No. 1 as to approximately 45.73% as a limited partner;
- (iii) Yisheng Hong Kong No. 2 was interested in Yisheng No. 2 as to approximately 52.49% as a limited partner;
- (iv) Dr. Gu Jing, chairman of the Board and an executive Director, was interested in Yisheng No. 1 as to approximately 4.68% as a limited partner, and in Yisheng No. 2 as to 6.29% as a general partner;
- (v) Ms. Zhan Jing, a non-executive Director, was interested in Yisheng No. 2 as to approximately 0.44% as a limited partner; and
- (vi) Mr. Han Zhiyong, an executive Director, was interested in (i) Yisheng No. 1 as to approximately 10.00% as a limited partner, (ii) Yisheng No. 2 as to approximately 3.63% as a limited partner, (iii) Yisheng Hong Kong No. 1 as to approximately 1.15% as a minority shareholder and (iv) Yisheng Hong Kong No. 2 as to approximately 0.69% as a minority shareholder.

See “Appendix IV — Statutory and General Information — Share Incentive Scheme.”

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PRE-IPO INVESTMENTS

Overview

We underwent rounds of Pre-IPO Investments, the details of which are set forth below.

Name of Pre-IPO Investors	Date of agreement	Registered capital/number of Shares subscribed	Registered capital/number of Shares after each round of Pre-IPO Investments	Cost per Share/registered capital ⁽¹⁾	Total Consideration	Post-money valuation of the Company after each round of Pre-IPO Investments	Date on which the consideration was fully settled	Discount/(Premium) to the Offer Price ⁽⁵⁾
Series Angel Financing								
Vertex Asia ⁺	March 28, 2013	RMB1,250,000	RMB12,500,000	RMB8.00	RMB10,000,000	RMB100,000,000	May 27, 2013	93.5%
White Cloud Valley	March 28, 2013	RMB1,250,000	RMB12,500,000	RMB8.00	RMB10,000,000	RMB100,000,000	May 22, 2013	93.5%
Series A Financing								
Boe Technology	October 12, 2015	RMB4,166,666	RMB16,666,666	RMB12.00	RMB50,000,000	RMB200,000,000	October 28, 2015	90.3%
Series A+ Financing								
Wanchuang Shidai	December 28, 2017 ⁽³⁾	RMB396,000	RMB21,557,270.69	RMB19.43	RMB7,692,307.69	RMB418,750,000	February 26, 2018	84.2%
Shanghai Fuzhishuo	December 28, 2017 ⁽³⁾	RMB356,400	RMB21,557,270.69	RMB19.43	RMB6,923,076.92	RMB418,750,000	February 9, 2018	84.2%
Juyuan Qitai ⁺	December 28, 2017 ⁽³⁾	RMB237,600	RMB21,557,270.69	RMB19.43	RMB4,615,384.62	RMB418,750,000	February 12, 2018	84.2%
Shanghai Jiutangjin ⁺	December 28, 2017 ⁽³⁾	RMB39,600	RMB21,557,270.69	RMB19.43	RMB769,230.77	RMB418,750,000	February 27, 2018	84.2%
Series B Financing								
Qualcomm China	December 28, 2017 ⁽³⁾	RMB772,201	RMB21,557,270.69	RMB19.43	RMB15,000,000	RMB418,750,000	March 28, 2018	84.2%
Jichuang Yuyuan	December 28, 2017 ⁽⁴⁾	RMB772,201	RMB26,066,660.13	RMB19.43	RMB15,000,000	RMB493,750,000	January 23, 2019	84.2%
	December 28, 2017 ⁽³⁾	RMB772,201	RMB21,557,270.69	RMB19.43	RMB15,000,000	RMB418,750,000	March 15, 2018	84.2%
	December 28, 2017 ⁽⁴⁾	RMB772,201	RMB26,066,660.13	RMB19.43	RMB15,000,000	RMB493,750,000	January 8, 2019	84.2%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-IPO Investors	Date of agreement	Registered capital/number of Shares subscribed	Registered capital/number of Shares after each round of Pre-IPO Investments	Cost per Share/registered capital ⁽¹⁾	Total Consideration	Post-money valuation of the Company after each round of Pre-IPO Investments	Date on which the consideration was fully settled	Discount/(Premium) to the Offer Price ⁽⁵⁾
Nanshan Hongtai	December 28, 2017 ⁽³⁾	RMB1,287,001	RMB21,557,270.69	RMB19.43	RMB25,000,000	RMB418,750,000	March 21, 2018	84.2%
	December 28, 2017 ⁽⁴⁾	RMB1,287,001	RMB26,066,660.13	RMB19.43	RMB25,000,000	RMB493,750,000	January 25, 2019	84.2%
Bangsheng Yingxin	December 28, 2017 ⁽³⁾	RMB257,400	RMB21,557,270.69	RMB19.43	RMB5,000,000	RMB418,750,000	March 19, 2018	84.2%
	December 28, 2017 ⁽⁴⁾	RMB257,400	RMB26,066,660.13	RMB19.43	RMB5,000,000	RMB493,750,000	January 10, 2019	84.2%
Qingyue Optoelectronics	December 28, 2017 ⁽³⁾	RMB128,700	RMB21,557,270.69	RMB19.43	RMB2,500,000	RMB418,750,000	February 8, 2018	84.2%
	December 28, 2017 ⁽⁴⁾	RMB128,700	RMB26,066,660.13	RMB19.43	RMB2,500,000	RMB493,750,000	September 18, 2018	84.2%
Hangzhou Kunwei	December 28, 2017 ⁽³⁾	RMB257,400	RMB21,557,270.69	RMB19.43	RMB5,000,000	RMB418,750,000	April 20, 2018	84.2%
	December 28, 2017 ⁽⁴⁾	RMB257,400	RMB26,066,660.13	RMB19.43	RMB5,000,000	RMB493,750,000	January 10, 2019	84.2%
Shanghai Jiutangjin*	December 28, 2017 ⁽³⁾	RMB25,740	RMB21,557,270.69	RMB19.43	RMB500,000	RMB418,750,000	February 27, 2018	84.2%
	December 28, 2017 ⁽⁴⁾	RMB25,740	RMB26,066,660.13	RMB19.43	RMB500,000	RMB493,750,000	March 11, 2019	84.2%
Shanghai Suishuo	December 28, 2017 ⁽³⁾	RMB231,660	RMB21,557,270.69	RMB19.43	RMB4,500,000	RMB418,750,000	January 5, 2018	84.2%
	December 28, 2017 ⁽⁴⁾	RMB231,660	RMB26,066,660.13	RMB19.43	RMB4,500,000	RMB493,750,000	May 13, 2019	84.2%
Tianjin Jinmi	December 28, 2017 ⁽³⁾	RMB128,700	RMB21,557,270.69	RMB19.43	RMB2,500,000	RMB418,750,000	March 16, 2018	84.2%
	December 28, 2017 ⁽⁴⁾	RMB128,700	RMB26,066,660.13	RMB19.43	RMB2,500,000	RMB493,750,000	January 9, 2019	84.2%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-IPO Investors	Date of agreement	Registered capital/number of Shares subscribed	Registered capital/number of Shares after each round of Pre-IPO Investments	Cost per Share/registered capital ⁽¹⁾	Total Consideration	Post-money valuation of the Company after each round of Pre-IPO Investments	Date on which the consideration was fully settled	Discount/(Premium) to the Offer Price ⁽⁵⁾
Series C Financing								
Qiming Rongke	September 23, 2019	RMB529,536	RMB34,766,433	RMB30.42	RMB16,107,000	RMB1,057,500,000	October 11, 2019	75.3%
Qiming Rongying	September 23, 2019	RMB285,135	RMB34,766,433	RMB30.42	RMB8,673,000	RMB1,057,500,000	October 11, 2019	75.3%
QM119 Limited	September 23, 2019	RMB2,721,079	RMB34,766,433	RMB30.42	RMB82,767,600	RMB1,057,500,000	November 26, 2019	75.3%
Qualcomm China	September 23, 2019	RMB272,108	RMB34,766,433	RMB30.42	RMB8,276,800	RMB1,057,500,000	November 4, 2019	75.3%
Nanshan Zhonghang	September 23, 2019	RMB347,665	RMB34,766,433	RMB30.42	RMB10,575,000	RMB1,057,500,000	October 11, 2019	75.3%
Hongtai Zhiyun	September 23, 2019	RMB328,761	RMB34,766,433	RMB30.42	RMB10,000,000	RMB1,057,500,000	October 31, 2019	75.3%
Jichuang Yuyuan	September 23, 2019	RMB23,013	RMB34,766,433	RMB30.42	RMB700,000	RMB1,057,500,000	October 17, 2019	75.3%
Shanghai Suishuo	September 23, 2019	RMB146,019	RMB34,766,433	RMB30.42	RMB4,441,500	RMB1,057,500,000	October 25, 2019	75.3%
Series C+ Financing								
Xiaomi Changjiang	April 10, 2020	RMB1,315,045	RMB37,070,297	RMB30.42	RMB40,000,000	RMB1,127,580,000	May 9, 2020	75.3%
Zhonghang Nanshan	April 10, 2020	RMB657,523	RMB37,070,297	RMB30.42	RMB20,000,000	RMB1,127,580,000	April 22, 2020	75.3%
Series D Financing								
HSG	November 17, 2020	RMB3,089,191	RMB42,889,484	RMB48.56	RMB150,000,000	RMB2,082,558,283	December 8, 2020	60.6%
CICC Pucheng	November 17, 2020	RMB205,946	RMB42,889,484	RMB48.56	RMB10,000,000	RMB2,082,558,283	November 30, 2020	60.6%
Xiamen Qilu	November 17, 2020	RMB361,981	RMB42,889,484	RMB48.56	RMB17,576,512	RMB2,082,558,283	December 8, 2020	60.6%
Zhuhai Zhiyi [†]	November 17, 2020	RMB617,838	RMB42,889,484	RMB48.56	RMB30,000,000	RMB2,082,558,283	December 10, 2020	60.6%
Hangzhou Kunwei	November 17, 2020	RMB65,903	RMB42,889,484	RMB48.56	RMB3,200,000	RMB2,082,558,283	December 11, 2020	60.6%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-IPO Investors	Date of agreement	Registered capital/number of Shares subscribed	Registered capital/number of Shares after each round of Pre-IPO Investments	Cost per Share/registered capital ⁽¹⁾	Total Consideration	Post-money valuation of the Company after each round of Pre-IPO Investments	Date on which the consideration was fully settled	Discount/(Premium) to the Offer Price ⁽⁵⁾
Jichuang Yuyuan	November 17, 2020	RMB14,416	RMB42,889,484	RMB48.56	RMB700,000	RMB2,082,558,283	December 1, 2020	60.6%
Qualcomm China	November 17, 2020	RMB72,081	RMB42,889,484	RMB48.56	RMB3,500,000	RMB2,082,558,283	December 8, 2020	60.6%
QM119 Limited	November 17, 2020	RMB427,147	RMB42,889,484	RMB48.56	RMB20,740,726	RMB2,082,558,283	December 7, 2020	60.6%
Qiming Rongke	November 17, 2020	RMB25,577	RMB42,889,484	RMB48.56	RMB1,241,924	RMB2,082,558,283	November 25, 2020	60.6%
Qiming Rongying	November 17, 2020	RMB102,308	RMB42,889,484	RMB48.56	RMB4,967,696	RMB2,082,558,283	November 25, 2020	60.6%
Series D+ Financing								
Hubble Technology	May 8, 2021	RMB2,336,801	RMB46,736,024	RMB48.56	RMB113,466,637.39	RMB2,269,501,325.44	May 24, 2021	60.6%
Xiaomi Changjiang	May 8, 2021	RMB1,021,756	RMB46,736,024	RMB48.56	RMB49,612,790.12	RMB2,269,501,325.44	May 28, 2021	60.6%
Series D++ Financing								
Guokai Technology	July 8, 2021	RMB412,376	RMB49,485,202	RMB72.75	RMB30,000,000	RMB3,600,000,000	July 14, 2021	41.0%
Wofu Ruixin	July 8, 2021	RMB549,836	RMB49,485,202	RMB72.75	RMB40,000,000	RMB3,600,000,000	July 19, 2021	41.0%
Jiaxing Xihao	July 8, 2021	RMB270,794	RMB49,485,202	RMB72.75	RMB19,700,000	RMB3,600,000,000	August 4, 2021	41.0%
Shenzhen Pingshan	July 8, 2021	RMB59,107	RMB49,485,202	RMB72.75	RMB4,300,000	RMB3,600,000,000	July 19, 2021	41.0%
Xiamen Zhiyi	July 8, 2021	RMB274,918	RMB49,485,202	RMB72.75	RMB20,000,000	RMB3,600,000,000	August 12, 2021	41.0%
Xiamen Qilu	July 8, 2021	RMB687,294	RMB49,485,202	RMB72.75	RMB50,000,000	RMB3,600,000,000	July 21, 2021	41.0%
CICC Pucheng	July 8, 2021	RMB137,459	RMB49,485,202	RMB72.75	RMB10,000,000	RMB3,600,000,000	July 21, 2021	41.0%
HSG	July 8, 2021	RMB178,697	RMB49,485,202	RMB72.75	RMB13,000,000	RMB3,600,000,000	July 23, 2021	41.0%
Hangzhou Kunwei	July 8, 2021	RMB34,365	RMB49,485,202	RMB72.75	RMB2,500,000	RMB3,600,000,000	August 12, 2021	41.0%
Jichuang Yuyuan	July 8, 2021	RMB9,622	RMB49,485,202	RMB72.75	RMB700,000	RMB3,600,000,000	July 21, 2021	41.0%
Series Pre-IPO Financing								
Jiaxing Haiyun	December 21, 2021	RMB706,371	RMB53,174,028	RMB127.41	RMB90,000,000	RMB6,775,000,000	December 24, 2021	(3.4%)
Haitong New Energy	December 21, 2021	RMB470,914	RMB53,174,028	RMB127.41	RMB60,000,000	RMB6,775,000,000	December 30, 2021	(3.4%)

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-IPO Investors	Date of agreement	Registered capital/number of Shares subscribed	Registered capital/number of Shares after each round of Pre-IPO Investments	Cost per Share/registered capital ⁽¹⁾	Total Consideration	Post-money valuation of the Company after each round of Pre-IPO Investments	Date on which the consideration was fully settled	Discount/(Premium) to the Offer Price ⁽⁵⁾
Yueke Xintai No. 25	December 21, 2021	RMB274,700	RMB53,174,028	RMB127.41	RMB35,000,000	RMB6,775,000,000	December 27, 2021	(3.4)%
HSG	December 21, 2021	RMB235,457	RMB53,174,028	RMB127.41	RMB30,000,000	RMB6,775,000,000	January 12, 2022	(3.4)%
Zhicheng Shuzhi	December 21, 2021	RMB156,971	RMB53,174,028	RMB127.41	RMB20,000,000	RMB6,775,000,000	December 29, 2021	(3.4)%
Shenzhen High-Tech Investment	December 21, 2021	RMB156,971	RMB53,174,028	RMB127.41	RMB20,000,000	RMB6,775,000,000	December 28, 2021	(3.4)%
Shengao Investment	December 21, 2021	RMB78,486	RMB53,174,028	RMB127.41	RMB10,000,000	RMB6,775,000,000	December 29, 2021	(3.4)%
Shenzhen High-Tech Fuhai	December 21, 2021	RMB39,243	RMB53,174,028	RMB127.41	RMB5,000,000	RMB6,775,000,000	December 29, 2021	(3.4)%
Shenzhen Addition No. 2	December 21, 2021	RMB39,243	RMB53,174,028	RMB127.41	RMB5,000,000	RMB6,775,000,000	December 29, 2021	(3.4)%
Series Pre-IPO+ Financing								
Semiconductor and IC Fund	December 25, 2022	RMB2,700,000	RMB369,069,750	RMB150.43	RMB60,000,000	RMB8,201,550,000	December 28, 2022	(22.1)%
Houwang Ruilian	December 25, 2022	RMB2,295,000	RMB369,069,750	RMB150.43	RMB51,000,000	RMB8,201,550,000	December 29, 2022	(22.1)%
Yuxin Taojin	December 25, 2022	RMB900,000	RMB369,069,750	RMB150.43	RMB20,000,000	RMB8,201,550,000	December 28, 2022	(22.1)%
Dinghong Growth	December 25, 2022	RMB450,000	RMB369,069,750	RMB150.43	RMB10,000,000	RMB8,201,550,000	December 30, 2022	(22.1)%
Huahui Dianke	December 25, 2022	RMB450,000	RMB369,069,750	RMB150.43	RMB10,000,000	RMB8,201,550,000	December 28, 2022	(22.1)%
Series Pre-IPO++ Financing								
Xiangfeng Phase II	August 30, 2024	RMB4,500,000	RMB374,919,750	RMB150.43	RMB100,000,000	RMB8,331,550,000	September 10, 2024	(22.1)%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-IPO Investors	Date of agreement	Registered capital/number of Shares subscribed	Registered capital/number of Shares after each round of Pre-IPO Investments	Cost per Share/registered capital ⁽¹⁾	Total Consideration	Post-money valuation of the Company after each round of Pre-IPO Investments	Date on which the consideration was fully settled	Discount/(Premium) to the Offer Price ⁽⁵⁾
Ceyuan Guangyi	August 30, 2024	RMB1,350,000	RMB374,919,750	RMB150.43	RMB30,000,000	RMB8,331,550,000	September 20, 2024	(22.1)%
<i>Through Transfer of Shares/registered capital</i>								
Enspire Capital Pte. Ltd.*	December 4, 2013	RMB194,050	RMB12,500,000	US\$1.29	US\$250,000	RMB100,000,000	December 31, 2013	92.8%
Boe Technology	December 9, 2015	RMB833,334	RMB16,666,666	RMB12.00	RMB10,000,000	RMB200,000,000	December 30, 2015	90.3%
Hefei Tianze	May 7, 2018	RMB275,000	RMB21,557,271	RMB17.48	RMB4,807,242	RMB418,857,769.51	November 14, 2018	85.8%
Ningbo Yuhang	May 7, 2018	RMB1,000,000	RMB21,557,271	RMB17.48	RMB17,482,500	RMB418,857,769.51	August 14, 2018	85.8%
Qicheng Zhiyuan	May 7, 2018	RMB2,166,666	RMB21,557,271	RMB18.07	RMB39,141,375	RMB418,857,769.51	August 14, 2018	85.3%
Vertex Legacy	July 8, 2019	RMB2,709,476	RMB26,066,660	RMB18.45	RMB50,000,000	RMB506,475,206.33	July 17, 2019	85.0%
Continuation Fund Pte. Ltd. (“Vertex Legacy”) ⁽⁶⁾	March 16, 2021	RMB1,152,975	RMB42,889,484	RMB28.50	RMB32,855,552	RMB2,082,713,343.04	December 22, 2020	76.9%
Xiamen Zhiyi	July 8, 2021	RMB617,838	RMB49,485,202	RMB48.56	RMB30,000,000	RMB3,600,048,446	August 3, 2021	60.6%
Yueke Xintai No. 25	November 22, 2021	RMB206,541	RMB53,174,028	RMB121.04	RMB25,000,000	RMB6,774,902,907.48	August 1, 2022	1.8%
Nanjing Jintai Venture Capital Partnership Enterprise (Limited Partnership)* (南京錦泰創業投資合夥企業(有限合伙)) (“Nanjing Jintai”)	November 26, 2021	RMB165,233	RMB53,174,028	RMB121.04	RMB20,000,000	RMB6,774,902,907.48	December 13, 2021	1.8%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-IPO Investors	Date of agreement	Registered capital/number of Shares subscribed	Registered capital/number of Shares after each round of Pre-IPO Investments	Cost per Share/registered capital ⁽¹⁾	Total Consideration	Post-money valuation of the Company after each round of Pre-IPO Investments	Date on which the consideration was fully settled	Discount/(Premium) to the Offer Price ⁽⁵⁾
Guangdong Changtuoshi Venture Capital Partnership (Limited) Partnership)* (廣東長拓石創業投資合夥企業(有限合伙)) (“Guangdong Changtuoshi”)	November 29, 2021	RMB237,600	RMB53,174,028	RMB121.04	RMB28,759,389.12	RMB6,774,902,907.48	December 23, 2021	1.8%
Jiaxing Haiyun	December 13, 2021	RMB234,126	RMB53,174,028	RMB121.04	RMB28,338,916	RMB6,774,902,907.48	December 17, 2021	1.8%
	December 13, 2021	RMB272,108	RMB53,174,028	RMB121.04	RMB32,936,306	RMB6,774,902,907.48	December 17, 2021	1.8%
	December 13, 2021	RMB72,081	RMB53,174,028	RMB121.04	RMB8,724,778	RMB6,774,902,907.48	December 17, 2021	1.8%
Shenzhen High-Tech Investment	December 6, 2021	RMB165,233	RMB53,174,028	RMB121.04	RMB20,000,000	RMB6,774,902,907.48	December 28, 2021	1.8%
Shengao Investment	December 6, 2021	RMB82,616	RMB53,174,028	RMB121.04	RMB10,000,000	RMB6,774,902,907.48	December 28, 2021	1.8%
Shenzhen High-Tech Fuhai	December 6, 2021	RMB41,308	RMB53,174,028	RMB121.04	RMB5,000,000	RMB6,774,902,907.48	December 29, 2021	1.8%
Shenzhen Addition No. 2	December 6, 2021	RMB41,308	RMB53,174,028	RMB121.04	RMB5,000,000	RMB6,774,902,907.48	December 22, 2021	1.8%
Zhicheng Shuzhi	November 29, 2021	RMB165,233	RMB53,174,028	RMB121.04	RMB20,000,000	RMB6,774,902,907.48	December 29, 2021	1.8%
Yu Huihui (虞慧暉)	February 25, 2022	RMB91,080	RMB53,174,028	RMB19.43	RMB1,769,230.77	RMB6,774,902,907.48	March 8, 2022	84.2%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-IPO Investors	Date of agreement	Registered capital/number of Shares subscribed	Registered capital/number of Shares after each round of Pre-IPO Investments	Cost per Share/registered capital ⁽¹⁾	Total Consideration	Post-money valuation of the Company after each round of Pre-IPO Investments	Date on which the consideration was fully settled	Discount/(Premium) to the Offer Price ⁽⁵⁾
Shenzhen Linghui Cornerstone Equity Investment Fund Partnership Enterprise (Limited Partnership)* (深圳市領匯基石股權投資基金合夥企業(有限合伙)) (“Linghui Cornerstone”)	May 18, 2022	RMB716,149	RMB53,174,028	RMB139.64	RMB100,000,000	RMB6,774,902,907.48	June 2, 2022	(13.3)%
Dongguan Yueke Xintai Industry Venture Investment Partnership Enterprise (Limited Partnership)* (東莞粵科鑫泰工控創業投資合夥企業) (“Yueke Xintai Industry”)	May 18, 2022	RMB194,050	RMB53,174,028	RMB139.64	RMB27,096,317	RMB6,774,902,907.48	August 1, 2022	(13.3)%
Ceyuan Guangyi	August 30, 2024	RMB1,139,700	RMB374,919,750	RMB118.82	RMB20,000,000	RMB8,330,716,845.00	September 20, 2024	3.6%

Note:

- (1) The cost per Share/registered capital is calculated by dividing the consideration paid by each Pre-IPO Investors by the amount of the registered capital or the number of Shares subscribed for by each Pre-IPO Investor. For illustrative purpose only, the cost per Share presented herein has been adjusted on a look-through basis with reference to the total registered capital prior to the Company's conversion into a joint stock company, with its total registered capital of RMB53,174,028 divided into 360,000,000 Shares.
- (2) "+" indicates that, as of the Latest Practicable Date, such Pre-IPO investor was not one of our Shareholders.
- (3) Series A+ Financing and Series B Financing were conducted together in the same capital increase agreement, namely, Series A+ and Series B Financings Agreement. See "— Major Shareholding Changes and Pre-IPO Investments Prior to the Conversion into a Joint Stock Company — Series A+ Financing and Series B Financing" above for details.
- (4) An additional capital increase was conducted pursuant to the Series A+ and Series B Financings Agreement. See "— 2018 Capital Increase" above for details.
- (5) This calculation has taken into account the Company's conversion into a joint stock company, with its total registered capital of RMB53,174,028 divided into 360,000,000 Shares.
- (6) Vertex Legacy, a member of the same group as Vertex Asia, was established to succeed all the then 2.69% equity interest in the Company held by Vertex Asia, following the expiration of Vertex Asia's fund duration. The consideration was fully settled preceding the date of agreement for settlement efficiency and other commercial considerations.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Principal Terms of the Pre-IPO Investments

Basis of determining the valuation and consideration paid	The determination of the valuation and consideration is based on arm's length negotiations between the relevant parties with reference to among others, (i) the timing and market conditions of the investments/equity transfers and the market value of comparable companies at the relevant time, (ii) the business operation, the financial performance of the Group at the relevant time, (iii) source of the acquired shares, i.e. shares newly issued by the Company or existing shares transferred by shareholders, and (iv) the prospects of the Group's business. In determination of the valuation, the Company takes into account the qualities that market participants consider when pricing the underlying assets or liabilities at the measurement date, and uses valuation techniques that are applicable in the current circumstances and supported by sufficient available data and other materials.
Lock-up.	Pursuant to the applicable PRC law, within the 12 months from the Listing Date, the Shares issued by the Company prior to the Global Offering (including the Shares held by the Pre-IPO Investors immediately prior to the Global Offering) are restricted from transfer.
Use of proceeds from the Pre-IPO Investments	The Group utilized the proceeds from the Pre-IPO Investments for the operations, business expansion and general working capital purpose of the Group. As of the Latest Practicable Date, approximately 90% of the funds raised from the Pre-IPO Investments have been utilized.
Strategic benefit of the Pre-IPO Investments to the Group	At the time of each of the Pre-IPO Investments, the Directors were of the view that the Company could benefit from the capital raised through the Pre-IPO Investments, the Pre-IPO Investors' knowledge and experience, and the endorsement of and confidence in the Group's performance, strength and prospects reflected by the Pre-IPO Investments. Additionally, investments from the Pre-IPO Investors, including state-owned enterprises which are ultimately owned by the local governments, professional investment companies or professional funds, are beneficial to business development of our Group and could also diversify our shareholding structure and Shareholders base.

Special Rights of the Pre-IPO Investors

According to certain share subscription agreements and shareholders' agreements entered into among all the then Shareholders (the "**Shareholders' Agreement**," which had been amended or re-entered into from time to time) from March 2013, the Pre-IPO Investors have been granted special rights in relation to the Company by the Company, Dr. Gu Jing, Shenzhen Yishi and Shenzhen Yizhen (Dr. Gu Jing, Shenzhen Yishi and Shenzhen Yizhen, together as the "**obliged shareholders**"), where applicable, including, among others, anti-dilution rights, co-sale rights, information rights, redemption right granted by the Company (the "**Company Redemption Right**"), redemption right granted by the obliged shareholders (the "**Obliged Shareholders Redemption Right**"), liquidation preference provision, and appointment rights of observers to the Board.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Company Redemption Right

On October 21, 2022, the Company, the obliged shareholders and the Pre-IPO Investors entered into a supplemental agreement, agreeing that (i) the Company Redemption Right was irrecoverably terminated on October 21, 2022 and (ii) the Obligated Shareholders Redemption Right remained effective.

Obligated Shareholders Redemption Right

On March 28, 2023, the Company, the obliged shareholders and the Pre-IPO Investors entered into an agreement, pursuant to which the Obligated Shareholders Redemption Right was terminated. On August 30, 2024, the Company, the obliged shareholders and the Pre-IPO Investors entered into a Shareholders' Agreement, pursuant to which the Pre-IPO Investors were granted certain special rights by the obliged shareholders including, among others, the Obligated Shareholders Redemption Right. Pursuant to the latest Shareholders' Agreement entered into on June 20, 2025, all the special rights granted by the obliged shareholders under the Shareholders' Agreement dated August 30, 2024 shall be terminated upon the Listing, except for the Obligated Shareholders Redemption Right, which shall be terminated immediately before the first filing of listing application with the Stock Exchange, provided that the Obligated Shareholders Redemption Right shall be automatically restored if the Company fails to complete a qualified IPO (as defined in the Shareholders' Agreement) on or before December 31, 2026.

In respect of the Obligated Shareholders Redemption Right, (i) the Company did not provide any guarantee; (ii) there is no side agreement; and (iii) it was only granted by the obliged shareholders rather than the Company and no financial liability regarding the Obligated Shareholders Redemption Right was recorded during the Track Record Period. See note 33 to "Appendix I — Accountants' Report" to this Prospectus.

Joint Sponsors' Confirmation

On the basis that (i) the consideration for the Pre-IPO Investments was settled more than 28 clear days before the first filing of the listing application by the Company with the Stock Exchange, and (ii) the special rights granted to the Pre-IPO Investors have been terminated as disclosed in "— Special Rights of the Pre-IPO Investors" above, the Joint Sponsors confirm that the Pre-IPO Investments are in compliance with the Pre-IPO Investment Guidance as defined in Chapter 4.2 of the Guide.

Information about the Pre-IPO Investors

Name of Pre-IPO Investors	Background
Vertex Legacy	Vertex Legacy is a limited liability company established under the laws of Singapore on July 23, 2020 and is principally engaged in equity investment. As of the Latest Practicable Date, Vertex Legacy was a wholly-owned subsidiary of Vertex Legacy Special GP Ltd, which was owned as to 50.0% by Vertex China Management (CI) Ltd and 50.0% by Vertex Ventures SEA GP, respectively. As of the same Date, Vertex China Management (CI) Ltd was owned as to 50.0% by Tay Choon Chong and 50.0% by Chua Kee Lock, respectively and Vertex Ventures SEA GP was owned as to 40.0% by Chua Kee Lock, 30.0% by Chua Joo Hock and 30.0% by Benedict Jerome Mathias, respectively.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-IPO Investors	Background
Yueke Xintai No. 25	<p>Yueke Xintai No. 25 is a limited partnership established under the laws of the PRC on August 2, 2021 and is principally engaged in equity investment. As of the Latest Practicable Date, Yueke Xintai No. 25 was owned as to 99.98% by its 40 limited partners and 0.02% by Shenzhen Xintai Private Equity Investment Fund Management Company Limited* (深圳鑫泰私募股權投資基金管理有限公司) (“Shenzhen Xintai”), which was ultimately controlled by Wu Andong (吳安東), respectively.</p> <p>To the best knowledge of the Company, no limited partners of Yueke Xintai No. 25 held more than one-third of partnership interest therein and all the above entities and individuals are Independent Third Parties.</p>
Yueke Xintai Industry . . .	<p>Yueke Xintai Industry is a limited partnership established under the laws of the PRC on November 2, 2021 and is principally engaged in equity investment. As of the Latest Practicable Date, Yueke Xintai Industry was owned as to 99.998% by its 39 limited partners and 0.002% by Shenzhen Xintai, which was ultimately controlled by Wu Andong (吳安東), respectively.</p> <p>To the best knowledge of the Company, no limited partners of Yueke Xintai Industry held more than one-third of partnership interest therein and all the above entities and individuals are Independent Third Parties.</p>
White Cloud Valley	<p>White Cloud Valley is a limited liability company established under the laws of Hong Kong on December 20, 2012 and is principally engaged in equity investment. As of the Latest Practicable Date, White Cloud Valley was a wholly-owned subsidiary of Blue Sky Valley Limited, which was ultimately controlled by CITIC Capital Holdings Limited, a global alternative investment management and advisory company whose core businesses include private equity, real estate, structured investment and finance, special situations, and asset management.</p> <p>To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.</p>
Boe Technology	<p>BOE Technology is a joint stock limited company established under the laws of the People’s Republic of China on April 9, 1993, with its shares listed on the A-share and B-share markets of the Shenzhen Stock Exchange (stock codes: 000725.SZ and 200725.SZ). In constant pursuit of excellence, BOE Technology is an innovative IoT company dedicated to providing intelligent interface products and professional services for information interaction and human health. Its principal operations include the display devices business, the IoT innovation business, the sensor business, the MLED business, the smart engineering medicine business, and the “N” business.</p>

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-IPO Investors	Background
Ningbo Yuhang	Ningbo Yuhang is a limited partnership established under the laws of the PRC on March 23, 2016, and is principally engaged in equity investment. As of the Latest Practicable Date, Ningbo Yuhang was owned as to 3.33% by its general partner, Ms. Jia Jing (賈靜女士) and 96.67% by its limited partner, Ms. Jia Kun (賈坤女士), Ms. Jia Jing's sister.
Qicheng Zhiyuan	Qicheng Zhiyuan is a limited partnership established under the laws of the PRC on August 8, 2018 and is principally engaged in equity investment. As of the Latest Practicable Date, Qicheng Zhiyuan was owned as to 99.00% by its limited partner Ms. Jia Kun, Ms. Jia Jing's sister, and 1.00% by its general partner Ms. Jia Jing.
Guangdong Changtuoshi .	Guangdong Changtuoshi is a limited partnership established under the laws of the PRC on May 26, 2021 and principally engaged in equity investment. As of the Latest Practicable Date, Guangdong Changtuoshi was owned as to 99.81% by its 28 limited partners and 0.19% by its general partner Guangdong Changshi Venture Capital Partnership Enterprise (Limited Partnership)* (廣東長石創業投資合夥企業(有限合夥)), which was ultimately controlled by Ding Zhongmin (丁忠民), respectively. To the best knowledge of the Company, no limited partners of Guangdong Changtuoshi held more than one-third of partnership interest therein and all of the above entities and individuals are Independent Third Parties.
Nanjing Jintai	Nanjing Jintai is a limited partnership established under the laws of the PRC on September 2, 2021 and principally engaged in venture capital investment (limited to investments in non-listed enterprises). As of the Latest Practicable Date, Nanjing Jintai was owned as to 99.00% by its limited partner Shenzhen Weishun Zhengxin Investment Company Limited* (深圳市為順正新投資有限責任公司), which was ultimate controlled by Lai Pak Lam (賴柏霖), 0.20% by a general partner and 0.80% by its general partner Lai Pak Lam, respectively. To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.
Wanchuang Shidai	Wanchuang Shidai is a limited partnership established under the laws of the PRC on May 19, 2015 and principally engaged in equity investment. As of the Latest Practicable Date, Wanchuang Shidai was owned as to 93.23% by its limited partner Jiang Shipeng (姜仕鵬), 3.33% by a limited partner and 3.44% by its general partner Shenzhen Runiu Investment Company Limited* (深圳孺牛投資有限公司), which was owned as to 50.00% by Jiang Yu (姜雨) and 50.00% by Jiang Shipeng, respectively. To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-IPO Investors	Background
Linghui Cornerstone	<p>Linghui Cornerstone is a limited partnership established under the laws of the PRC on June 25, 2018 and principally engaged in equity investment. As of the Latest Practicable Date, Linghui Cornerstone was owned as to 99.00% by its 21 limited partners and 1.00% by its general partner Shenzhen Lingxin Cornerstone Equity Investment Fund Management Partnership Enterprise (Limited Partnership)* (深圳市領信基石股權投資基金管理合夥企業(有限合夥)), which was ultimately controlled by Zhang Wei (張維).</p> <p>To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Linghui Cornerstone and the above entities and individuals are Independent Third Parties.</p>
Yu Huihui (虞慧暉)	<p>Yu Huihui is an individual investor and experienced entrepreneur in asset and enterprise management, being an Independent Third Party.</p>
Shanghai Fuzhishuo	<p>Shanghai Fuzhishuo is a limited partnership established under the laws of the PRC on June 10, 2015 and principally engaged in equity investment. As of the Latest Practicable Date, Shanghai Fuzhishuo was owned as to 49.00% by its limited partner Shanghai Fudan Science Park Co., Ltd.* (上海復旦科技園股份有限公司) (“Fudan Science Park”), 50.00% by other three limited partners, and 1.00% by its general partner Shanghai Fuzhishuo Investment Management Partnership Enterprise (Limited Partnership)* (上海復之碩投資管理合夥企業(有限合夥)), which was ultimately controlled by Yu Huihui, respectively.</p> <p>To the best knowledge of the Company, other than Fudan Science Park, no other limited partners of Shanghai Fuzhishuo held more than one-third of partnership interest therein and all of the above entities and individuals are Independent Third Parties.</p>
Qualcomm China	<p>Qualcomm China is a limited liability company established under the laws of the PRC on January 14, 2016 and principally engaged in equity investment, a wholly-owned subsidiary of Qualcomm Global Trading Pte. Ltd., established under the laws of Singapore on September 8, 2011 and being an Independent Third Party.</p>
Jichuang Yuyuan	<p>Jichuang Yuyuan is a limited partnership established under the laws of the PRC on March 7, 2017 and principally engaged in equity investment. As of the Latest Practicable Date, Jichuang Yuyuan was owned as to 99.00% by six limited partners, each being an Independent Third Party and 1.00% by its general partner Chongqing Jichuang Junyuan Equity Investment Fund Management Partnership Enterprise (Limited Partnership)* (重慶極創君源股權投資基金管理合夥企業(有限合夥)), which was ultimately controlled by Zhang Pengpeng (張朋朋).</p> <p>To the best knowledge of the Company, no limited partners of Jichuang Yuyuan held more than one-third of partnership interest therein and all of the above entities and individuals are Independent Third Parties.</p>

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-IPO Investors

Background

Nanshan Hongtai Nanshan Hongtai is a limited partnership established under the laws of the PRC on December 2, 2016 and principally engaged in equity investment. As of the Latest Practicable Date, Nanshan Hongtai was owned as to 43.75% by its limited partner National Integrated Circuit Industry Investment Fund Co., Ltd.* (國家集成電路產業投資基金股份有限公司) (“**National IC Investment**”), which was collectively launched by a number of institutions, mainly including the MOF, China Development Bank Capital Corporation Ltd* (國開金融有限責任公司), State Tobacco Monopoly Administration* (國家煙草專賣局) and Beijing E-Town International Investment & Development Co., Ltd.* (北京亦莊國際投資發展有限公司), 55.00% by four other limited partners and 1.25% by its general partner, Hongtai (Shenzhen) Industry Investment Fund Management Enterprise (Limited Partnership)* (鴻泰(深圳)產業投資基金管理企業(有限合夥)), which was owned as to 25.00% by its limited partner Wang Wenzhong (王文忠), 25.00% by its limited partner Huang Xueliang (黃學良), 25.00% by its limited partner Shenzhen Houwang Investment Management Company Limited* (深圳厚望投資管理有限公司), 24.00% by its limited partner Shenzhen Hongtai Zhihe Venture Capital Enterprise (Limited Partnership)* (深圳鴻泰智合創投合夥企業(有限合夥)) and 1.00% by its general partner being Shenzhen Hongtai Fund Investment Management Company Limited* (深圳鴻泰基金投資管理有限公司), which was further owned as to 33.34% by Huang Xueliang (黃學良), 33.33% by Wang Wenzhong (王文忠) and 33.33% by Shenzhen Houwang Investment Management Company Limited* (深圳厚望投資管理有限公司).

To the best knowledge of the Company, other than National IC Investment, no other limited partners of Nanshan Hongtai held more than one-third of partnership interest therein and all of the above entities and individuals are Independent Third Parties.

Bangsheng Yingxin Bangsheng Yingxin is a limited partnership established under the laws of the PRC on May 10, 2016 and principally engaged in equity investment. As of the Latest Practicable Date, Bangsheng Yingxin was owned as to 72.62% by its limited partners Suzhou Bangsheng Chuangji Venture Capital Enterprise (Limited Partnership)* (蘇州邦盛創驥創業投資企業(有限合夥)) (“**Bangsheng Chuangji**”), which was ultimately controlled by Gao Chong (郜翀), 26.38% by two other limited partners and 1.00% by Nanjing Bangsheng Investment Management Partnership Enterprise (Limited Partnership)* (南京邦盛投資管理合夥企業(有限合夥)), which was ultimately controlled by Gao Chong (郜翀), respectively.

To the best knowledge of the Company, other than Bangsheng Chuangji, no other limited partners of Bangsheng Yingxin held more than one-third of partnership interest therein and all of the above entities and individuals are Independent Third Parties.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-IPO Investors	Background
Qingyue Optoelectronics	<p>Qingyue Optoelectronics is a joint stock company with limited liability established under the laws of the PRC on December 30, 2010, the shares of which are listed on the Shanghai Stock Exchange (stock code: 688496.SH). Qingyue Optoelectronics is a dedicated provider of integrated solutions for display technologies in IoT terminals. Qingyue Optoelectronics specializes in the research, development, manufacturing, and sales of next-generation display devices, particularly OLED technologies. The core business structure of Qingyue Optoelectronics is built around three main product lines, PMOLED displays, e-paper modules, and silicon-based OLED micro-displays.</p>
Shanghai Suishuo	<p>Shanghai Suishuo is a limited partnership established under the laws of the PRC on September 8, 2015 and principally engaged in equity investment. As of the Latest Practicable Date, Shanghai Suishuo was owned as to 99.38% by its six limited partners and 0.62% by its general partner Shanghai Songshuo Investment Partnership Enterprise (Limited Partnership)* (上海宋碩投資合夥企業(有限合夥)), which was ultimately controlled by Feng Yu (鳳羽).</p> <p>To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Shanghai Suishuo and the above entities and individuals are Independent Third Parties.</p>
Hangzhou Kunwei	<p>Hangzhou Kunwei is a limited partnership established under the laws of the PRC on September 11, 2017 and principally engaged in equity investment. As of the Latest Practicable Date, Hangzhou Kunwei was owned as to 80% by its general partner Gu Ruizhang (顧瑞章) and 20% by its limited partner Wang Dai (王岱), each being an Independent Third Party.</p>
Tianjin Jinmi	<p>Tianjin Jinmi is a limited partnership established under the laws of the PRC on July 16, 2014 and principally engaged in equity investment. As of the Latest Practicable Date, Tianjin Jinmi was owned as to 86.20% by its general partner Tianjin Jinxing Venture Capital Company Limited* (天津金星創業投資有限公司) (“Tianjin Jinxing”) and 13.80% by its limited partner Tianjin Zhongmi Enterprise Management Partnership Enterprise (Limited Partnership)* (天津眾米企業管理合夥企業(有限合夥)) (“Tianjin Zhongmi”), respectively. Each of Tianjin Jinxing and Tianjin Zhongmi is ultimately controlled by Lei Jun (雷軍) as of the Latest Practicable Date.</p> <p>To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.</p>

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-IPO Investors	Background
Qiming Rongke	<p>Qiming Rongke is a limited partnership established under the laws of the PRC on October 16, 2017 and principally engaged in equity investment. As of the Latest Practicable Date, Qiming Rongke was owned as to 98.89% by 24 limited partners and 1.11% by its general partner Suzhou Qiping Investment Management Partnership (Limited Partnership)* (蘇州啟平投資管理合夥企業(有限合夥)) (“Suzhou Qiping”), whose general partner is Suzhou Qiman Investment Management Company Limited* (蘇州啟滿投資管理有限公司), which was ultimately controlled by Yu Jia (于佳) and Xu Jing (徐靜).</p> <p>To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Qiming Rongke and the above entities and individuals are Independent Third Parties.</p>
Qiming Rongying	<p>Qiming Rongying is a limited partnership established under the laws of the PRC on November 30, 2017 and principally engaged in equity investment. As of the Latest Practicable Date, Qiming Rongying was owned as to 98.61% by its 10 limited partners and 1.39% by its general partner Suzhou Qiping whose general partner is Suzhou Qiman Investment Management Company Limited* (蘇州啟滿投資管理有限公司), which was ultimately controlled by Yu Jia (于佳) and Xu Jing (徐靜).</p> <p>To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Qiming Rongying and all the above entities and individuals are Independent Third Parties.</p>
QM119 Limited	<p>QM119 Limited is a limited liability company established under the laws of British Virgin Islands on April 9, 2019 and is principally engaged in equity investment. As of the Latest Practicable Date, QM119 Limited was owned as to 97.38% by Qiming Venture Partners VI, L.P. and 2.62% by Qiming Managing Directors Fund VI L.P., respectively. As of the same date, each of Qiming Venture Partners VI, L.P. and Qiming Managing Directors Fund VI L.P. was ultimately controlled by Qiming Corporate GP VI. Ltd., in which no individual ultimate beneficial owner held more than one third of interest.</p> <p>To the best knowledge of the Company, all the above entities are Independent Third Parties.</p>

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-IPO Investors

Background

Hongtai Zhiyun Hongtai Zhiyun is a limited partnership established under the laws of the PRC on July 16, 2019 and is principally engaged in equity investment. As of the Latest Practicable Date, Hongtai Zhiyun was owned as to 69.61% by its limited partner, Gongqingcheng Hongtai Zhiyun Venture Capital Partnership Enterprise (Limited Partnership)* (共青城鴻泰智雲創業投資合夥企業(有限合夥)) (“**Gongqingcheng Hongtai Zhiyun**”), which was ultimately controlled by Chen Qiwei (陳琦偉), 28.92% by its 11 other limited partners and 1.47% by its general partner Shenzhen Hongtai Venture Capital Company Limited* (深圳鴻泰創投有限公司), which was ultimately controlled by Huang Huasong (黃華松), respectively.

To the best knowledge of the Company, other than Gongqingcheng Hongtai Zhiyun, no other limited partners held more than one third of the partnership interest in Hongtai Zhiyun and all the above entities and individuals are Independent Third Parties.

Hefei Tianze Hefei Tianze is a limited partnership established under the laws of the PRC on March 14, 2018 and is principally engaged in equity investment. As of the Latest Practicable Date, Hefei Tianze was owned as to 54.91% by its limited partner, Qicheng Zhiyuan, 44.64% by its three other limited partners, none of whom owned more than one third of partnership interest therein, and 0.45% by its general partner, Ningbo Chencheng Enterprise Management Partnership Enterprise (Limited Partnership)* (寧波辰承企業管理合夥企業(有限合夥)) (“**Ningbo Chencheng**”), which was owned as to 99.00% by its limited partner He Xuan (何璇), Ms. Jia Kun’s daughter, and 1.00% by its general partner, Pei Lei (裴磊), He Xuan’s spouse, respectively.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-IPO Investors	Background
Nanshan Zhonghang	<p>Nanshan Zhonghang is a limited partnership established under the laws of the PRC on December 28, 2016 and principally engaged in equity investment. As of the Latest Practicable Date, Nanshan Zhonghang was owed as to 99.00% by its eight limited partners and 1.00% by its general partner Kaisheng Nanshan Private Equity Investment Fund Management (Shenzhen) Company Limited* (凱晟南山私募股權投資基金管理(深圳)有限公司) (“Kaisheng Nanshan”), which was further owned as to 35.00% by Shenzhen Nanshan Heli Investment Management Partnership Enterprise (Limited Partnership)* (深圳南山合力投資管理合夥企業(有限合夥)), which was owned as to 20.00% by its limited partner Shi Jinshun (石金順), 13.33% by its limited partner Chen Yafei (陳亞飛), 6.67% by its limited partner Wang Lijun (王麗君) and 60.00% by its general partner Chen Chen (陳晨), 33.00% by Zhonghang International Investment Company Limited* (中航國際投資有限公司), now known as Kaihang Investment (Shenzhen) Company Limited* (凱航投資(深圳)有限公司), a wholly-owned subsidiary of China Aviation Industry Group Co., Ltd.* (中國航空工業集團有限公司), which was ultimately owned by State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會), 22.00% by Hunan Amala Technology Company Limited* (湖南阿瑪拉科技有限公司), which was wholly-owned by Wu Jingsheng (吳經勝) and 10.00% by Dongguan Qianyuan Investment Consulting Enterprise (Limited Partnership)* (東莞乾元投資諮詢企業(有限合夥)), which was owned as to 5.00% by its limited partner Zhan Jinmei (詹錦妹) and 95.0% by its general partner Wang Lijun (王麗君), respectively.</p> <p>To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Nanshan Zhonghang and the above entities are Independent Third Parties.</p>
Xiaomi Changjiang	<p>Xiaomi Changjiang is a limited partnership established under the laws of the PRC on December 7, 2017 and principally engaged in equity investment. As of the Latest Practicable Date, Xiaomi Changjiang was owned as to 99.92% by its 15 limited partners and 0.08% by its general partner Hubei Xiaomi Changjiang Industry Investment Fund Management Company Limited* (湖北小米長江產業投資基金管理有限公司), which was ultimately controlled by Lei Jun (雷軍), respectively.</p> <p>To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Xiaomi Changjiang and the above entities are Independent Third Parties.</p>
HSG	<p>HSG is a limited liability company incorporated under the laws of the Cayman Islands. The sole shareholder of HSG is HongShan Capital Venture Fund VIII, L.P. HongShan Capital Venture Fund VIII, L.P. is an investment fund whose primary purpose is to make equity investments in private companies, whose general partner is HSG Venture VIII Management, L.P. The general partner of HSG Venture VIII Management, L.P. is HSG Holding Limited, whose sole shareholder is SNP China Enterprises Limited. The sole shareholder of SNP China Enterprises Limited is Mr. Neil Nanpeng Shen.</p>

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-IPO Investors	Background
	To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.
CICC Pucheng	CICC Pucheng is wholly owned by China International Capital Corporation Limited, a PRC established joint stock company whose shares are listed on the Shanghai Stock Exchange (stock code: 601995.SH) and the Main Board of the Stock Exchange (stock code: 3908.HK). CICC Pucheng is an established investment company focusing on various industries including technology, finance and healthcare. To the best knowledge of the Company, CICC Pucheng is an Independent Third Party.
Xiamen Qilu	Xiamen Qilu is a limited partnership established under the laws of the PRC on March 18, 2019 and principally engaged in equity investment. As of the Latest Practicable Date, Xiamen Qilu was owned as to 99.89% by CICC Qirong (Xiamen) Equity Investment Fund Partnership Enterprise (Limited Partnership)* (中金啟融(廈門)股權投資基金合夥企業(有限合夥)) and 0.11% by its general partner CICC Capital Operation Company Limited* (中金資本運營有限公司).
	To the best knowledge of the Company, all of the above entities are Independent Third Parties.
Xiamen Zhiyi	Xiamen Zhiyi is a limited partnership established under the laws of the PRC on May 27, 2021 and principally engaged in equity investment. As of the Latest Practicable Date, Xiamen Zhiyi was owned as to 99.00% by its limited partner Li Xiang (李響) and 1.00% by its general partner Mr. Li Changshun (李長順), respectively. Ms. Jia Jing and Mr. Li Changshun are spouses. Ms. Jia Jing and Mr. Li Changshun are Li Xiang's mother and father. See "Substantial Shareholders."
Hubble Technology	Hubble Technology is a limited partnership established under the laws of the PRC on April 15, 2021 and is principally engaged in equity investment. As of the Latest Practicable Date, Hubble Technology was owned as to 69.00% by its limited partner Huawei Technology Company Limited* (華為技術有限公司), which was ultimately controlled by Huawei Investment Holding Company Limited Union Committee* (華為投資控股有限公司工會委員會) ("Huawei Union"), 30% by a limited partner being an Independent Third Party and 1.00% by its general partner Hubble Technology Venture Capital Company Limited* (哈勃科技創業投資有限公司), a wholly-owned subsidiary of Huawei Investment Holding Company Limited* (華為投資控股有限公司) which was owned as to 99.42% by Huawei Union and 0.58% by Ren Zhengfei, respectively.
	To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-IPO Investors	Background
Guokai Technology	<p>Guokai Technology is a limited liability company established under the laws of the PRC on November 8, 2016 and principally engaged in equity investment. Guokai Technology is a wholly-owned subsidiary of China Development Bank (國家開發銀行).</p> <p>To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.</p>
Wofu Ruixin	<p>Wofu Ruixin is a limited partnership established on February 5, 2021 and principally engaged in equity investment. As of the Latest Practicable Date, Wofu Ruixin was owned as to 99.46% by its 11 limited partners and 0.54% by its general partner Shanghai Wofu Private Equity Fund Management Company Limited* (上海沃賦私募基金管理有限公司), which was ultimately controlled by Geng Kai (耿凱), respectively.</p> <p>To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Wofu Ruixin and all the above entities and individuals are Independent Third Parties.</p>
Jiaxing Xihao	<p>Jiaxing Xihao is a limited partnership established under the laws of the PRC on December 22, 2020 and is principally engaged in equity investment. As of the Latest Practicable Date, Jiaxing Xihao was owned as to 60.00% by its limited partner Suzhou Haoquan Enterprise Management Company Limited* (蘇州灝荃企業管理有限公司), which was ultimately controlled by Gu Qinghui (顧慶輝), 33.50% by its limited partner Hao Yingming (郝英明), 5.00% by a limited partner being an individual, and 1.50% by its general partner Shanghai Xihao Investment management Company Limited* (上海熙灝投資管理有限公司), which was owned as to 50.00% by Li Jiaqi (李佳琦), 30.00% by Shanghai Dongxi Investment Development Company Limited* (上海東熙投資發展有限公司) and 20.00% by Yuan Liangyong (袁良永), respectively.</p> <p>To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.</p>

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-IPO Investors	Background
Shenzhen Pingshan	<p>Shenzhen Pingshan is a limited partnership established under the laws of the PRC on December 25, 2019 and is principally engaged in equity investment. As of the Latest Practicable Date, Shenzhen Pingshan was owned as to 99.00% by its six limited partners and 1.00% by its general partner Kaisheng Nanshan, which was further owned as to 35.00% by Shenzhen Nanshan Heli Investment Management Partnership Enterprise (Limited Partnership)* (深圳南山合力投資管理合夥企業(有限合夥)), which was owned as to 20.00% by its limited partner Shi Jinshun (石金順), 13.33% by its limited partner Chen Yafei (陳亞飛), 6.67% by its limited partner Wang Lijun (王麗君) and 60.00% by its general partner Chen Chen (陳晨), 33.00% by Zhonghang International Investment Company Limited* (中航國際投資有限公司), now known as Kaihang Investment (Shenzhen) Company Limited* (凱航投資(深圳)有限公司), a wholly-owned subsidiary of China Aviation Industry Group Co., Ltd.* (中國航空工業集團有限公司), which was ultimately owned by State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會), 22.00% by Hunan Amala Technology Company Limited* (湖南阿瑪拉科技有限公司), which was wholly-owned by Wu Jingsheng (吳經勝) and 10.00% by Dongguan Qianyuan Investment Consulting Enterprise (Limited Partnership)* (東莞乾元投資諮詢企業(有限合夥)), which was owned as to 5.00% by its limited partner Zhan Jinmei (詹錦妹) and 95.0% by its general partner Wang Lijun (王麗君), respectively.</p> <p>To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Shenzhen Pingshan and all the above entities and individuals are Independent Third Parties.</p>
Jiaxing Haiyun	<p>Jiaxing Haiyun is a limited partnership established under the laws of the PRC on October 8, 2021 and principally engaged in equity investment. As of the Latest Practicable Date, Jiaxing Haiyun was owned as to 99.42% by its eight limited partners and 0.58% by its general partner Suzhou Jiansheng Investment Management Partnership Enterprise (Limited Partnership)* (蘇州建晟投資管理合夥企業(有限合夥)), which was ultimately controlled by Xiang Xiaobo (項曉波), respectively.</p> <p>To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Jiaxing Haiyun and all the above entities and individuals are Independent Third Parties.</p>
Haitong New Energy	<p>Haitong New Energy is a limited partnership established under the laws of the PRC on January 20, 2020 and principally engaged in equity investment. As of the Latest Practicable Date, Haitong New Energy was owned as to 99.33% by its eight limited partners and 0.67% by its general partner Haitong New Energy Private Equity Investment Management Company Limited* (海通新能源私募股權投資管理有限公司), which was ultimately controlled by Guotai Haitong Securities Co., Ltd. (stock code: 601211.SH/02611.HK) (國泰海通證券有限公司), respectively.</p>

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-IPO Investors

Background

	<p>To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Haitong New Energy and all the above entities are Independent Third Parties.</p>
Zhicheng Shuzhi	<p>Zhicheng Shuzhi is a limited partnership established under the laws of the PRC on November 2, 2021 and principally engaged in equity investment. As of the Latest Practicable Date, Zhicheng Shuzhi was owned as to 37.77% by its limited partner Shenzhen Shuntou Niu Niu Investment Partnership Enterprise* (Limited Partnership) (深圳市順投牛牛投資合夥企業(有限合夥)), which was ultimately controlled by Lin Shubin (林樹彬), 50.35% by its two limited partners and 11.88% by its general partner Shenzhen Smart City Industry Investment Private Equity Fund Management Company Limited* (深圳市智慧城市產投私募基金管理有限公司), which was wholly controlled by Shenzhen Smart City Technology Development Group Co., Ltd.* (深圳市智慧城市科技發展集團有限公司), which was in turn wholly controlled by the State-owned Assets Supervision and Administration Commission of Shenzhen Municipality (深圳市國有資產監督管理委員會), respectively.</p> <p>To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Zhicheng Shuzhi and all the above entities and individuals are Independent Third Parties.</p>
Shenzhen High-Tech Investment	<p>Shenzhen High-Tech Investment is a limited liability company established under the laws of the PRC on June 29, 2010 and principally engaged in equity investment. As of the Latest Practicable Date, Shenzhen High-Tech Investment was a wholly-owned subsidiary of Shenzhen High-Tech Investment Group Company Limited* (深圳市高新投集團有限公司), which was ultimately controlled by the State-owned Assets Supervision and Administration Commission of Shenzhen Municipality (深圳市國有資產監督管理委員會).</p> <p>To the best knowledge of the Company, all the above entities are Independent Third Parties.</p>
Shengao Investment	<p>Shengao Investment is a limited partnership established under the laws of the PRC on December 9, 2020 and principally engaged in equity investment. As of the Latest Practicable Date, Shengao Investment was owned as to 99.00% by its 11 limited partners and 1.00% by its general partner Chengdu Shengao Investment Zhongxiaodan Equity Investment Management Company Limited* (成都深高投中小擔股權投資管理有限公司), which was ultimately controlled by the State-owned Assets Supervision and Administration Commission of Shenzhen Municipality (深圳市國有資產監督管理委員會), respectively.</p> <p>To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Shengao Investment and all the above entities and individuals are Independent Third Parties.</p>

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-IPO Investors	Background
Shenzhen High-Tech Fuhai	<p>Shenzhen High-Tech Fuhai is a limited partnership established under the laws of the PRC on July 16, 2021 and principally engaged in equity investment. As of the Latest Practicable Date, Shenzhen High-Tech Fuhai was owned as to 70% by its limited partner, Shenzhen Fuhai Industry Innovation Phase I Partnership Enterprise (Limited Partnership)* (深圳市福海產業創新一期合夥企業(有限合夥)), which was ultimately controlled by Huang Jinbo (黃綿波), 29.0% by a limited partner being an Independent Third Party and 1.00% by its general partner Shenzhen High-Tech Investment Zhengxuan Equity Investment Fund Management Company Limited* (深圳市高新投正軒股權投資基金管理有限公司), which was ultimately controlled by the State-owned Assets Supervision and Administration Commission of Shenzhen Municipality (深圳市國有資產監督管理委員會), respectively.</p> <p>To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.</p>
Shenzhen Addition No. 2	<p>Shenzhen Addition No. 2 is a limited partnership established under the laws of the PRC on December 9, 2020 and principally engaged in equity investment. As of the Latest Practicable Date, Shenzhen Addition No. 2 was owned as to 34.62% by its limited partner Wang Weizhen (王維珍), 63.84% by its 8 limited partners and 1.54% by its general partner Shenzhen Addition Venture Capital Company Limited* (深圳市加法創業投資有限公司), which was ultimately controlled by Tao Jun (陶軍).</p> <p>To the best knowledge of the Company, other than Wang Weizhen, no other limited partners held more than one third of the partnership interest in Shenzhen Addition No. 2 and all the above entities and individuals are Independent Third Parties.</p>
Houwang Ruilian	<p>Houwang Ruilian is a limited partnership established under the laws of the PRC on January 27, 2022 and principally engaged in equity investment. As of the Latest Practicable Date, Houwang Ruilian was owned as to 98.24% by its nine limited partners and 1.76% by its general partner Yuanhe Houwang (Suzhou) Private Equity Fund Management Company Limited* (元禾厚望(蘇州)私募基金管理有限公司), which was ultimately controlled by Zeng Zhijie (曾之杰), respectively.</p> <p>To the best knowledge of the Company, no limited partners held more than one third of the partnership interest in Houwang Ruilian and all the above entities and individuals are Independent Third Parties.</p>

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-IPO Investors	Background
Semiconductor and IC Fund	<p>Semiconductor and IC Fund is a limited partnership established under the laws of the PRC on December 3, 2020 and principally engaged in equity investment. As of the Latest Practicable Date, Semiconductor and IC Fund was owned as to 99.99% by its limited partner Guangdong Yuecai Investment Holdings Co., Ltd.* (廣東粵財投資控股有限公司) (“Yuecai Holdings”) and 0.01% by its general partner Guangdong Yuecai Fund Management Co., Ltd.* (廣東粵財基金管理有限公司) (“Yuecai Fund”), respectively. Each of Yuecai Holdings and Yuecai Fund was ultimately controlled by the People’s Government of Guangdong Province* (廣東省人民政府) as of the Latest Practicable Date.</p> <p>To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.</p>
Yuxin Taojin	<p>Yuxin Taojin is a limited partnership established under the laws of the PRC on October 29, 2021 and principally engaged in equity investment. As of the Latest Practicable Date, Yuxin Taojin was owned as to 99.80% by its limited partner Hainan Xincheng Taojin Consulting Services Partnership Enterprise (Limited Partnership)* (海南信誠濤金諮詢服務合夥企業(有限合夥)) (“Xincheng Taojin”), 0.10% by a limited partner being an Independent Third Party and 0.10% by its general partner Guangzhou Chengxin Venture Capital Company Limited* (廣州誠信創業投資有限公司) (“Guangdong Chengxin”), respectively. Each of Xincheng Taojin and Guangdong Chengxin was ultimately controlled by Xiong Haitao (熊海濤) as of the Latest Practicable Date.</p> <p>To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.</p>
Dinghong Growth	<p>Dinghong Growth is a limited partnership established under the laws of the PRC on November 2, 2018 and principally engaged in equity investment. As of the Latest Practicable Date, Dinghong Growth was owned as to 80.00% by its limited partner Cheng Haiqing (程海慶), 19.00% by a limited partner being an Independent Third Party and 1.00% by its general partner Shenzhen Zhaoyin Dinghong Investment Management Company Limited* (深圳招銀鼎洪投資管理有限公司), which was owned as to 45.00% by Yang Zhenghong (楊正洪), 35.00% by Cheng Haiqing (程海慶) and 20.00% by Wang Yuanyuan (王媛媛), respectively.</p> <p>To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.</p>
Huahui Dianke	<p>Huahui Dianke is a limited partnership established under the laws of the PRC on November 21, 2022 and principally engaged in equity investment. As of the Latest Practicable Date, Huahui Dianke was owned as to 20% by its limited partner Wang Hansheng (王瀚晟) and 80% by its general partner Wang Lei (王雷), respectively.</p> <p>To the best knowledge of the Company, each of Wang Hansheng and Wang Lei is an Independent Third Party.</p>

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-IPO Investors

Background

Xiangfeng Phase II Xiangfeng Phase II is a limited partnership established under the laws of the PRC on October 9, 2023 and principally engaged in equity investment. As of the Latest Practicable Date, Xiangfeng Phase II was owned as to 69.72% its limited partner Xiamen Xiangfeng Ruihong Equity Investment Partnership Enterprise (Limited Partnership)* (廈門祥峰睿鴻股權投資合夥企業(有限合夥)) (“**Xiangfeng Ruihong**”), being controlled by its general partner, Xiangfeng Jiazi (Xiamen) Private Fund Management Co., Ltd.* (祥峰甲子(廈門)私募基金管理有限公司) (“**Xiangfeng Xiamen**”), which was owned as to 60.02% by Xiangen Equity Investment Management (Shanghai) Company Limited* (祥恩股權投資管理(上海)有限公司), a wholly-owned subsidiary of Vertex China Management (CI) Ltd. being a limited liability company established in Cayman Islands, and 39.98% by Qingfeng (Shanghai) Investment Management Company Limited* (擎峰(上海)投資管理有限公司), which was further owned as to 60.00% by Xu Ying (徐穎) and 40.00% by Xia Zhijin (夏志進), 28.28% by its other four limited partners and 1.00% by its general partner Xiangfeng Rongsheng (Xiamen) Management Consulting Partnership Enterprise* (祥峰榮晟(廈門)管理諮詢合夥企業(有限合夥)), being controlled by its general partner, Xiangfeng Xiamen.

To the best knowledge of the Company, all the above entities and individuals are Independent Third Parties.

Ceyuan Guangyi Ceyuan Guangyi is a limited partnership established under the laws of the PRC on May 19, 2023 and principally engaged in equity investment. As of the Latest Practicable Date, Ceyuan Guangyi was owned as to 45.00% by its limited partner Chengdu High-Tech Ceyuan Investment Group Company Limited* (成都高新策源投資集團有限公司) (“**High-Tech Ceyuan**”), 54.00% by its two limited partners and 1.00% by its general partner Chengdu High-Tech Yixin Investment Management Company Limited* (成都高新壹新投資管理有限公司) (“**High-Tech Yixin**”), respectively. Each of High-Tech Ceyuan and High-Tech Yixin was ultimately owned by Chengdu High-Tech Technology Industry Development Business Cultural and Tourism Bureau* (成都高新技術產業開發區商務文化旅遊局) as of the Latest Practicable Date.

To the best knowledge of the Company, other than High-Tech Ceyuan, no other limited partners of Ceyuan Guangyi held more than one-third of partnership interest therein and all the above entities are Independent Third Parties.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CAPITALIZATION

The table below sets forth the shareholding structure of the Company as of the Latest Practicable Date and the Listing Date (assuming the Over-allotment Option is not exercised):

Name of Shareholder	As of the Latest Practicable Date		Number of Unlisted Shares	As of the Listing Date	
	Number of Shares	Percentage of shareholding		Number of H Shares	Percentage of shareholding
Entities controlled by					
<i>Dr. Gu Jing</i>					
Shenzhen Yishi	36,204,584	9.66%	–	36,204,584	8.46%
Yisheng No. 2	12,636,372	3.37%	–	12,636,372	2.95%
Yisheng No. 1*	23,843,783	6.36%	–	23,843,783	5.57%
Subtotal	48,840,956	13.03%	–	72,684,739	16.99%
Other Shareholding					
<i>Platforms</i>					
Shenzhen Yizhen	15,910,023	4.24%	–	15,910,023	3.72%
Beijing Chengda	1,861,811	0.50%	–	1,861,811	0.44%
<i>Pre-IPO Investors</i>					
HSG	23,718,425	6.33%	–	23,718,425	5.54%
<u>Qiming Venture Partners</u>					
QM119 Limited	21,314,190	5.69%	–	21,314,190	4.98%
Qiming Rongke	3,758,239	1.00%	–	3,758,239	0.88%
Qiming Rongying	2,623,075	0.70%	–	2,623,075	0.61%
Subtotal	27,695,504	7.39%	–	27,695,504	6.47%
Entities controlled by					
<i>Ms. Jia Jing</i>					
Qicheng Zhiyuan	18,343,755	4.89%	–	18,343,755	4.29%
Ningbo Yuhang	14,668,811	3.91%	–	14,668,811	3.43%
Xiamen Zhiyi	6,044,157	1.61%	–	6,044,157	1.41%
Subtotal	39,056,273	10.41%	–	39,056,273	9.13%
<u>Hongtai</u>					
Nanshan Hongtai	17,426,566	4.65%	–	17,426,566	4.07%
Hongtai Zhiyun	2,225,785	0.59%	–	2,225,785	0.52%
Subtotal	19,652,351	5.24%	–	19,652,351	4.59%
Entities controlled by					
<i>Mr. Lei Jun</i>					
Xiaomi Changjiang	15,820,663	4.22%	–	15,820,663	3.70%
Tianjin Jinmi	1,742,655	0.46%	–	1,742,655	0.41%
Subtotal	17,563,318	4.68%	–	17,563,318	4.11%
Hubble Technology	15,820,663	4.22%	–	15,820,663	3.70%
Boe Technology	15,507,357	4.14%	–	15,507,357	3.63%
Qualcomm China	8,870,853	2.37%	–	8,870,853	2.07%
Jiaxing Haiyun	8,697,610	2.32%	–	8,697,610	2.03%
Hefei Tianze	8,632,034	2.30%	–	8,632,034	2.02%
Jichuang Yuyuan	8,537,163	2.28%	–	8,537,163	2.00%

* Upon the Listing, the general partner of Yisheng No. 1 shall be changed from Mr. Han Xu to Dr. Gu Jing. See “History, Development and Corporate Structure — Employee Shareholding Platforms.” As of the Latest Practicable Date, Yisheng No. 1 has completed all the internal procedures (including the general partner making the written decision to change the general partner and the amendment of the partnership agreement) with respect to the change of general partner from Mr. Han Xu to Dr. Gu Jing and Yisheng No. 1 expects to complete all requisite procedures (including the filings with the SAMR authorities) upon the Listing pursuant to applicable laws and regulations in the PRC.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Shareholder	As of the Latest Practicable Date		As of the Listing Date		
	Number of Shares	Percentage of shareholding	Number of Unlisted Shares	Number of H Shares	Percentage of shareholding
Vertex					
Vertex Legacy	7,805,897	2.08%	–	7,805,897	1.82%
Xiangfeng Phase II	4,500,000	1.20%	–	4,500,000	1.05%
Subtotal	12,305,897	3.28%	–	12,305,897	2.88%
CICC					
Xiamen Qilu	7,103,825	1.89%	–	7,103,825	1.66%
CICC Pucheng	2,324,928	0.62%	–	2,324,928	0.54%
Subtotal	9,428,753	2.51%	–	9,428,753	2.20%
China Aviation					
Nanshan Zhonghang	6,805,346	1.82%	–	6,805,346	1.59%
Shenzhen Pingshan	400,168	0.11%	–	400,168	0.09%
Subtotal	7,205,514	1.93%	–	7,205,514	1.68%
White Cloud Valley	6,407,569	1.71%	–	6,407,569	1.50%
Linghui Cornerstone	4,848,488	1.29%	–	4,848,488	1.13%
Hangzhou Kunwei	4,164,147	1.11%	–	4,164,147	0.97%
Shanghai Suishuo	4,125,388	1.10%	–	4,125,388	0.96%
Entities controlled by Wu Andong					
Yueke Xintai No. 25	3,258,109	0.87%	–	3,258,109	0.76%
Yueke Xintai Industry	1,313,762	0.35%	–	1,313,762	0.31%
Subtotal	4,571,871	1.22%	–	4,571,871	1.07%
Haitong New Energy	3,188,193	0.85%	–	3,188,193	0.75%
Guokai Technology	2,791,877	0.74%	–	2,791,877	0.65%
Semiconductor and IC Fund	2,700,000	0.72%	–	2,700,000	0.63%
Wofu Ruixin	2,582,812	0.69%	–	2,582,812	0.60%
Ceyuan Guangyi	2,489,700	0.66%	–	2,489,700	0.58%
Yu Huihui and entities controlled by Yu Huihui					
Shanghai Fuzhishuo	2,412,907	0.64%	–	2,412,907	0.56%
Yu Huihui	616,632	0.16%	–	616,632	0.14%
Subtotal	3,029,539	0.80%	–	3,029,539	0.71%
Bangsheng Yingxin	2,366,646	0.63%	–	2,366,646	0.55%
Houwang Ruilian	2,295,000	0.61%	–	2,295,000	0.54%
State-owned Assets					
Supervision and Administration Commission of Shenzhen Municipality					
Zhicheng Shuzhi	2,181,393	0.58%	–	2,181,393	0.51%
Shenzhen High-Tech Investment	2,181,393	0.58%	–	2,181,393	0.51%
Shengao Investment	1,090,696	0.29%	–	1,090,696	0.25%
Shenzhen High-Tech Fuhai	545,348	0.15%	–	545,348	0.13%
Subtotal	5,998,830	1.60%	–	5,998,830	1.40%
Jiaxing Xihao	1,833,336	0.49%	–	1,833,336	0.43%
Qingyue Optoelectronics	1,742,655	0.46%	–	1,742,655	0.41%
Guangdong Changtuoshi	1,608,605	0.43%	–	1,608,605	0.38%
Wanchuang Shidai	1,562,344	0.42%	–	1,562,344	0.37%
Nanjing Jintai	1,118,664	0.30%	–	1,118,664	0.26%
Yuxin Taojin	900,000	0.24%	–	900,000	0.21%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Shareholder	As of the Latest Practicable Date		As of the Listing Date		
	Number of Shares	Percentage of shareholding	Number of Unlisted Shares	Number of H Shares	Percentage of shareholding
Shenzhen Addition No. 2 . . .	545,348	0.15%	–	545,348	0.13%
Dinghong Growth	450,000	0.12%	–	450,000	0.11%
Huahui Dianke	450,000	0.12%	–	450,000	0.11%
Subtotal	374,919,750	100.00%	–	374,919,750	87.64%
Other public Shareholders	–	–	–	52,859,200	12.36%
Total	374,919,750	100.00%	–	427,778,950	100.00%

PUBLIC FLOAT AND FREE FLOAT

Pursuant to Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules, assuming that the Over-Allotment Option is not exercised, based on the Offer Price of HK\$20.81 per H Share, the market capitalization of our Shares upon the Listing is expected to be HK\$8,902 million and the minimum prescribed public float percentage applicable to our Shares is 15.0%.

So far as the Directors are aware and to the best knowledge of the Directors, following the conversion of the Unlisted Shares into H Shares and upon completion of the Global Offering (assuming that the Over-allotment Option is not exercised), an aggregate of 72,684,739 H Shares held by Shenzhen Yishi, Yisheng No. 1 and Yisheng No. 2, which are expected to be core connected persons (as defined under the Listing Rules) of the Company after the Listing will not be counted towards the public float.

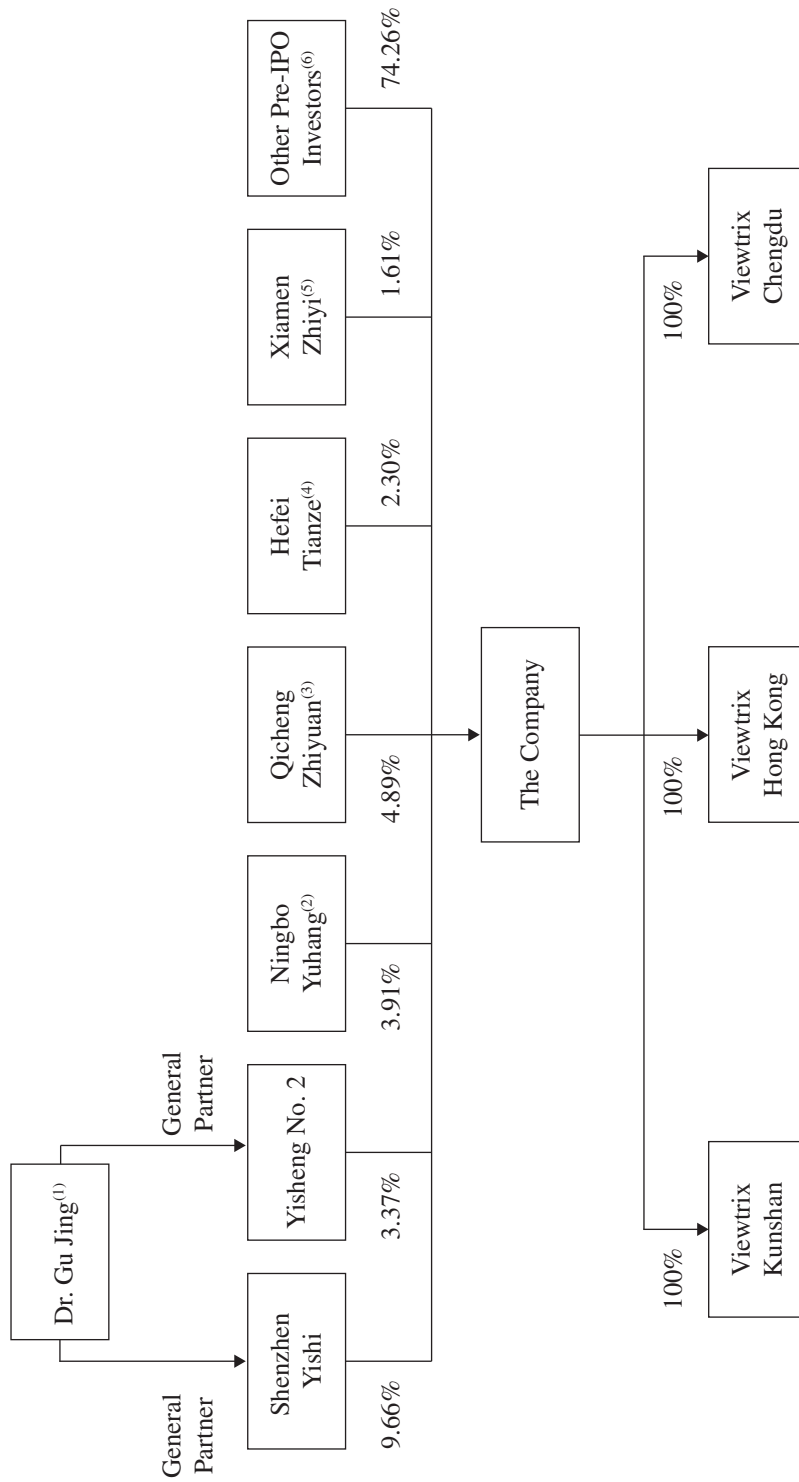
Except as stated above, all the 302,235,011 H Shares held by other Shareholders and the 52,859,200 H Shares to be issued under the Global Offering will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules, representing approximately 83.01% of the enlarged share capital of the Company (assuming that the Over-allotment Option is not exercised) after the Listing, thereby satisfying Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules.

Based on an Offer Price of HK\$20.81 per H Share, the Company will satisfy the free float requirement under Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules.

CORPORATE STRUCTURE

Corporate Structure immediately before the Global Offering

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

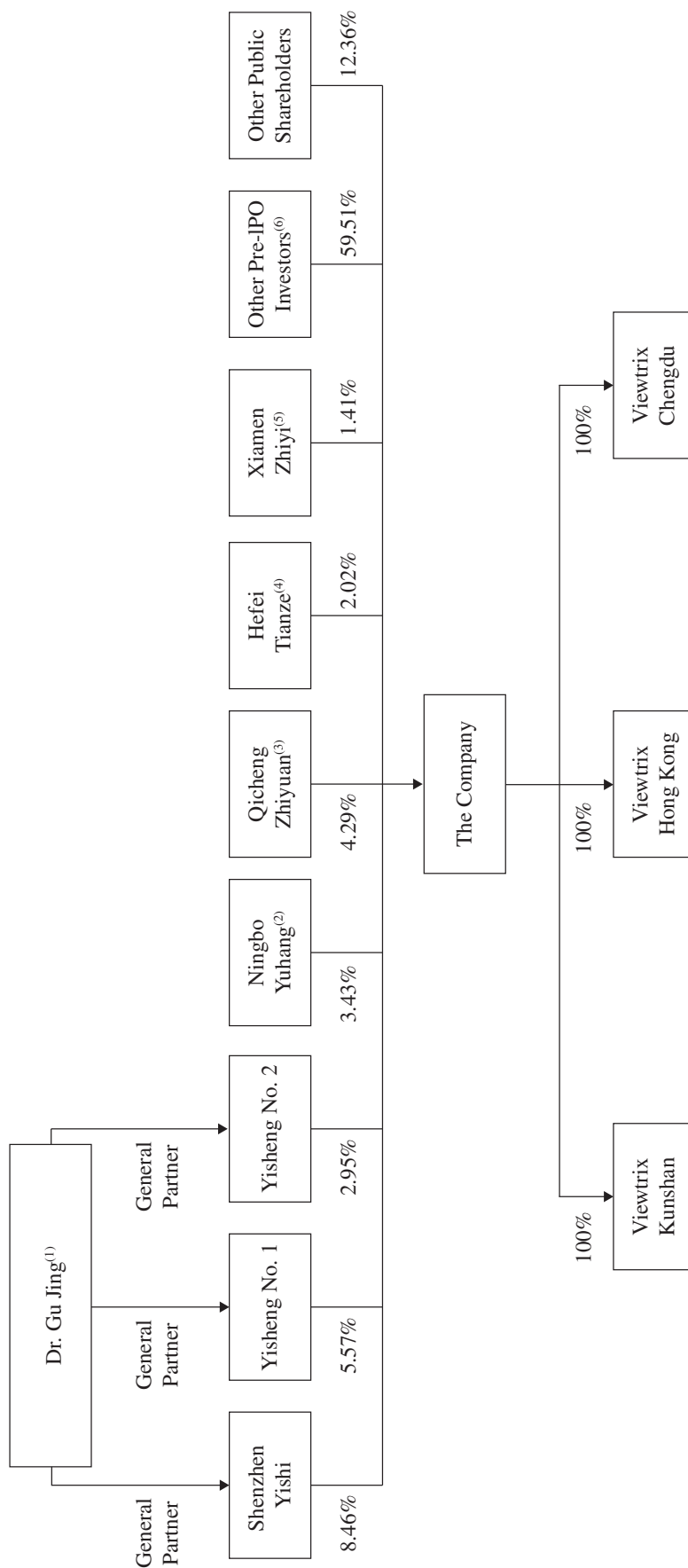


Notes:

- (1) As of the Latest Practicable Date, Dr. Gu Jing was interested as to 1.00% in Shenzhen Yishi as the general partner and as to 6.29% in Yisheng No. 2 as the general partner, respectively.
- (2) As of the Latest Practicable Date, Ningbo Yuhang was owned as to 96.67% by its limited partner, Ms. Jia Kun and 3.33% by its general partner, Ms. Jia Jing. See “Substantial Shareholders.” Ms. Jia Kun is Ms. Jia Jing’s sister. See “— Pre-IPO Investments — Information about the Pre-IPO Investors” for details.
- (3) As of the Latest Practicable Date, Qicheng Zhiyuan was owned as to 99.00% by its limited partner, Ms. Jia Kun and 1.00% by its general partner, Ms. Jia Jing. See “Substantial Shareholders.” Ms. Jia Kun is Ms. Jia Jing’s sister. See “— Pre-IPO Investments — Information about the Pre-IPO Investors” for details.
- (4) As of the Latest Practicable Date, Hefei Tianze was owned as to 54.91% by its limited partner Ningbo Yuhang, 44.64% by its other three limited partners, none of whom owned more than one third of partnership interest therein and 0.45% by its general partner, Ningbo Chencheng Enterprise Management Partnership (Limited Partnership)* (寧波辰承企業管理合夥企業(有限合夥)), which was owned as to 99.00% by its limited partner He Xuan (何璇), Ms. Jia Kun’s daughter, and 1.00% by its general partner, Pei Lei (裴磊), He Xuan’s spouse. See “— Pre-IPO Investments — Information about the Pre-IPO Investors” for details.
- (5) As of the Latest Practicable Date, Xiamen Zhiyi was owned as to 99.00% by its limited partner, Li Xiang and 1.00% by its general partner, Mr. Li Changshun (李長順先生). Ms. Jia Jing and Mr. Li Changshun are spouses. Ms. Jia Jing and Mr. Li Changshun are Li Xiang’s mother and father. See “Substantial Shareholders.”
- (6) As of the Latest Practicable Date, none of these Shareholders hold 10% or more shareholding in the Company. For details, see “— Pre-IPO Investments.”

Corporate Structure immediately after the Global Offering

The following chart sets forth the simplified shareholding and corporate structure of the Group immediately after the completion of the Global Offering (assuming the Over-allotment Option is not exercised):



Notes:

(1) to (6) See “— Corporate Structure immediately before the Global Offering” in this section.

OVERVIEW

Who We Are

We are the fifth-largest supplier, and the largest Chinese mainland-based supplier, in the global smartphone AMOLED DDIC market in terms of sales volume in 2024 according to Frost & Sullivan. Our focus is on delivering reliable and high-performance display driver solutions to consumer electronics brand companies.

We implement the fabless business model, and achieve our well-established position through strategic collaborations with key players in the industry, including foundries, OSAT providers and display panel manufacturers, ultimately enhancing the display experience for end users. We have developed a full stack of proprietary display driver technologies that integrate software and hardware, covering three critical technical aspects: the design of DDICs, the development of driver compensation algorithms and the layout of pixel compensation circuits. We currently offer AMOLED DDICs, which are predominantly utilized in smartphones, as well as Micro-OLED display backplanes/drivers, primarily designed for VR/AR devices.

The advancement and refinement of technology enable us to expand our product matrix and their end uses with optimal cost and efficiency. This in turn allows us to better serve our end-customer brand companies with reliable and high-performance display driver solutions. Specifically:

- **AMOLED DDIC:** AMOLED DDIC is predominantly utilized in smartphones. Our portfolio currently includes more than ten series of AMOLED DDICs, offering diverse options in resolution, refresh rate, and packaging formats, ensuring compatibility with a wide variety of display types. These chips fulfill the varying application requirements of brand companies across different smartphone tiers. Since initiating large-scale shipments to brand companies in 2021, our products have demonstrated consistent stability and reliability over the years, earning the trust of brand companies and contributing positively to their brand image and reputation. According to Frost & Sullivan, we are the fifth-largest supplier, and the largest Chinese mainland-based supplier, in the global smartphone AMOLED DDIC market in terms of sales volume in 2024.

Furthermore, according to Frost & Sullivan, the AMOLED DDIC we sold accounted for over 80.0% of the branded smartphone AMOLED DDICs supplied by Chinese mainland-based providers in 2024. This figure is calculated based on the our global sales volume of branded smartphone AMOLED DDICs as a proportion of the total global sales volume of such products supplied by all Chinese mainland-based providers. The market size of branded smartphones refers to global sales of products from Chinese mainland-based players. In contrast, the overall smartphone market size in Chinese mainland includes sales of products from both mainland and overseas players, but only within Chinese mainland. Branded smartphones refer to smartphones offered by established brands, including both international and domestic brands. These brand companies procure display modules incorporating our AMOLED DDICs from display panel manufacturers and are our downstream customers and represent the majority of the overall smartphone market in Chinese mainland. The overall smartphone market also includes a smaller segment of unbranded or white-label devices, which are typically produced for niche, regional, or low-cost markets and do not carry a recognized brand name.

- **Micro-OLED display backplane/driver:** Micro-OLED display backplane/driver is rapidly advancing as a new frontier in AMOLED DDIC, particularly with the proliferation of general artificial intelligence. Our Micro-OLED display backplanes/drivers are specifically designed for AR/VR head-mounted devices,

BUSINESS

delivering exceptional image quality while minimizing the size. This makes possible the portability and high-definition standards demanded by brand companies, enhancing user experience and facilitating the deployment of VR/AR technologies. According to Frost & Sullivan, we were the first independent provider of Micro-OLED display backplanes/drivers for consumer-grade VR/AR devices. According to the same source, in terms of sales volume in 2024, we are the largest independent Micro-OLED display backplane/driver design house globally, with our sales volume representing 40.7% of the overall market for Micro-OLED display backplane/driver.

After over ten years of progress, we have established ViewTrix as a technology-centric brand within the display sector, consistently focusing on value creation for brand companies. According to Frost & Sullivan, as of December 31, 2024, our AMOLED DDICs have been mass-produced and delivered to various top smartphone companies globally, featuring in over 10 different product series. These smartphone companies collectively hold more than a quarter of the global market share. According to the same source, we are the first company based in Chinese mainland to receive brand company certification for AMOLED DDICs and the only one to have shipped over 10 million units to these companies. Additionally, our total sales volume surpassed 50 million units in 2024. We play a major role in brand companies' supply chain, achieving high downstream customer loyalty. Our share of AMOLED DDIC supplies to the all smartphone brands globally increased from 2.4% in 2022 to 5.7% in 2024.

Our Transformative Opportunities

- **AMOLED panels gaining significant traction.** In comparison to TFT-LCD, AMOLED technology offers benefits such as a slim profile, lightweight design, reduced power usage and enhanced contrast, leading to an anticipated rise in their market penetration. According to Frost & Sullivan, sales volume of small and medium-sized AMOLED panels, particularly for smartphones, will reach 0.9 billion units by 2029, with the penetration rate, in terms of smartphones with AMOLED panel as of total smartphones, increasing from 60.1% in 2024 to 69.9% in 2029. Additionally, as production yields improve and costs decline, the use of large-sized AMOLED panels in devices like tablets, laptops, automotive infotainment displays and televisions is expected to see significant advancements. By 2029, the penetration rate of AMOLED panels in the large-size display market is projected to grow from 4.7% in 2024 to 10.4%. Increasing penetration of AMOLED panels is also expected to propel the demand for AMOLED DDICs, with global sales volume expected to increase at a CAGR of 10.3% from 1.3 billion units in 2024 to 2.1 billion units by 2029.
- **Chinese Mainland becoming the center of the display panel and smartphone sectors.** According to Frost & Sullivan, by 2024, Chinese mainland's AMOLED panel production capacity represented approximately 55.0% of the global production capacity. As production line development accelerates in the region, this share is projected to rise to 60.8% by 2029. Concurrently, the presence and impact of domestic smartphone brands on the international stage are growing. According to Frost & Sullivan, in 2024, sales volume from these brands constituted 52.0% of global smartphone sales volume, with eight out of the top 10 smartphone brands being domestic. By 2029, their shipment share is expected to increase to 60.0%. As the display panel and smartphone industries pivot their centers of gravity, Chinese mainland has emerged as the largest market for DDICs. According to Frost & Sullivan, sales volume of DDICs in Chinese mainland amounted to 4,456.8 million units in 2024, representing 53.9% of global sales volume. The sales volume is expected to increase at a CAGR of 3.8% to reach 5,361.7 million units by 2029, accounting for 60.0% of global sales volume, outpacing the global market growth rate of 1.6%. Throughout this industrial transition, IC design houses based in Chinese mainland are experiencing transformative development opportunities, leveraging their understanding of brand customer needs and localized service strengths.

BUSINESS

- **Ongoing advancement of AI technology.** Vision and display have emerged as the primary mode of HMI for smart devices due to their intuitive nature and high information density. DDICs play a crucial role in display quality and are among the key components of smart devices. As AI technology evolves and entertainment options expand, consumer expectations for display performance, slimness and battery life in smart devices are on the rise, prompting DDICs to evolve towards lower power consumption, compact size, higher resolution and higher refresh rates. Additionally, the surge in smartphone demands driven by AI applications and the emergence of new smart devices like VR/AR head-mounted devices have significantly boosted the demand for DDICs, leading to a growing market. According to Frost & Sullivan, global sales volume of AI-enabled smartphones are projected to increase at a CAGR of 38.7% from 230.0 million units in 2024 to 1.2 billion units by 2029. Similarly, sales volume of VR/AR devices are expected to grow at a CAGR of 103.3% from 8.9 million units in 2024 to 106.4 million units in 2029. Furthermore, the ongoing advancements in DDICs are raising industry entry barriers and furthering the concentration. The market share of the leading five AMOLED DDIC providers was 68.5% in 2024.

Our Financial and Business Performance

Our experience in the industry, combined with our established business ecosystem, has enabled us to achieve operational efficiency and a significant scale of operations:

- The sales volume of our AMOLED DDICs increased from 32.3 million units in 2023 to 51.4 million units in 2024 and 52.6 million units in 2025. Our revenue increased from RMB720.4 million in 2023 to RMB891.3 million in 2024 and RMB1,105.7 million in 2025.
- Our business continued to scale up, and we have experienced improved economies of scale advantages during the Track Record Period. Our administrative expenses and selling and distribution expenses, as a percentage of revenue, decreased from 13.1% in 2024 to 11.6% in 2025.
- Our scalable technology platform facilitates efficient and rapid execution of product research and development. We have developed numeric series of AMOLED DDICs and Micro-OLED display backplanes/drivers. During the Track Record Period, we made substantial investments in R&D, with our R&D expenses increasing at a CAGR of 22.6% from 2023 to 2025. From January 1, 2023 to December 31, 2025, our cumulative R&D expenses amounted to RMB685.3 million, accounting for 25.2% of our total revenue over the same period. As a result of such efforts, we introduced seven new product series during the Track Record Period. Our current product pipeline includes essential display chips, such as AMOLED TDDI chips and Micro-LED display backplanes/drivers. Micro-LED display backplanes/drivers are similar to Micro-OLED display backplanes/drivers, with the display technology being the difference. LED pixels, instead of OLED pixels in the case of Micro-OLED display backplanes/drivers, are placed on to the silicon wafers with our display driver circuit. Due to its longer durability and higher efficiency, Micro-LED display backplanes/drivers are suitable for applications such as commercial displays, AR/VR headsets, and automotive displays. We plan to broaden the applications of our products from smartphones and VR/AR devices to smart wearables, televisions, tablets and automotive displays to drive our future revenue expansion.

OUR COMPETITIVE STRENGTHS

Well-established position in a high-barrier industry

We are fabless design house focusing on AMOLED DDIC. Our commitment to technological innovation over the past decade enables us to achieve product commercialization across various application scenarios, thereby establishing a technology-centric brand.

- **High-barrier industry.** The AMOLED DDIC market can be divided into the pre-installed brand market and the post-installed non-brand repair market. According to Frost & Sullivan, the brand segment has consistently represented over 96.0% of the DDIC market share. The display panel serves as the primary interface between smart devices and users, making it vital for maintaining brand reputation. This makes DDIC a critical component for smart devices. To optimize display performance and ensure uniform product quality, brand companies typically engage only a limited number of DDIC suppliers. Due to the significant costs associated with certification, brand companies are generally reluctant to switch suppliers once they have made their selections. Additionally, the DDIC sector is characterized by rapid product development and short iteration cycles. These, coupled with diverse customer demands and pronounced technical barriers, create substantial entry barriers for the industry. According to Frost & Sullivan, the primary suppliers of AMOLED DDICs for brand companies include us and a select few companies based in South Korea and Taiwan, China. New entrants encounter obstacles due to the very long certification cycles of brand companies, as well as patent technology restrictions imposed by established players and considerable investment requirements. Our DDICs have been mass-produced for leading brand companies, giving us a strong market position and significant first-mover advantages. Our stable partnerships with display panel manufacturers and downstream brand companies form a robust foundation for our business growth. We are deeply committed to addressing the needs of brand companies, leveraging our proprietary technology platforms and high-quality global supply chain resources, ultimately transforming our long-standing customer relationships into a driving force for our future growth.
- **Comprehensive portfolio of high-performance products.** Through years of technological development, we have established a product portfolio encompassing nearly 20 series of AMOLED DDICs and Micro-OLED display backplanes/drivers. These products cater to a variety of resolutions, refresh rates and mainstream packaging types, making them compatible with numerous display types. The performance metrics of our DDICs have achieved a high standard, characterized by attributes such as high resolution, high refresh rates, low power consumption and rapid response time. Additionally, DDICs can be customized to meet the screen specifications of the brand companies, ensuring outstanding display quality across different smart devices. Meanwhile, we have created a suite of driving compensation algorithms tailored to the attributes of AMOLED display materials, which enhance the performance of AMOLED panels in various complex application scenarios, boost the yield of display modules, establish unique competitive advantages and increase brand companies' recognition of our offerings. Other than with a firm commitment to delivering a comprehensive range of DDICs suitable for diverse applications, we are also developing other critical display chips, including AMOLED TDDI chips and Micro-LED display backplanes/drivers. Beyond the initial focus on smartphones and VR/AR devices, our product applications are progressively extending to smart wearables, televisions, laptops and infotainment displays, with significant potential for market expansion.
- **Consistent outperformance in a growing market.** With our extensive portfolio of high-performance products, we have established solid foothold in the high-barrier AMOLED DDIC market. According to Frost & Sullivan, from 2020 to 2024, the

BUSINESS

AMOLED DDIC market in Chinese mainland experienced robust growth, with sales volume increasing at a CAGR of 27.6% from approximately 180.0 million units in 2020 to 477.7 million units in 2024. We outperformed this growing market with the sales volume of our AMOLED DDICs increased at a CAGR of 71.3% from 14.1 million units in 2022 to 51.4 million units in 2024. Our performance underscores our ability to capture market opportunities in this high-barrier industry and deliver value to our end-customers.

Our large and stable downstream customer base

We strategically focus on the pre-installed brand market for AMOLED DDICs. Through long-term partnerships with display panel manufacturers and brand companies, we have gained extensive experience and have continuously iterated our proprietary technology platform. This enables us to swiftly adapt our products and innovate new solutions in response to client requirements. We offer comprehensive turnkey display driver solutions, which significantly enhance customer satisfaction and recognition. As a result, we have built a substantial and stable base of downstream customers, which provides us with clear first-mover advantages in a high-barrier industry.

- **Large downstream customer base of brand companies.** Pre-installed brand market for AMOLED DDICs is our strategic focus. According to Frost & Sullivan, we were the first AMOLED DDIC design house based in Chinese mainland to achieve brand customer certification, and the only design house to have surpassed cumulative sales volume of 10 million units to downstream brand customers. Our total sales volume surpassed 50 million units in 2024. Our AMOLED DDICs have successfully been integrated into the supply chains of all major domestic AMOLED panel manufacturers. These DDICs are incorporated into AMOLED display modules, which are subsequently supplied to various top smartphone brands globally, collectively hold more than a quarter of the global market share. In addition, we have established a reliable partnership with leading Micro-OLED display panel manufacturers, such as a private Chinese company specializing in the R&D and production of AMOLED-on-silicon displays, positioning ourselves as the primary supplier of Micro-OLED display backplanes/drivers for these manufacturers.
- **High-stickiness through in-depth cooperation.** We play a major role in the supply chains of brand companies, resulting in customer loyalty. According to Frost & Sullivan, as of December 31, 2024, our AMOLED DDICs were incorporated into over 10 product series of smartphone brand companies, where we serve as the primary or exclusive supplier. Our share of AMOLED DDIC supplies to the all smartphone brands globally increased from 2.4% in 2022 to 5.7% in 2024. Concurrently, we actively participate in the product definition and development processes alongside display panel manufacturers and brand companies, successfully collaborating on the creation of numerous AMOLED panels and Micro-OLED products, thereby establishing a highly engaged and quality-focused customer base.

Stable and mutually beneficial supply chain system

We run on the fabless model and have established strategic partnerships with key players in the industrial ecosystem, including foundries and OSAT providers, to collaboratively develop a robust and diversified supply chain. Our focus lies in delivering reliable and high-performance display driver solutions to brand companies. We strive to advance the innovative evolution of AMOLED DDIC design technology, enhance the adoption rate of AMOLED panels across global smart devices, ultimately fostering mutually beneficial outcomes for the entire industry value chain. This approach not only broadens our international presence but also gives end users an exceptional display experience.

BUSINESS

- **Stable and reliable industry partners.** The display sector is characterized by its conservative nature, necessitating substantial initial investments and extended investment cycles across both upstream and downstream players in the industry value chain. DDIC design houses typically establish robust alliances with other players along the industry value chain. Specifically, we have cultivated enduring and stable partnerships with prominent foundries and OSAT companies, such as Taiwan Semiconductor Manufacturing Co., Ltd. (“TSMC”) and Chipbond Technology Corporation (“Chipbond”), maintaining collaboration with key suppliers for nearly a decade. Our market position in the pre-installed brand market for AMOLED DDICs makes us a significant client for numerous foundries and OSAT providers, thereby guaranteeing capacity allocation and stable supply.
- **Diversified supply chain planning.** As we expand our business operations rapidly, we are also strategically diversifying our supply chain. We assess a minimum of two foundries for each process node, while typically seek and evaluate three or more OSAT providers for identical technologies. Starting in 2025, we have strengthened our partnerships with domestic foundries, allowing us to allocate resources flexibly in response to prevailing supply and demand dynamics. This strategy mitigates supply chain risks associated with trade frictions and geopolitical tensions. Additionally, diversifying our supplier base enables us to optimize procurement costs and enhance our profitability.
- **Mutually beneficial and win-win cooperation.** With extensive experience in the industry, we have allied with our suppliers to leverage each other’s capabilities. Through comprehensive collaboration—encompassing the exchange of industry insights, technical issue discussions and joint development of processes—we have facilitated innovation in critical fabrication and packaging and testing techniques within the upstream segment of the DDIC sector. In addition, our substantial expertise in collaborating with brand companies enables us to integrate more domestic supply chain partners into the supply chain of brand companies. This in-depth cooperation with our suppliers has cultivated a robust industrial ecosystem, bolstered the development and expansion of the domestic supply chain and advanced the display industry, fostering a sustainable growth of domestic supply chain. Concurrently, it can enhance our product performance, lower production costs and accelerate our time-to-market as well as the new product research and development.

Proprietary AMOLED DDIC technologies

We have built a full stack of proprietary display driver technologies. Over the course of more than a decade, we have consistently pursued technological advancements, which positions us well to commercialize our innovations.

According to Frost & Sullivan, we have achieved breakthroughs in many display driver technology fields, leading the industry in display driver technology. In particular, we have developed technologies to achieve various desirable features for AMOLED DDICs:

- **Better image quality.** We have created and engineered a range of algorithms and circuits for drive compensation. By implementing external compensation, we have addressed prevalent issues in AMOLED panels, such as inconsistent brightness, color inaccuracies and image persistence, significantly enhancing both the display quality and the production yield of display modules. We boast extensive algorithmic technology among DDIC providers based in Chinese mainland.

BUSINESS

- **Lower power consumption.** We developed novel dynamic voltage regulation algorithm tailored to the adaptive refresh rate required for displays of AI-enabled smartphones and achieving large-scale production and shipment for brand companies. The algorithm enhances power efficiency for the screen.

Applying these core technologies, we were able to roll out many industry-firsts:

- **LTPO DDIC: better image quality with lower power consumption.** We developed LTPO DDICs and achieving large-scale production and shipment for brand companies. These chips enable a dynamic refresh rate ranging from 1 to 120Hz, greatly enhancing the quality of moving images while also lowering the power consumption for static displays.
- **High resolution Real-RGB AMOLED DDICs: better image quality and lower power consumption.** We developed high-resolution Real-RGB AMOLED DDICs and achieving certification by brand company. The innovative design enhances the clarity of displays while markedly decreases the power consumption of smartphone AMOLED display modules.
- **RAM-less AMOLED DDICs: lower cost.** According to Frost & Sullivan, we were the first in Chinese mainland in developing RAM-less AMOLED DDICs and achieving large-scale production and shipment for brand companies. This innovative design significantly lowers chip costs while maintaining high display quality, facilitating the widespread adoption of AMOLED display panels in mid-range and budget smartphones.

We have innovatively adapted and repurposed our expertise gained from the R&D of AMOLED DDICs for Micro-OLED display backplanes/drivers and successfully achieved the following industry-firsts according to Frost & Sullivan:

- According to Frost & Sullivan, we were the first independent provider of Micro-OLED display backplanes/drivers for consumer-grade VR/AR devices, and the leading Micro-OLED display backplane/driver design house globally in terms of sales volume in 2024. As an independent provider, we are not affiliated with any particular brand and are able to supply multiple device makers, whereas captive providers typically serve only their own affiliated or in-house brands.
- According to Frost & Sullivan, we were the first globally to launch Micro-OLED display backplanes/drivers that deliver ultra-high resolution and ultra-high luminous frequency. This innovation enhances visual clarity while significantly mitigating the eye strain associated with display flicker. It serves as the primary display solution for premium VR devices.

Owing to the technological advantages and established commercialization capabilities we have developed in the display driver sector, we plan to capitalize on our position to enhance the display experience of smart devices in the AI era and drive our future growth.

Comprehensive FAE teams in the world's largest display industry market

According to Frost & Sullivan, Chinese mainland is currently the world's largest market for display and consumer electronics, with the largest number of brand companies in the world. Meanwhile, the emergence of domestic display panel manufacturers makes Chinese mainland the central hub for global display panel manufacturing. According to Frost & Sullivan, in 2024, Chinese mainland's production capacity for AMOLED panels represented approximately 55.0% of the global production capacity, and is expected to increase to approximately 60.8% in 2029. As the display panel and smartphone industries pivot their centers of gravity, Chinese mainland has

emerged as the largest market for DDICs. As the leading AMOLED DDIC provider in this thriving market, we expect our understanding of brand companies' requirements and the advantages of localized service to capture the significant growth opportunities presented by the changing industry landscape.

- **Deep root in the world's largest display industry market.** Rooted in Chinese mainland, we continue to deepen our presence in this largest display industry market. We have forged strong strategic relationships with all major domestic display panel manufacturers. This local advantage allows us to maintain close relationships with brand companies, stay abreast to market and technological advancements, understand the needs of brand companies, and respond promptly. These grant us a pivotal role in Chinese mainland's display driver industry chain. Additionally, we share mutual recognition with display panel manufacturers and brand companies based in Chinese mainland regarding corporate culture, market philosophies and after-sales support, facilitating smooth and effective business collaborations that are interdependent and mutually beneficial. As we enhance our competitive edge through these partnerships, we simultaneously contribute to the overall growth of both the upstream and downstream segments of the industry chain and the development of the industrial ecosystem.
- **Extensive FAE teams.** We have established strong FAE teams for our different product lines. As of December 31, 2025, we had 37 FAE staff members located in major cities including Beijing, Shanghai, Shenzhen, Chengdu, Chongqing, Wuhan, Kunming and Xiamen. Our FAE team collaborates closely with the sales department to monitor product usage at client locations, address application and adaptation challenges, and fulfill customer requests within a 24-hour timeframe. Such collaboration enhances our understanding of customer needs and market dynamics, thereby elevating the quality of our services. This in turn expedite the accumulation of experience with our display driver technology. Furthermore, the FAE team systematically gathers and analyzes issues encountered during customer evaluations, enabling us to implement targeted enhancements to our DDICs. This process ensures that our design specifications align with customer requirements, thereby facilitating rapid product development and technological advancement.

Professional management team with a diverse and creative talent pool

Our leadership team collaborates closely and possesses extensive experience in the industry, complemented by a global perspective. Dr. Gu Jing, our Chairman, is a technical expert in DDIC. He boasts academic credentials and practical expertise, having earned both his bachelor's and master's degrees from Tsinghua University, as well as a Ph.D. degree in engineering and applied sciences from Harvard University. With his market acumen and strategic outlook, Dr. Gu, alongside the management team, has adeptly guided us to capitalize on the transition of the panel and display sector in Chinese mainland. They have devised our technical strategy, laying the groundwork for our emergence as a major player in the global DDIC market. The core management team averages over 25 years of industry experience and hails from several renowned IC design houses, providing them with insights into the evolving trends of the global display industry and the needs of our customers.

We prioritize a talent-centric approach, focusing on the recruitment of top-tier professionals. By implementing a robust framework for talent development, motivation and advancement, we have cultivated a dynamic and innovative team with varied professional expertise. Our R&D and technical team comprises veterans from a range of disciplines including electronic information engineering, microelectronics, materials science, computer science and optics. As of December 31, 2025, our R&D and technical team constitutes 69.4% of our workforce, with 59.2% holding a master's degree or higher. Characterized by youth and creativity, our R&D and technical team has an average age of 37.6 and boasts over 15 years of industry experience, which significantly enhances our capacity for technological advancement and product development.

OUR GROWTH STRATEGIES

We plan to implement the following strategies to consolidate our position in the display driver chip industry:

Continue to increase R&D investment to promote technological innovation and iteration

We plan to continue to invest in the R&D of AMOLED DDICs and Micro-OLED display backplanes/drivers, promote iteration and innovation of display technology, and maintain our technological edge. In particular, we plan to continue to iterate existing products and technologies towards higher performance, lower power consumption, lower cost, higher integration and AI optimization, and provide brand companies with better and more efficient display driver solutions.

Build a multi-dimensional product matrix covering diversified products and end-applications

We aim to focus on the needs of downstream customers and industry development trends, continuously optimize and enrich our product structure, and strive to meet the diverse needs of various end-applications. In particular:

- We plan to further expand our product categories by developing additional types of display chip products such as AMOLED TDDI chips, Micro-LED display backplanes/drivers, ultimately building a diversified product matrix.
- Beyond smartphones and VR/AR devices, we strive to extend the end-applications of our products to smart wearables, TVs, laptops, infotainment displays and others.

Deepen cooperation with upstream and downstream players to form an industrial alliance

We aim to further strengthen our cooperation with upstream and downstream industry players, further integrate resources, enhance the synergy of the industry chain, strengthen market competitiveness, and promote the innovation and development of display driver technology. In particular:

- We plan to further fortify long-term and stable strategic partnerships with world-renowned foundries, OSAT providers and display panel manufacturers to ensure stable supply and promote quality assurance. We also plan to work with these ecological partners to optimize processes and improve product yield and performance;
- We will deepen cooperation with renowned smartphone brands, VR/AR device brands and, automobile brands, complete product definition with customers, collaborate to launch terminal products with excellent display effects, improve user experience, and promote product implementation.

Continue to attract top global talents and teams

We aim to further cultivate and construct a team of world-class talent from all over the world, drive innovative development and deepen our competitive edge. We plan to continue our investment in talent accumulation and explore additional recruiting channels. Meanwhile, we aim to constantly incentivize our talent pool to solidify our technological strength and drive innovation.

- **Recruitment:** We plan to establish long-term school-enterprise cooperation with universities at home and abroad, continue to carry out talent reserve plans, and attract more outstanding talents to join us through flexible and diverse methods;

BUSINESS

- **Cultivation:** We plan to optimize our strategic talent cultivation mechanism and establish a differentiated vocational training system based on job characteristics to strengthen key talent cultivation in various fields;
- **Incentive:** We plan to optimize our performance evaluation system, promotion and incentive mechanism to encourage employees to continuously create value and innovate.

OUR BUSINESS MODEL

We started to focus on the R&D and design of AMOLED DDIC in 2017, with an eye on the strong potential of the then next generation display technology for consumer electronics and we commenced our AMOLED DDIC business in 2018, after our AMOLED DDICs had completed testing and entered mass production. We successfully mass produced and supplied our AMOLED DDICs to one of China's largest AMOLED panel manufacturers in 2021, who then supplied the laminated AMOLED display modules for smartphones offered by a leading domestic brand company. According to Frost & Sullivan, this makes us the first AMOLED DDIC company based in Chinese mainland to supply to a major consumer electronics brand company, and we have since grown to be the fifth-largest supplier, and the largest Chinese mainland-based supplier, in the global smartphone AMOLED DDIC market in terms of sales volume in 2024. We run a fabless model, meaning that we focus on the R&D and design of chips, while relying on third-party foundries to fabricate the wafers we design and OSAT providers for the packaging and testing of our chips.

The consumer electronics industry has a complex value chain. Brand companies typically rely on external suppliers for components, functional modules and FATP. Currently, AMOLED display panel is a key component and mainstream option for smartphones thanks to its performance. As brand companies these days typically adopt a modularized design approach, the AMOLED display panel is laminated with a DDIC to form a display module first, and then laminated with a touch module and cover glass before being shipped to FATP service providers to form the final product. Against this backdrop, though the end applications of our AMOLED DDICs are smartphones, our DDICs are first sold to AMOLED panel manufacturers to be laminated with the AMOLED panels.

In view of the complex value chain, brand companies also impose strict control and selection procedures for their supply chain and tend to work exclusively with innovative and/or reputable direct and indirect suppliers to ensure product quality and enable them to offer new and desirable features, ultimately protecting and promoting their brand. Quality and performance of AMOLED DDICs and display modules therefore matter much more for brand companies than price. As such, to get into the supply chain of any reputable brand companies, we must cooperate with foundries, OSAT providers and AMOLED panel manufacturers, which can satisfy the quality requirement of these brand companies. In particular, as the display module serves as both the input and output channels for a smartphone, brand companies typically have no tolerance for any quality issue, and we were required to pass the stringent certification process by both the AMOLED panel manufacturers and brand companies. This is the primary reason for us to start our journey as an AMOLED DDIC supplier for brand companies with leading players in fields such as AMOLED panel and foundry service and to maintain a long-term strategic relationship with these leading industry players. As a result of the stringent certification requirements by both the display panel manufacturers and brand companies, and the fact that there are only five major AMOLED display panel manufacturers in Chinese mainland, the entry barrier of DDIC companies is high, and AMOLED DDIC suppliers are highly concentrated, with each AMOLED DDIC supplier supplying high volumes of products to the display panel manufacturers.

The key for us to enter into the supply chain of reputable brand companies, however, is our ability to deliver solutions with satisfactory performance and quality. Dr. Gu, our Chairman, who has had years of industry experience and obtained more than 50 patents, led our R&D effort in developing AMOLED DDICs before the widespread deployment of AMOLED display panel for consumer electronics. The AMOLED DDIC market in Chinese mainland used to be dominated by Taiwanese and Korean companies, and foreign countries currently do not impose any significant

BUSINESS

export control on AMOLED DDICs to Chinese mainland. Therefore, brand companies in Chinese mainland can freely choose to use AMOLED DDICs supplied by the incumbent players from Taiwan, China and South Korea. Concern about qualities due to the pivotal role played by the display module in a smartphone further disincentivizes the brand companies to try out new players in the market. As such, we believe that our successful entrance into the supply chain of reputable brand companies is the strongest testament of the reliable quality of our products and our technological prowess.

OUR PRODUCTS

DDIC is a core device in an electronic device that interfaces with the processing unit and the display panel by converting the digital commands into visible image on the display panel. A DDIC accepts commands and data from the processing unit and generates signal with suitable voltage, current, timing and demultiplexing to make the display show the desired image.

Underpinned by our proprietary algorithms, our AMOLED DDICs enhance the image quality, resolution and responding speed, and reduce electromagnetic interference and power consumption of the display panel, ultimately resulting in high integration of the display panel with and high performance of the electronic device. Key algorithms and functions to support these features include: (i) Demura, also known as automated visual inspection and correction, that adjusts the luminance and/or chromaticity of each AMOLED pixel to produce displays with an entirely uniform appearance, (ii) autonomous color management, (iii) IRC, or color uniformity compensation, (iv) SPR, or subpixel rendering technology, (v) BC, or brightness control, (vi) TC, or color temperature adjustment, and (vii) GRAM, or graphic RAM, that stores image data for fast access and manipulation of graphics on the display.

Leveraging our core strengths in algorithms and designing DDIC, we expanded our business into Micro-OLED and started to offer Micro-OLED display backplanes/drivers in 2018.

We currently offer two categories of products: (i) AMOLED DDICs, primarily used for smartphones; and (ii) Micro-OLED display backplanes/drivers, primarily used for AR/VR enabled head-mounted devices.

	Year Ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in thousands, except for percentages)</i>					
AMOLED DDICs	601,437	83.5	816,033	91.6	802,338	72.6
Micro-OLED display backplanes/drivers	118,833	16.5	75,039	8.4	295,650	26.7
Others ⁽¹⁾	134	0.0	232	0.0	7,671	0.7
Total	720,404	100.0	891,304	100.0	1,105,659	100.0

Note:

- (1) Primarily consisting of revenue from sales of board cards and customized development and technology licensing services related to AMOLED DDICs upon demand of our customers. Such services include compensation algorithm IP licensing and board card sales, to enhance display performance.

AMOLED DDICs

We currently offer a variety of AMOLED DDICs to be used for smartphones of different specifications. Our AMOLED DDICs can be customized to suit a particular smartphone model or designed to meet the technical specifications of several mainstream smartphone models. These both

BUSINESS

require us to work closely with display panel manufacturers and brand companies in the R&D process. To a lesser extent, we also design and develop general usage AMOLED DDICs for the aftersales maintenance and repair market.

Premium

We are the exclusive or primary supplier of AMOLED DDICs for the flagship smartphone models of several leading brand companies. Our latest development is dual RAM AMOLED chip. With its parallel processing capabilities, efficient conflict resolution mechanisms and flexible application scenarios, this dual RAM chip demonstrates unique advantages in multi-processor systems and environments that require high-speed data exchange.

Mass market

RAM-less AMOLED DDIC, with its simple structure and low cost, is suitable for most basic storage needs of DDIC. Our RAM-less AMOLED DDIC targets the mass market, offering cost-effective solutions for standard applications.

Micro-OLED display backplanes/drivers

Micro-OLED is an emerging type of AMOLED display technology, whereby the OLED pixels are placed on to silicon wafers and either integrated with the display driver circuit or laminated with a separate display driver circuit, instead of a low temperature polycrystalline silicon glass to form the display panel. Micro-OLED technology allows exponentially more pixels to be fitted into a smaller space. These features make Micro-OLED display backplanes/drivers particularly suitable for end applications with significant size and weight constraints such as AR/VR enabled head-mounted devices. Currently, apart from Sony, which designs its own Micro-OLED display backplanes/drivers for use in its products, we are the largest independent supplier of Micro-OLED display backplanes/drivers in terms of sales volume in 2024.

Our Micro-OLED display backplanes/drivers are silicon wafers that integrate the display driver circuit we design and fabricated by the foundries we work with. Our Micro-OLED display backplanes/drivers are sold to OLED display panel manufacturers for OLED processing and packaging to form the display modules that can be sold to brand companies for their final products. Our Micro-OLED display backplanes/drivers are designed to meet the technical specifications required by the display panel manufacturers.

Our Micro-OLED display backplanes/drivers offer customized special pixel arrangements and algorithm processing and feature high-speed interface and additional characteristics such as temperature compensation and voltage compensation, which are built in to improve image quality and reduce power consumption. Our Micro-OLED display backplanes/drivers can achieve a pixel density of 5,644 ppi, which is the highest in the industry.

Seasonality

Demand for and sales of our products follow the same seasonality pattern as sales of the end products that feature our DDICs. As a result, we typically experience higher sales in the second half of the year due to the new product launch cycles of smartphones and increased shopping activities during the holiday season. See “Risk Factors — Risks Relating to Our Business Operations — Our Sales May Be Influenced by Seasonality” for risks associated with the seasonality of our sales.

Product Pricing

We generally determine the price of our products based on the costs of developing and manufacturing such products. We also consider various other factors when pricing our products, such as our relationship with the customer, complexity of the product in terms of design, size of the order, our expected profit margin and competition. For our sales to our distributors, the pricing is also closely linked to the credit period. See “— Sales and Marketing — Our Distributors” for further details.

BUSINESS

RESEARCH AND DEVELOPMENT

Research and development are critical to maintaining our industry position and to the sustained growth of our business by ensuring that we can continue to meet the evolving needs of the brand companies. According to Frost & Sullivan, we are the first company in Chinese mainland with the technological capabilities to develop and design AMOLED DDICs and Micro-OLED display backplanes/drivers, including algorithm optimization, standard cell optimization, low power consumption, advanced chip packaging technology, system level power supply and heat dissipation technology. We are devoted to in-house research and development of core technologies.

Our R&D approach

Given the highly customized nature of our products, our R&D are primarily done in cooperation with our customers for specific projects according to the customers' requirements and end product designs. The cooperation starts at the beginning of the product cycle of the end products, and we work with them closely to design and develop customized products pursuant to their specifications and the design of the end products. Separately, we also pursue R&D projects that can broaden the horizon of our business and expand our product offerings.

We are a fabless IC design house and typically develop our products together with display panel manufacturers and brand companies. Typically, brand companies come up with their technical requirements, and we have the flexibility in designing the chips that meet their requirements. Display panel manufacturers may also have certain requirements to ensure our products work seamlessly with the display panels. Time-to-market is critical in our industry as upstream suppliers need to follow the product launch cycle of the brand companies.

R&D team and expenses

As of December 31, 2025, we had over 171 experienced research and development personnel with an average industry experience of over 15 years. In 2023, 2024 and 2025, our research and development expenses amounted to RMB177.0 million, RMB242.2 million and RMB266.0 million, representing 24.6%, 27.2% and 24.1% of our total revenue in the respective years. Our research and development expenses are generally expensed rather than capitalized.

SALES AND MARKETING

We believe that consistently delivering high-quality products on time that meet and exceed our downstream customers' expectations is the most efficient sales and marketing approach for us. As such, our sales and marketing activities are focused on maintaining and expanding the scope of our strategic relationships with our downstream customers since we aim to become and remain the strategic long-term partner of our downstream customers. Our sales team also actively involve in our product R&D process to ensure we can deliver satisfactory products to our direct and downstream customers.

In addition to maintaining and strengthening relationships with our existing customers, our sales team also proactively explore new partnerships with potential customers, especially as we expand our product offering.

Our Customers

Our downstream customers mainly include display panel manufacturers and brand companies in the consumer electronics industry. During the Track Record Period, our product sales models consisted of: (1) direct sales to panel manufacturers, who laminate our AMOLED DDICs with the AMOLED displays to form display modules that are further assembled into smartphones by FATP service providers engaged by brand companies; (2) indirect sales to panel manufacturers through distributors for the purpose of a shorter cash collection cycle and better capital management; (3) a small portion of products directly sold to certain brand customers. During the Track Record Period, to the best of our knowledge, our products are sold (directly and indirectly) to seven display panel manufacturers.

BUSINESS

Top Five Customers

In 2023, 2024 and 2025, sales to our five largest customers in each year during the Track Record Period amounted to RMB655.0 million, RMB804.3 million and RMB1,002.8 million, accounting for 91.0%, 90.2% and 90.7% of our total sales in the respective years. In 2023, 2024 and 2025, sales to our largest customer in each year during the Track Record Period amounted to RMB347.5 million, RMB482.6 million and RMB375.8 million, accounting for 48.2%, 54.1% and 34.0% of our total sales in the respective years. During the Track Record Period, to the best knowledge of our Directors, none of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) had any interest in our five largest customers in any period during the Track Record Period that are required to be disclosed under the Listing Rules.

The following tables set forth certain information relating to our top five customers for each of the year during the Track Record Period.

For the year ended December 31, 2023

Customer	Transaction amount <i>(in RMB thousands)</i>	Percentage of sales	Years of business relationship	Customer Type	Background
1 . . Customer D	347,464	48.2%	3	Distributor	A company publicly listed in China that specializes in the production of optoelectronic devices, including backlight and display modules
2 . . Customer E	138,812	19.3%	2	Distributor	A company publicly listed in China that provides electronic components, including display modules
3 . . Customer B	112,190	15.6%	6	Display panel manufacturers	A private Chinese company specializing in the R&D and production of display panels
4 . . Customer A	36,698	5.1%	7	Display panel manufacturers	A company publicly listed in China that specializes in the R&D and manufacturing of AMOLED and Micro-OLED display products
5 . . Customer F	19,841	2.8%	2	Distributor	A distributor of ours that specializes in the distribution of products with advanced network telecommunications integration technologies

For the year ended December 31, 2024

Customer	Transaction amount <i>(in RMB thousands)</i>	Percentage of sales	Years of business relationship	Customer Type	Background
1 . . Customer F	482,624	54.1%	2	Distributor	A distributor of ours that specializes in the distribution of products with advanced network telecommunications integration technologies
2 . . Customer E	174,042	19.5%	2	Distributor	A company publicly listed in China that provides electronic components, including display modules

BUSINESS

Customer	Transaction amount	Percentage of sales	Years of business relationship	Customer Type	Background
<i>(in RMB thousands)</i>					
3 . . BOE Technology Group Co., Ltd.	62,043	7.0%	7	Display panel manufacturers	A company publicly listed in China specializing in production of display panels
4 . . Customer A	48,223	5.4%	7	Display panel manufacturers	A company publicly listed in China that specializes in the R&D and manufacturing of AMOLED and Micro-OLED display products
5 . . Customer C	37,417	4.2%	6	Display panel manufacturers	An AMOLED semiconductor display manufacturer that is publicly listed in China

For the year ended December 31, 2025

Customer	Transaction amount	Percentage of sales	Years of business relationship	Customer Type	Background
<i>(in RMB thousands)</i>					
1 . . Customer F	375,769	34.0%	2	Distributor	A distributor of ours that specializes in the distribution of products with advanced network telecommunications integration technologies
2 . . Customer G	360,438	32.6%	2	Distributor	A distributor of ours that specializes in the distribution of products with advanced network telecommunications integration technologies
3 . . Customer H	94,635	8.6%	1	Brand companies	A company publicly listed in China offering mobile phone and accessory sales as well as electronic product supply chain services
4 . . BOE Technology Group Co., Ltd.	87,569	7.9%	7	Display panel manufacturers	A company publicly listed in China specializing in production of display panels
5 . . Customer A	84,365	7.6%	7	Display panel manufacturers	A company publicly listed in China that specializes in the R&D and manufacturing of AMOLED and Micro-OLED display products

Design Wins with Leading Brand Companies

A “design win” refers to the successful selection and integration of our IC products in the design phase of a customer’s end product, which typically leads to production orders once the customer’s product enters mass production. Achieving design wins with leading brand companies is a key driver of our future revenue growth and serves as a validation of our technological capabilities, product quality, and customer relationships.

BUSINESS

Life Cycle of Design Wins

The life cycle of our design win consists of the following stages:

- **Engagement and Qualification:** Our sales and technical teams engage with potential customers to understand their product requirements and participate in their supplier qualification process.
- **Product Evaluation and Customization:** We provide samples and technical support for product testing and may customize our ICs to meet specific customer needs.
- **Design-In:** Upon successful evaluation, our IC is selected (“designed in”) for use in the customer’s next-generation product.
- **Pre-Production and Validation:** The customer conducts further validation and pilot production runs, during which we provide ongoing support.
- **Mass Production and Commercialization:** Once the customer’s end product enters mass production, we begin to receive volume production orders, typically over the product’s commercial life cycle, which may range from one to three years, depending on the end product type.
- **After-Sales Support and Follow-Up Opportunities:** We continue to provide technical and logistics support, which may lead to further design wins for subsequent product generations.

Key Design Wins

During the Track Record Period, we achieved several significant design wins with leading brand companies, including:

- **Brand Company A:** We secured a design win for the flagship smartphone AMOLED DDIC, with production orders commencing from the third quarter of 2023 and continuing to date. In 2023, shipments of this product exceeded 7 million units. We have also been awarded the same project for 2024 and 2025.
- **Brand Company B:** We were selected as the supplier for AMOLED DDIC, with mass production orders starting in 2021. The product included the mid-end to high-end AMOLED displays. Our total market share in this customer is about 40%, based on its estimated smartphone AMOLED DDIC consumption in 2024. And it contributes approximately 60% of our revenue.
- **Brand Company C:** We achieved design-win for VR-HMD with 1.03 inch Mirco-OLED display backplanes/drivers, we can provide higher pixels per degree with smaller form factor. We finish all the verification and ramping up to full production in 2026.

During the Track Record Period and up to the Latest Practicable Date, we secured 115 design wins, all leading to direct and indirect purchase orders from display panel manufacturers.

The following table sets forth the number of design wins and the number of design wins that converted into purchase orders during the Track Record Period.

	Year Ended December 31,		
	2023	2024	2025
Number of design wins	34	24	30
Number of design wins converted to purchase orders	34	24	30

BUSINESS

Design wins in 2025 were primarily associated with AMOLED DDICs, reflecting the relatively short product iteration cycle for smartphone applications. During the year, as the Company had not introduced any new Micro-OLED display backplane/drivers, it did not contribute to the design wins.

Pipeline Chart of Potential Design Wins

The following chart summarizes our pipeline of potential design wins with downstream brands:

Downstream Brand	End Product/ Application	Project Status	Significance
Brand Company D.	Smartphone	Design-in phase	Model with strong market potential
Brand Company E.	Smartphone	Design-in phase	Model with strong market potential
Brand Company F.	Micro-OLED	Engagement	Strategic partnership

Arrangement with Our Customers (Excluding Our Distributors)

We generally enter into framework agreements with our major customers (excluding distributors), with actual price and volume specified in individual purchase orders. The terms of these agreements vary depending on the specific product or project and the result of our negotiation with each customer, but these agreements generally contain the following terms. The table below does not reflect the contractual terms with our distributors, the details of which are discussed in “— Our Distributors — Arrangement with Our Distributors.”

Duration	:	Generally ranges between one year to three years
Transfer of risks	:	Risks transfer to our customers once our products have been accepted by our customers
Payment and credit terms	:	We generally provide our customers a credit period of 90 days to settle payment after receipt of invoices. We typically invoice our customers on a monthly basis
Minimum purchase requirements	:	We typically do not set annual minimum purchase requirements for our customers
Logistics	:	We are responsible for delivering products to locations specified by our customers
Returns/exchanges	:	Our customers are only entitled to return products due to quality issues attributable to us and within a period specified in the agreements
Confidentiality	:	We and our customers shall exercise reasonable care and take necessary measures to prevent any confidential information obtained under this agreement from being disclosed to any third party
Termination/renewal	:	These agreement either provide for automatic renewal upon expiry in the absence of objection from either party or require mutual agreement to renew upon expiration

BUSINESS

Customer Service

We cooperate closely with our customers throughout the product design and development processes and strive to ensure that we provide our customers with satisfactory services and products that meet their expectations. Specifically, we communicate with our customers frequently during the product design process since we usually conduct the research and development activities together with our customers, and we also regularly collect customer feedback during our cooperation to ensure that they are satisfied with our products and services.

Concentration of Our Customers

During the Track Record Period, sales to our top five customers for each of the year during the Track Record Period and our largest customer were relatively concentrated, with the top five customers contributing to 91.0%, 90.2% and 90.7% of our revenue and the top customer contributing to 48.2%, 54.1% and 34.0% of our revenue in 2023, 2024 and 2025.

We believe that we do not unduly rely on our major customers for the following reasons:

- **Highly concentrated industry.** Our main customers are display panel manufacturers. As of December 31, 2024, Frost & Sullivan reported only five major AMOLED panel manufacturers in Chinese mainland. DDIC design's complexity necessitates close cooperation, fostering strong, long-term relationships where certified suppliers provide high quantities of AMOLED DDICs. Frost & Sullivan confirms this concentrated customer base is common in the industry.
- **Mutually beneficial relationship.** DDICs are essential for display panel functionality and performance; manufacturers benefit from customized, high-quality DDICs. Given stringent brand company certification, display panel manufacturers require stable, long-term strategic relationships with certified DDIC design suppliers to ensure compliant panel supplies. Our Directors view these as mutually beneficial relationships, with a low likelihood of material adverse change in our business with major downstream customers in the near future.

Our Distributors

In addition to selling our products to display panel manufacturers directly, we also sell our products to display panel manufacturers through distributors primarily for shorter cash collection cycle and better capital management. In particular, display panel manufacturers typically require a longer credit period. To accelerate our cash collection, we work with distributors approved by the display panel manufacturers who are willing to accept a shorter credit period. In return, we offer our distributor a discount off the price we typically sell to the display panel manufacturers. In general, the amount of discount is directly linked to the length of collection cycle we are able to shorten. According to Frost & Sullivan, it is common to offer credit terms of 3 to 4 months to distributors following delivery. To compensate for the logistics costs associated with shorter credit periods, we have historically offered distributors a discount of approximately 0.8% for each month by which the credit period is reduced from the typical three- to four-month credit period. Such discount is the primary financial incentive for our distributors to accept a shorter credit period. On such basis, as we typically require full payment from our distributors upfront as compared with a typical 90-day credit period under direct sales, the discount we offer range from 2.4% to 3.2%. The effect of such effort can be evidenced by a decrease in our trade receivables turnover days from 75 days in 2023 to 34 days in 2024 and 65 days in 2025. As our scale grew and liquidity position strengthened, we have gradually extended credit terms to our distributors correspondingly, the extent of discounts offered to distributors will be reduced. Each distributor is designated to serve a single display panel manufacturer for a given period. Such distributor also needs to be a certified supplier by the display panel manufacturer. A display panel manufacturer may be served by more than one distributor simultaneously, providing us with flexibility in our distribution arrangements.

BUSINESS

As such, any change in or termination of a distributor arrangement does not affect, and will not result in the termination of, our underlying commercial relationship with the relevant display panel manufacturer. Our distributors are typically companies engaged in the distribution of integrated circuits. According to Frost & Sullivan, it is common for DDIC companies to engage distributors for sales of products.

In 2023, 2024 and 2025, sales to our distributors amounted to RMB506.1 million, RMB656.7 million and RMB736.2 million, accounting for 70.3%, 73.7% and 66.6% of our total revenue in the respective years. In 2023 and 2024, the proportion of our sales to distributors has increased, while the portion of direct sales to panel manufacturers has decreased. This trend is primarily driven by (i) our efforts to accelerate cash collection and reduce accounts receivable risk, as distributors generally accept shorter credit periods compared to direct sales, and (ii) a growing preference among display panel manufacturers to centralize procurement and logistics through certified distributors for more streamlined supply chain management. Furthermore, we further solidified our relationships and expanded our business with our major customers in 2023, leading to an increase in revenue contribution from our top five customers, which also contributed to the significant increase in revenue from distributors in 2023.

We have a seller-buyer relationship with our distributors whereby the ownership of the products is transferred to our distributors upon their purchase of the products.

During the Track Record Period, the Group has been dependent on a limited number of distribution channels to market its products. Sales to distributors accounted for 70.3%, 73.7%, and 66.6% of our total revenue for the years ended December 31, 2023, 2024 and 2025, respectively. As a result, our business performance is affected by our relationships with a small number of distributors and their ability to effectively market and distribute our products to display panel manufacturers. Any adverse changes in our relationships with these distributors, or their ability to fulfill their obligations, could materially and adversely impact our sales, financial condition, and results of operations.

To the best knowledge of our Directors, during the Track Record Period, all our distributors were independent third parties, and none of our distributors were controlled by any of our former or present employees during the Track Record Period.

Selection and Management of Our Distributors

We select our distributors based on a number of factors, including their qualifications, scope of operations, business scale, relevant industry experience and customer service capabilities. For our distributors who sell our products to display panel manufacturers, they also need to be approved by the display panel manufacturers. As we engage distributors primarily for the sales to specific display panel manufacturer, we do not believe there is significant risk of channel-stuffing or cannibalization.

We regularly assess the performance of our distributors and leverage the assessment as a basis to determine whether to renew our agreement with a certain distributor. To assist our performance review, we also conduct periodical review of our distributors' inventory level. We consider various factors for renewing agreements with distributors, including their historical sales, payment record, compliance with the distribution agreement and sales and marketing capabilities.

Arrangement with Our Distributors

Our distributors are generally only allowed to sell our products in Chinese mainland, Hong Kong and Macau. In certain instances, our distributors are only allowed to sell our products to designated customers, primarily display panel manufacturers. We generally reserve the right to impose penalty and terminate the distribution agreement in the event that the distributors breach such requirements on distribution channels and areas. We would take the individual distributor's

BUSINESS

compliance record to our pricing policies into account in the performance review process. We may consider granting more flexibility in payment terms to our distributors based on the lengths of our business relationship with them. We did not engage any sub-distributors during the Track Record Period and up to the Latest Practicable Date.

The typical credit period for display panel manufacturers is 90 days, while the credit periods offered to distributors ranged from 0 to 90 days depending on the distributor. As such, sales through distributors could allow for a credit period that is up to 90 days shorter than direct sales to display panel manufacturers, depending on the specific credit arrangements with individual distributors.

We enter into distribution agreements with our distributors. The terms of the agreements vary depending on the result of our negotiation with each distributor, but these agreements largely follow our standard template for distribution agreements. The table below sets forth the key terms of our distribution agreements:

Duration	:	Generally ranges between one year to three years
Payment and credit terms	:	We generally require our distributors to pay in full before the products are shipped. In certain cases, we grant our distributors a short credit period (typically no more than 10 days) to settle payment after shipment
Delivery of products	:	We are responsible for delivering products to locations specified by our distributors
Transfer of risks	:	Risks transfer to our distributors once our products are delivered to our distributors
Product returns/exchanges	:	Our distributors are only entitled to return products due to quality issues and within 15 days of accepting the products
Sales of products	:	Our distributors are only allowed to sell our products in designated areas and cannot sell similar or competing products
Sales target.	:	We typically do not set sales target for our distributors
Minimum purchase requirements	:	We typically do not set annual minimum purchase requirements for our distributors, although we do require that their purchase amount per order is above a certain minimum order amount
Pricing policy	:	Our distributors are required to follow our pricing policies
Termination	:	The agreement can be terminated with mutual consent or by us unilaterally with 90 days of advance notice

BUSINESS

The table below sets forth the total number of our distributors and their movement during the Track Record Period.

	Year Ended December 31,		
	2023	2024	2025
Number of distributors at the beginning of the year	1	2	2
Number of new distributors	2	1	–
Number of terminated distributors	(1)	(1)	–
Number of distributors at the end of the year	2	2	2

We only had very limited number of distributors during the Track Record Period due to the concentrated nature of our downstream customers. We typically only engage one distributor for sales to a major display panel manufacturer at any given time. In 2023, we replaced Customer D, a distributor for a major display panel manufacturer, with Customer F to make sales to that same display panel manufacturer.

Internal Control Measures to Prevent Channel Stuffing

We have implemented a series of internal control measures to prevent channel stuffing and ensure that our sales to distributors reflect genuine market demand. Our internal procedures include: conducting thorough reviews and assessments of distributors’ sales forecasts and inventory levels prior to accepting purchase orders; requiring distributors to provide regular updates on their inventory status and actual sales to end customers, where commercially feasible; closely monitoring the sell-through rate and sales performance of our products through frequent communication with both distributors and end customers; establishing clear contractual arrangements that do not incentivize distributors to place orders exceeding actual market demand; and performing regular internal audits and management reviews to identify and address any unusual sales patterns or significant changes in distributor ordering behaviour.

These measures are designed to ensure that sales to distributors are based on bona fide orders and that our revenue recognition is aligned with prevailing accounting standards and market practice.

As of the Latest Practicable Date, to the best of our knowledge, we do not have access to precise information regarding the number of products that remain unsold by our distributors. Our sales arrangements with distributors are primarily conducted on an outright sale basis, and we typically do not require our distributors to report detailed sell-out data. We do not strictly designate each distributor to specific geographical regions.

PROCUREMENT, INVENTORY AND LOGISTICS

Our Fabless Model

We do not manufacture AMOLED DDICs or Micro-OLED display backplanes/drivers. Instead, we utilize what is known as the fabless model, which is commonly adopted in the industry, whereby we cooperate with world-class production partners for all phases of the manufacturing process of our AMOLED DDICs or Micro-OLED display backplanes/drivers, including wafer fabrication and packaging and testing (packaging is applicable to AMOLED DDICs only). Under the fabless model, we are able to leverage the expertise of industry leaders in such areas as fabrication, quality control and assurance, reliability and testing. In addition, the fabless model allows us to avoid many of the significant costs and risks associated with owning and operating

BUSINESS

various fabrications and packaging and testing facilities. Our fabrication partner is responsible for procurement of the majority of the raw materials used in the production of our ICs. As a result, we can focus our resources on research and development, product design and additional quality assurance.

We currently work closely with leading production partners including TSMC, Shanghai Huali Microelectronics Corporation (“**HLMC**”) and another leading foundry based in Chinese mainland for wafer fabrication, and Chipbond Technology Corporation (“**Chipbond**”) and Hefei Chipmore Technology Co., Ltd. (“**Chipmore**”) for chip packaging and testing.

Once our foundry partners complete the fabrication of the wafers, we are responsible to ship them to our OSAT providers for cutting, packaging and testing. The packaged and tested chips are then shipped by us to the AMOLED display panel manufacturers for lamination. For our Micro-OLED display backplanes/drivers, the wafers are sent directly to the AMOLED display panel manufacturers for AMOLED processing. See “— Logistics” for further details.

It typically takes three to four months for the fabrication of wafer and approximately one month for the packaging and testing of the chips.

Arrangements with Our Production Partners

Selection of Production Partners

We carefully select our production partners, and we evaluate them based on a range of factors, including overall track record, technological expertise, product quality and quality control effectiveness, price, reliability, ability to meet our delivery timeline and production capacity.

During the Track Record Period, we worked closely with TSMC to fabricate our AMOLED DDICs or Micro-OLED display backplanes/drivers. As a result, TSMC has been our largest supplier throughout the Track Record Period. In 2023, in an effort to diversify our supplier base, we have obtained the approval from our downstream customers and started to work with other foundry partners based in Chinese mainland, including HLMC.

IC Fabrication

We do not maintain any long-term contract or framework agreement with our production partners. We typically provide an annual production plan in the third or fourth quarter in order for our production partners to allocate their production resources for the following year. The production plan is not legally binding, and our production partner typically accepts a deviation from the production plan. TSMC generally requires us to make prompt payment upon placement of orders. Others production partners, including HLMC, typically requires us to make a certain amount of prepayment and settles the purchase amount within 30 days upon delivery.

Packaging and Testing

We typically settle with our OSAT partners on a monthly basis, except where prepayment is necessary to secure production capacity.

Concentration of our Production Partners

During the Track Record Period, we worked with a select few production partners for the IC fabrication. In particular, TSMC was our largest production partner in 2023, 2024 and 2025, accounting for 65.8%, 74.5% and 42.3% of our total purchases.

BUSINESS

We believe that we do not unduly rely on TSMC for the following reasons:

- **Background and Industry Norm.** To enter the supply chain of reputable consumer electronics brands, a fabless DDIC design house must work extensively with display panel manufacturers and foundries. It was imperative to partner with a reputable foundry; hence, we have worked with TSMC, the world's leading foundry (Frost & Sullivan, 2024), to provide AMOLED DDICs for a leading domestic brand since 2021. Display panel manufacturers typically require us to keep using the same foundry for certified, mass-produced DDICs, making TSMC procurement a substantial majority of our wafer cost. According to Frost & Sullivan, it is customary for fabless IC design houses to work with one or a limited number of foundries.
- **Ability to Reduce Reliance.** While focused on growing our business, maintaining a stable relationship with our primary foundry is critical to secure production capacity, avoid switching costs, and ensure on-time delivery. As we scale, we may explore diversifying our foundries. Other leading semiconductor foundries, including GlobalFoundries, HLMC, and a leading foundry based in Chinese mainland, have provided or are able to provide IC fabrication services meeting our standards and at reasonable costs. HLMC and our other foundry partner based in Chinese mainland have been certified by brand companies using our AMOLED DDICs. We are expanding business with these foundries and exploring further collaboration with customer-certified partners, which is expected to reduce our reliance on TSMC, enhancing production flexibility and supply chain resilience.
- **Mutually Beneficial Relationship.** The highly concentrated DDIC design industry means a few approved companies deliver large quantities of AMOLED DDICs, occupying significant foundry capacity. Foundries, requiring extensive capital investment, are eager to work with large procurement volume customers to ensure high capacity utilization. They are also motivated to collaborate with leading AMOLED DDIC design houses like us to enter the supply chain of leading consumer electronics brand companies. According to Frost & Sullivan, fabless AMOLED DDIC design companies typically have long-term stable relationships with their primary foundries. We have cooperated with TSMC for eight years, and our Directors view this as a mutually beneficial relationship, with a low likelihood of any material adverse change in the near future.

Top Five Suppliers

In 2023, 2024 and 2025, purchases from our five largest suppliers in each year during the Track Record Period amounted to RMB832.5 million, RMB849.3 million and RMB882.5 million, accounting for 97.8%, 97.2% and 96.4% of our total purchases in the respective years. In 2023, 2024 and 2025, purchases from our largest supplier in each year during the Track Record Period amounted to RMB560.8 million, RMB651.0 million and RMB387.6 million, accounting for 65.8%, 74.5% and 42.3% of our total purchases in the respective years. During the Track Record Period, to the best knowledge of our Directors, none of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) had any interest in our five largest suppliers in any period during the Track Record Period that are required to be disclosed under the Listing Rules.

BUSINESS

The tables below set forth certain information of our top five suppliers in each year during the Track Record Period.

For the year ended December 31, 2023

Supplier	Transaction amount <i>(in RMB thousands)</i>	Percentage of purchases	Years of business relationship	Supplier type	Background
1 . . TSMC	560,769	65.9%	8	Foundry	A leading chip foundry that is publicly listed in Taiwan, China and the United States
2 . . Chipmore	142,060	16.7%	5	OSAT provider	A semiconductor packaging and testing service provider that is publicly listed in Chinese mainland
3 . . GlobalFoundries	113,347	13.3%	8	Foundry	A leading chip foundry that is publicly listed in the United States
4 . . Chipbond	9,008	1.1%	8	OSAT provider	A semiconductor packaging and testing service provider that is publicly listed in Taiwan, China
5 . . Supplier A	7,364	0.9%	2	Foundry	A leading chip foundry that is publicly listed in Chinese mainland and Hong Kong

For the year ended December 31, 2024

Supplier	Transaction amount <i>(in RMB thousands)</i>	Percentage of purchases	Years of business relationship	Supplier type	Background
1 . . TSMC	651,006	74.6%	8	Foundry	A leading chip foundry that is publicly listed in Taiwan, China and the United States
2 . . Chipmore	140,242	16.0%	5	OSAT provider	A semiconductor packaging and testing service provider that is publicly listed in Chinese mainland
3 . . Supplier A	30,176	3.5%	2	Foundry	A leading chip foundry that is publicly listed in Chinese mainland and Hong Kong
4 . . Chipbond	20,540	2.4%	8	OSAT provider	A semiconductor packaging and testing service provider that is publicly listed in Taiwan, China
5 . . Supplier B	7,377	0.8%	3	Electronic design automation service provider	An electronic design automation service provider that is publicly listed in the United States

BUSINESS

For the year ended December 31, 2025

Supplier	Transaction amount <i>(in RMB thousands)</i>	Percentage of purchases	Years of business relationship	Supplier Type	Background
1 . . TSMC	387,562	42.3%	8	Foundry	A leading chip foundry that is publicly listed in Taiwan and the United States
2 . . HLMC	173,027	18.9%	1	Foundry	A chip foundry that providing one-stop wafer foundry services, whose parent company is publicly listed in Hong Kong
3 . . Supplier A	161,480	17.6%	2	Foundry	A leading chip foundry that is publicly listed in Chinese mainland and Hong Kong
4 . . Chipmore	104,075	11.4%	5	OSAT Provider	A semiconductor packaging and testing service provider that is publicly listed in Chinese mainland
5 . . Supplier C	56,382	6.2%	5	OSAT Provider	An advanced packaging and testing service provider for integrated circuits that is publicly listed in Chinese mainland

Inventory Management

Our inventory primarily include work in progress (the wafers for AMOLED DDICs en route to the packaging and testing facilities and the time when they are being cut, packaged and tested) and finished products (the packaged and tested chips or the finished Micro-OLED wafers en route to the OLED display panel manufacturer). In order to satisfy any surge in demand for our products or prevent production interruption, we typically ensure there is one month worth of products that can be delivered to display panel manufacturers. See “Financial Information — Selected Items of Consolidated Statements of Financial Position — Inventories” for details of our inventory during the Track Record Period.

Logistics

In line with industry practice, we are responsible for shipping the wafers from the foundries to the testing and packaging facilities, and the packaged and tested chips to the AMOLED display panel manufacturers for lamination or AMOLED processing.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any significant delay in delivery that materially affected our business operations.

Quality Control

We emphasize quality control in all aspects of our operations. From product development, sourcing of components to sale and delivery, we strictly control the quality of our products and components, to ensure our products meet our stringent internal standards as well as international and industry standards.

BUSINESS

We have implemented various quality-control checks into our production process and the IC fabrication process by our production partners. In addition, we provide timely and effective after-sales services and support to our users.

During the Track Record Period and as of the Latest Practicable Date, we have never experienced any penalties in relation to product quality or any material product quality disputes.

For the fabrication and packaging and testing of ICs, we only cooperate with industry leaders, which we believe safeguards the quality of the ICs. We inspect the wafers before delivery of the wafer for packaging and testing. Our packaging and testing partners also conduct inspection on the wafers for us. Upon delivery of the packaged and tested chips, we also conduct system level inspection. We require a yield rate of 99% from the IC fabrication process and a 96% yield rate from the packaging and testing process.

Warranty and After Sales Services

We provide a warranty for our chips, ranging between one year to approximately three years, depending on different customers. Our warranties cover one to three years upon our customers' receipt of our products. We make provisions for warranties based on our best estimate of the expected claims under our sales agreements. As of December 31, 2023, 2024 and 2025, we had warranty provisions of RMB5.1 million, RMB2.3 million, and RMB0.5 million.

We accept returns of our products for defects. We believe our return policy is consistent with the relevant PRC laws and regulations governing product quality and consumer rights and interests. We have not received any requests for returns during the Track Record Period which individually or in aggregate have a material adverse effect on our business and financial condition. In addition, during the Track Record Period and up to the Latest Practicable Date, we have not experienced any product recall that adversely impacted our reputation, business operations or financial condition.

INTELLECTUAL PROPERTIES

Our research and development efforts have produced 79 patents, 22 registered trademarks, 23 copyrights and 11 domain names as of December 31, 2025. See "Appendix IV — Statutory and General Information — Further Information about the Business — Intellectual Property."

During the Track Record Period, we did not experience any material infringement of our intellectual property rights. Neither our Group nor any of our intellectual properties was the subject of, or to the best of the Directors' knowledge, is expected to be subject to, any material disputes or litigation in relation to the infringement of any intellectual property rights during the Track Record Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

We are committed to ESG alongside our pursuit of a sustainable growth. We have implemented a set of ESG policies that align with applicable laws, regulations and policies. These policies set out our internal practices for corporate governance, environmental protection, social responsibilities, labor protection and business integrity, among other things.

Our Board of Directors plays a central role in identifying and evaluating ESG matters. The Board is composed of members with extensive experience and professional backgrounds in product and technology R&D, corporate operations, supply chain management, law and finance. Their diverse expertise enables them to effectively assess the significance of ESG issues in relation to our business strategy and make informed decisions on material ESG risks and opportunities.

BUSINESS

We strive to maintain active communication with various stakeholders, including employees, suppliers (including our production partners) and customers, and continuously improve our ESG practices to address stakeholders' ESG-related considerations. During the Track Record Period and up to Latest Practicable Date, we were not exposed to any significant risks or issues related to ESG. Looking forward, we will dedicate more internal resources and management supervision to further strengthen our ESG practices and strategies, enhance our risk identification and management procedures, and ensure transparent and regular ESG reporting.

Environment

We proactively monitor changes in laws, regulations and policies, continuously assess compliance risks and promptly adjust our practices to ensure alignment with evolving environmental focus areas. We promptly adjust to changes in laws, regulations and policies to ensure our compliance with environmental focus topics. We have an environmental management framework in place with a focus on reducing environmental impact, improving the efficiency of resource consumption and reducing overall carbon emissions. We take various measures in our business operations to minimize the impact of our operations on the environment, including the following:

- **Energy Conservation and Green Office.** We focus on energy and resource conservation in our daily operating activities. Our energy and resource usage remained relatively stable despite our rapid growth during the Track Record Period. In 2023, 2024 and 2025, our electricity consumption was approximately 0.1 GWh, 0.1 GWh and 0.2 GWh, respectively. As we operate under a fables model, we don't own or operate any manufacturing facilities. Our electricity consumption is therefore limited to office and dormitory use, and no production-related energy consumption is involved. In addition, employees are encouraged to adopt green office habits, such as minimizing unnecessary printing and turning off idle equipment. We also consider environmental factors in our procurement. Where possible, we leverage digital tools and automated systems to reduce resource usage and improve operational efficiency.
- **Chemicals usage.** The production of DDICs involve the use of certain chemicals, such as arsine and phosphine in the doping process, hydrofluoric acid for etching and cleaning, photoresists and solvents and silane. Under the fables model, we do not engage in the production of DDICs ourselves. We only work with industry-leading reputable foundries for our products. During the Track Record Period, we worked with TSMC, GlobalFoundries and other foundries to produce our DDICs. According to their public filings, these production partners strictly comply with the relevant industry standards, requirements and protocols on ESG matters.
- **Waste Reduction.** Our production partners discharge waste and pollutants such as wastewater, solid waste and exhaust gas during the production process. We closely monitor our production partners' public disclosures and engage in conversations with our production partners, if needed, to make sure that their production process is in accordance with the relevant standards. According to their public filings, both TSMC, GlobalFoundries and other foundries maintain comprehensive ESG frameworks and publish annual sustainability reports that disclose their environmental performance and objectives. TSMC aligns with the Global Reporting Initiative and the Task Force on Climate-related Financial Disclosures, while GlobalFoundries follows international ESG best practices and has received a "Low Risk" ESG Risk Rating from Morningstar Sustainability and a "Prime" ESG rating from ISS.

BUSINESS

Carbon Management

We integrate sustainability into procurement by prioritizing environmentally friendly materials and suppliers with strong resource conservation practices. Same as disclosed above, we operate under a fabless model, our carbon emission is minimal in scale.

Details of our carbon emission during the Track Record Period are as follows:

Classification	Unit	Year Ended December 31,		
		2023	2024	2025
Scope 1 ⁽¹⁾	Metric tonnes of carbon dioxide equivalent	6.0	6.0	6.0
Scope 2 ⁽²⁾	Metric tonnes of carbon dioxide equivalent	62.0	77.8	75.6

Notes:

- (1) Scope 1 emissions include our owned vehicles used for business activities in connection with our office premises in Shanghai and Shenzhen.
- (2) Scope 2 emissions include the indirect carbon dioxide emissions resulting from our purchased electricity consumed at our office premises.
- (3) We intend to initiate the assessment of our Scope 3 greenhouse gas emission after the Listing.

Identification of ESG-related Risks

We have identified and assessed a range of material risks that may impact our business operations in the context of climate-related uncertainties and broader ESG considerations. These include both short-term risks and long-term risks, with varying financial implications.

In terms of short-term risks, we may be affected by events such as typhoons and extreme rainfall, which could disrupt transportation, daily operations and electricity supply, leading to interruptions in our research and production activities. In response, we have strengthened our emergency communication protocols and infrastructure resilience measures. We are also subject to short-term operational challenges, including electricity and internet instability in certain areas of operation. Sudden power outages, grid restrictions or network disruptions may delay R&D progress or impact supply chain coordination. As part of our mitigation efforts, we have strengthened routine electrical inspections and maintenance at our office and R&D premises and enhanced the scheduling and management of our server rooms and data infrastructure to ensure operational continuity.

In terms of long-term risks, regulatory changes in key technology sectors, as well as policy adjustments affecting semiconductor-related areas, may result in business volatility. Our Board and management closely monitor industry dynamics and relevant policy developments to ensure timely compliance and strategic agility. In addition, insufficient technological development or production efficiency may increase costs and affect performance. We have implemented a system of continuous improvement and proactive investment in research and operational management to address these risks.

Social Responsibilities and Corporate Governance

We are committed to promoting corporate social responsibility and sustainable development. Corporate social responsibility is viewed as part of our core corporate philosophy that will be pivotal to our ability to create sustainable value for our stakeholders by embracing diversity and addressing public interests.

BUSINESS

Sustainable Supply Chain

We ensure a sustainable supply chain through strict supplier selection, performance evaluation, and dynamic management.

In respect of managing suppliers' environmental impact, we have implemented differentiated requirements based on supplier types during both the onboarding and ongoing management phases. For new suppliers, wafer fabrication suppliers are required to provide ISO 14001 environmental management system certificates, while packaging and testing suppliers are not only required to submit relative certificates but also complete the Supplier Environmental Survey Form to facilitate our assessment of their environmental management capabilities, which serves as one of the criteria for qualifying suppliers. For existing qualified suppliers, wafer fabrication suppliers are subject to regular verification of the validity of their environmental management system certificates. For packaging and testing suppliers, in addition to periodic confirmation of certificate validity, they are required to complete the Supplier Environmental Survey Form annually to enable us to assess potential environmental management risks. If any survey results fail to meet our environmental management requirements or indicate environmental risks, corrective or preventive measures will be implemented in accordance with *the QP-01-001 Corrective and Preventive Action Procedure*.

In relation to the management of hazardous substances and conflict minerals, we have put in place stringent controls to ensure that suppliers' raw materials and products comply with international environmental regulations and our customer requirements. Pursuant to *the QS-33-006 Hazardous Substance Management Specification*, suppliers are prohibited from using hazardous substances as defined in the annex to the specification and are required to sign a Hazardous Substance Non-Use Commitment. Additionally, suppliers must provide testing reports and SDS reports of raw materials to demonstrate compliance with RoHS regulations and the Group's standards. Suppliers are also required to cooperate with us in conducting surveys and making declarations on conflict minerals to ensure compliance with the requirements of *the RBA Code of Conduct*.

Through the implementation of the aforesaid measures, we ensure that our engagement of suppliers and procurement of materials are conducted in a manner that supports the production of environmentally friendly products and services, while adhering to relevant environmental regulations and customer requirements.

Charitable Efforts

We are committed to charity and have actively contributed to various causes since our inception. In 2023, we donated RMB300,000 to the Tsinghua University Education Foundation.

Business Integrity

During the Track Record Period, we had not experienced any instances of corruption and malpractice that had a material adverse effect on our business or were likely to have a material adverse effect on our business.

DATA PRIVACY AND CYBERSECURITY

We collect and store business data, management data and transaction data generated during or in connection with our business operations, including data related to our business and transactions with our customers, suppliers and other relevant parties. We generally do not collect or process individual customers' personal information since our customers are companies rather than individuals.

Our legal and information technology departments are responsible for developing and implementing our policies and procedures relating to cybersecurity and data security.

BUSINESS

During the Track Record Period, we had complied with applicable laws and regulations related to cybersecurity and data protection in all material aspects.

COMPETITION

We operate in a highly competitive market, and we compete with other AMOLED DDICs and Micro-OLED display backplanes/drivers providers. Our ability to maintain and grow our market share depends on us competing effectively against our competitors. The competitive landscape is shaped by multiple factors, including the growth of our customers and their respective industries, advancements in technology, emergence of new materials or technology, regulatory changes and general economic conditions. Despite high entry barrier, new market participants may emerge, introducing innovative or cost-effective products that challenge existing players. If we are unable to keep pace with such advancements or fail to differentiate our products in terms of quality or cost, we risk losing market share to our competitors. See “Industry Overview” for details relating to our competitive landscape.

INSURANCE

We maintain insurance policies to cover the shipment of our wafers and chips. We review our insurance policies from time to time to assess the adequacy and breadth of coverage. We believe that our existing insurance coverage is adequate for our business operations and is in line with industry standards in the countries in which we operate. Nevertheless, we may be exposed to claims and liabilities which exceed our insurance coverage. See “Risk Factors — Risks Relating to our Business Operations — Our Insurance Coverage May Be Insufficient to Cover All of Our Potential Losses.” for details.

During the Track Record Period, we had not made, and were not the subject of, any insurance claims which are material to our business or financial condition.

PROPERTIES

As of December 31, 2025, we operated our business through 16 leased properties, with a gross floor area of 4,291.52 sq.m., in China. We primarily use our leased properties as our office premises and employees’ dormitories.

As of December 31, 2025, we had no single property with a carrying amount of 15% or more of our total assets, and on this basis, we are not required by Rule 5.01A of the Listing Rules to include any valuation report in this Prospectus. Pursuant to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this Prospectus is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

EMPLOYEES

As of December 31, 2025, we had 246 full-time employees, almost all of whom were located in China. The following table sets forth a breakdown of our full-time employees by function as of December 31, 2025.

Function	As of December 31, 2025	
	Number	%
Sales and marketing	17	6.9
Technical personnel.	171	69.4

BUSINESS

Function	As of December 31, 2025	
	<i>Number</i>	<i>%</i>
Administrative	<u>58</u>	<u>23.7</u>
Total	<u>246</u>	<u>100.0</u>

We provide our employees with certain benefits including social insurance coverage and retirement benefits. We enter into individual employment contracts with our employees to cover matters such as wages, employee benefits, confidentiality and grounds for termination. Our employees' compensation is determined with reference to their job positions, technical skills, job performance and competition. We have various employee training programs that aim to enhance our employees' technical skills and innovation capability.

None of our employees are represented by a union or collective bargaining agreements. We believe that we have good employment relationships with our employees. During the Track Record Period, we did not experience any strikes, work stoppages, labor disputes or actions which had a material adverse effect on our business and operations.

RISK MANAGEMENT AND INTERNAL CONTROL

Our future operating performance may be affected by risks relating to our business. Some of these risks are specific to us while others relate to economic conditions and the general industry in which we operate. See "Risk Factors" for a discussion of these risks.

The Board of Directors and our senior management are responsible for establishing and maintaining adequate risk management and internal control systems. Risk management is the process designed to identify potential events that may affect us and to manage risks to be within our risk appetite. Internal control is the process designed to provide reasonable assurance regarding achievement of objectives related to effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

Risk Management and Internal Control Policies

We have implemented or will adopt upon Listing a number of policies and measures to manage our risks and set up proper internal controls. These policies cover areas such as (i) the duties and roles of the Directors, the Board and our senior management; (ii) social and environmental matters, including policies on diversity; (iii) financial reporting; (iv) whistleblowing; (v) prevention of market misconduct and (vi) compliance with the Listing Rules.

Under our risk management and internal control policies, the Board oversees risk management and internal control systems on an ongoing basis and reviews the effectiveness of these systems. Ms. Xia Qian (夏倩), who has over ten years of experience in financial reporting, is in charge of overseeing our financial affairs.

In May 2025, we engaged an independent consulting firm to perform a review over our internal control. The key areas of inspection include financial reporting and disclosure, research and development management, management policies over sales, supply chain controls, trade receivables and payables management, product safety control, inventory management, intangible assets management, human resource and remuneration management, capital management, tax management, insurance management, contract control and information system control.

We have established internal control procedures to monitor and ensure compliance with the latest U.S. export controls, tariffs, and economic sanctions developments.

BUSINESS

These procedures are supported by a dedicated compliance function, which maintains ongoing monitoring of relevant regulatory updates issued by U.S. authorities. We conduct regular reviews and update our compliance policies, procedures and internal guidelines to align with changes in applicable laws and regulations.

Furthermore, we implement a screening process for our customers, suppliers and business partners to identify and mitigate potential compliance risks. We also provide regular compliance training to relevant employees to enhance their understanding of regulatory requirements. We conduct periodic internal audits and self-assessments of our compliance with U.S. export controls, tariffs and economic sanctions, with findings reported to senior management and the Board for oversight and follow-up actions.

LICENSES, PERMITS AND APPROVALS

We are required to obtain or maintain various licenses, permits and approvals in order to operate our business. We believe we have all material licenses, permits and approvals necessary in order to operate our business. We continually monitor our compliance with these requirements in order to ensure that we have all such approvals, licenses and permits as are necessary to operate our business.

We had not experienced any material difficulties in renewing material licenses, permits or approvals during the Track Record Period and do not expect there to be any material difficulties in renewing them upon their expiry.

LEGAL PROCEEDINGS

We may from time to time become a party to various legal, arbitral or administrative proceedings arising in the ordinary course of our business. As of the Latest Practicable Date, there were no litigation, arbitration or administrative proceedings pending or threatened against us or any of our Directors which could have a material and adverse effect on our financial condition or results of operations.

During the Track Record Period and up to the Latest Practicable Date, there were no material breaches or violations of laws or regulations applicable to us which are expected to have a material adverse effect on our business, financial condition or results of operations.

BUSINESS SUSTAINABILITY

Our Historical Performance

The table below sets forth our AMOLED DDIC sales volume and revenue during the Track Record Period.

	Year Ended December 31,		
	2023	2024	2025
AMOLED DDIC sales volume			
('000 units)	32,287	51,350	52,593
Revenue (in RMB'000)	720,404	891,304	1,105,659

We believe the metrics shown in the above table demonstrate that we have achieved rapid growth of our AMOLED DDIC sales volume and revenue, which are instrumental for our plan to improve profitability.

BUSINESS

Our Net Losses

Despite our continued growth, we recorded net losses of RMB232.1 million, RMB309.0 million and RMB230.3 million in 2023, 2024 and 2025, respectively.

Our accumulated losses since our incorporation have primarily resulted from the following factors:

- **Emerging Industry Dynamics:** With the advancement of display technologies and rising market demand for terminal devices with superior image quality, lower power consumption, and innovative form factors, OLED technology has emerged and achieved industrialization. Currently, AMOLED technology is gradually replacing TFT-LCD technology in the OLED field and remains in an emerging stage of development. We commenced our AMOLED DDIC business in 2018, which required significant upfront investments in research and development as well as talent acquisition to establish a solid foundation in this advanced technology segment. Given the long development cycles and high complexity of AMOLED DDICs, our business is still in its growth phase and has not yet fully realized its profitability potential.
- **High Initial R&D Investments:** According to Frost & Sullivan, our Directors are of the view, and the Joint Sponsors concur, that AMOLED DDIC technology is capital-intensive and demands continuous innovation to remain competitive. Since 2018, we have dedicated substantial resources to research and development in order to develop advanced technologies, expand our product portfolio, and meet the demands of premium end markets. Our investments in R&D yielded a full stack of proprietary display driver technologies. According to Frost & Sullivan, we have achieved breakthroughs in many display driver technology fields, leading the industry in display driver technology. We have developed advanced control algorithms and circuit designs for new-generation displays like AMOLED and Micro-OLED, which improve screen quality and reliability. See “— Our Competitive Strengths — Proprietary AMOLED DDIC Technologies” and “— Research and Development” for further details. These investments are expected to generate returns and help us to attract new customers over time as our business continues to scale and mature.
- **Competitive Pricing Strategy:** In order to establish and expand our market share in a competitive AMOLED DDIC market, we adopted a strategic pricing approach by offering competitive prices to our customers. While this strategy has facilitated market penetration and customer acquisition, it has temporarily impacted our gross margins and overall profitability.
- **Scaling Challenges in a New Business:** As our AMOLED DDIC business expanded, we initially focused on increasing shipment volumes and strengthening our relationships with suppliers. This process of operational ramp-up, while necessary for long-term growth and market positioning, has required significant investments in resources and infrastructure, which contributed to our accumulated losses during the early stages of the business.

Strategic focus on growing our sales volume, market share and business scale

We believe that, at the current stage, sales volume, as an indicator of our business scale and market position, is a crucial metric for our business. Therefore, we have been strategically focused on growing our sales volume in recent years to gain a larger market share and solidify our competitive position in the industry. This requires us to offer value-for-money products that meet and exceed our customers’ expectation, which in turn means we need to price our products

competitively, taking into account the overall industry landscape. Considering the subdued growth of the overall consumer electronics market and the high IC fabrication prices during the Track Record Period, we decided to prioritize growing our sales volume and market share to achieve sustained growth of our business.

We believe our strategic focus on growing our business scale at the current stage lays a solid foundation for the sustained development of our business and our future profitability since, given the highly concentrated nature of the AMOLED DDIC market, leading market position and market share give AMOLED DDIC companies significant advantages associated with economies of scale and market position in multiple aspects, including winning new orders, deepening relationships with existing customers and managing cost of sales and other supply costs. Details of such advantages are explained in the “— Measures to Improve Profitability.”

Research and development investment

Throughout the Track Record Period, we have been continuously investing in the development of our core technologies and the upgrade and expansion of our product portfolio. In 2023, 2024 and 2025, our research and development expenses amounted to RMB177.0 million, RMB242.2 million and RMB266.0 million, representing 24.6%, 27.2% and 24.1% of our total revenue in the respective years. We believe that such ongoing investments are critical to support our future growth and competitiveness. While we have recorded continuous net losses, we consider such losses to be partially the result of our strategic investments, primarily made to strengthen our technological capabilities, enhance customer stickiness and prepare for long-term growth. According to Frost & Sullivan, it is common in the industry for DDIC design companies like us to make substantial research and development investments initially.

We do not believe such investments will have an adverse impact on our future business and operations, for the following reasons: (i) we have established an integrated in-house hardware-software display driver platform with strong commercialization capabilities; (ii) we have built stable relationship with leading industry customers, which is verified by our leading market position and growing sales volume; and (iii) as our business scales, we expect our unit cost to decline, which will in turn improve our overall profitability.

Investments in support of long-term expansion

During the Track Record Period, we made strategic investments to support our long-term growth. These included continued spending on our employee expenses to attract, train and incentivize top talents in the industry. In 2023, 2024 and 2025, our administrative expenses and selling and distribution expenses amounted to RMB78.2 million, RMB116.4 million and RMB128.6 million, representing 10.9%, 13.1% and 11.6% of our revenue in the respective years. For details of our expenses during the Track Record Period, please refer to “Financial Information — Principal Components of Results of Operations.” We believe such investments to be necessary for our sustained development since these investments help us to strengthen our market presence and build greater brand recognition. As we expand our business and increase our revenue, we expect our administrative expenses and selling and distribution expenses to decrease as a percentage of our revenue.

Our Penetration and Growth Strategy in the AMOLED DDIC and Micro-OLED Driver Markets

Despite the highly competitive, fragmented nature of the DDIC industry, we have successfully expanded our business scale, built an established customer base, and achieved robust revenue growth. Our success is attributed to the following core strategies:

BUSINESS

Address high competition through differentiation and customer trust

- **Product Quality as a Key Differentiator:** We have consistently prioritized the development of high-quality DDIC products that deliver advanced features such as low power consumption, high resolution, and superior performance reliability. By meeting the stringent requirements of premium end markets, we have gained the trust and recognition of top-tier customers, positioning ourselves as a reliable supplier in both established and emerging sectors.
- **Building and Deepening Customer Relationships:** We have established long-term, collaborative partnerships with downstream customers and brand companies by offering customized solutions tailored to their specific needs. Through continuous engagement and technical support, we have secured placement on customer “white lists,” establishing ourselves as a trusted, preferred supplier and facilitating repeat business opportunities.

Manage market fragmentation through diversification and scale

- **Expanding and Diversifying Our Product Portfolio:** To address the fragmented and evolving demands of the market, we have developed a comprehensive range of DDIC products covering a wide spectrum of applications, from mainstream consumer electronics to specialized areas such as AR/VR. By offering products across multiple price points and technical specifications, we have ensured adaptability to diverse customer requirements and captured sales in both the mass and premium segments.
- **Achieving Economies of Scale:** Our sales volumes have grown significantly in recent years — from 32.4 million in 2023 to 51.4 million in 2024 and 52.6 million in 2025 — enabling us to realize economies of scale. This expanded scale has not only improved our cost structure and profitability, but also strengthened our bargaining power with suppliers, allowing us to secure better terms and further enhance our competitive position.

Adapt to rapid technological change through innovation and agility

- **Continuous Investment in Research and Development:** We have made significant and sustained investments in R&D to develop innovative DDIC products with advanced functionalities, ensuring that we remain at the forefront of technological advancements. Our R&D efforts have focused on premium technologies, such as Micro-OLED drivers for AR/VR and other next-generation applications, positioning us as a technology leader in high-growth segments.
- **Agile and Responsive Product Development:** We maintain a flexible and responsive R&D pipeline that enables us to quickly adapt to changing customer needs and industry trends. By prioritizing innovation in high-value and premium products, we are able to align with rapidly evolving market dynamics and capture emerging opportunities.
- **First-Mover Advantage in the Micro-OLED Market:** We recognized the potential of the Micro-OLED driver market at an early stage and strategically entered this niche segment, leveraging our technological expertise and industry know-how. As a result, we have established a strong market position with limited direct competition, allowing us to capture early market share and set the foundation for future growth as adoption of Micro-OLED applications accelerates.

Drive revenue and customer base growth

Through the above strategies, we have not only increased our shipment volumes and improved our cost structure, but also expanded our customer base to include leading global and domestic brands. Our ability to deliver high-quality, innovative products tailored to customer needs has enabled us to win new projects, achieve repeat business, and drive continuous revenue growth, even in a challenging and rapidly evolving industry landscape.

Background and Sustainability of Our Competitive Pricing Strategy

The branded market for AMOLED DDIC in the smartphone sector is characterized by high entry barriers, as it requires strong yield rates and recognition from both smartphone and panel manufacturers. This makes it more challenging for new players to enter the market. The AMOLED DDIC market is dominated by a few large customers. According to Frost & Sullivan, the five largest manufacturers of smartphone AMOLED DDICs in Chinese mainland accounted for a combined market share of 80% in 2024, a competitive landscape that remains largely consistent in 2025 with no significant new entrants or departures expected to materially alter the prevailing market concentration. In such an industry, new entrants typically need to maintain a period of price competitiveness in order to acquire and retain customers.

As a young player in the well-established AMOLED DDIC market, we formulated and implemented a competitive pricing strategy in response to our competitors' efforts to lower prices and prevent us from gaining further market share. To sustain and expand our presence, we proactively reduced the average selling price of our AMOLED DDICs, thereby maintaining our competitive advantage and strengthening our position in the market.

Effectiveness and Sustainability of Our Pricing Strategy

Our pricing strategy has proven effective in gaining meaningful market share and is sustainable for the following reasons:

- **Significant Growth in Sales Volume:** Our sales volume of AMOLED DDICs increased from 32.3 million units in 2023 to 51.4 million units in 2024 and further to 52.6 million units in 2025, representing a CAGR of 27.6%, which substantially outpaces the overall industry growth rate.
- **Consistent Revenue Growth:** Our revenue rose from RMB720.4 million in 2023 to RMB891.3 million in 2024 and RMB1,105.7 million in 2025, reflecting the effectiveness of our strategy in driving top-line growth.
- **Consistent Increase in Market Share:** Our global market share in terms of sales volume of smartphone AMOLED DDICs increased from 2.4% in 2022 to 4.6% in 2023 and 5.7% in 2024. This steady growth demonstrates the effectiveness of our pricing strategy and our ability to compete successfully against established players.
- **Rising Penetration Rate:** According to Frost & Sullivan, our penetration rate in Android smartphones, measured by dividing our AMOLED DDIC sales volume by the global sales volume of Android smartphones, increased from 1.5% in 2022 to 3.4% in 2023 and further to 5.1% in 2024.
- **Recovery in Profitability:** Our gross profit margin increased from 0.4% in 2023 to 2.5% in 2024 and further to 12.9% in 2025. This recovery reflects our ability to optimize costs, enhance operational efficiency, and leverage economies of scale as our business continues to expand.

Measures to Improve Profitability

We expect that, as we further grow our business scale in terms of sales volume, revenue and market share and deepen our cooperation with existing customers and suppliers, we will benefit from various advantages associated with economies of scale and market position, and significantly improve our profitability.

BUSINESS

Specifically, we will focus on the following areas:

Increase our sales volume, revenue and market share

We plan to leverage both our competitive position in both the AMOLED and Micro-OLED industries and industry tailwinds to further grow our sales volume, revenue and market share. According to Frost & Sullivan, sales volume of DDICs in Chinese mainland are anticipated to increase at a CAGR of 3.8% between 2024 and 2029 to reach 5,361.7 million units by 2029, outpacing the global market growth rate of 1.6%. As the display panel and smartphone sectors increasingly pivot towards Chinese mainland, local DDIC providers like us are expected to enjoy significant industry opportunities due to advantages in localization. We believe that we are well positioned to seize these opportunities thanks to our strong and loyal customer base. According to Frost & Sullivan, we are the first company based in Chinese mainland to receive brand company certification for AMOLED DDICs and the only one to have shipped over 10 million units to these companies. Our position is further supported by our long-term collaboration with these customers, our in-depth understanding of brand companies' needs, our localized service strengths and our pricing strategy which prioritizes growing our sales volume and market share. Furthermore, as we continue to solidify our competitive position in the industry, we expect to further expand our business scale with existing downstream customers, which will also increase our sales volume, revenue and market share. As our sales volume scales up, we also expect to gain greater pricing power over time.

In addition, we have established a strong market position in the Micro-OLED industry. According to Frost & Sullivan, we were the first independent provider of Micro-OLED display backplanes/drivers for consumer-grade VR/AR devices and the leading Micro-OLED display backplane/driver design house globally in terms of sales volume in 2024, and we were also the first globally to launch Micro-OLED display backplanes/drivers delivering ultra-high resolution and ultra-high luminous frequency. Our Micro-OLED segment has been recorded strong growth, with revenue from sales of Micro-OLED display backplanes/drivers increasing by 294.0% from 2024 to 2025 and gross profit margin improving from 25.9% to 28.6% over the same period. We believe our existing technology and customer relationships would allow us to capture opportunities in this industry when demand increases.

Increase the average selling price of our products

We plan to increase the average selling price of our products by deepening relationships with our existing downstream customers and by continuously launching new products that cater to premium end products. Our product mix affects our profitability since our various products have different selling prices and margin profiles due to differences in product complexity and our R&D investments. As we further deepen our relationships with existing customers and gain their trust and recognition, we will be able to expand and optimize the portfolio of products we sell to these customers by supplying more premium products. Products that cater to the premium end markets and feature advanced technologies are usually more expensive, which will increase the average selling price of our products. However, the actual trend of our average selling price may also be affected by external market condition, such as industry pricing dynamics. According to Frost & Sullivan, starting from late 2025, the prices of memory chips, including those used in consumer electronics terminals, have increased significantly. As memory chips represent one of the largest cost components in consumer electronics end products, brand companies and their OEMs have come under mounting pressure to reduce their overall bill-of-materials costs. In response, these customers have sought to compress the procurement prices of other components — including display driver integrated circuits such as our AMOLED DDICs — in order to offset the rising memory costs and protect their own margins. Consequently, our operating results are affected by fluctuation in the consumer electronics industry, which is highly competitive and to a large extent driven by end-user markets. Fluctuations in price within the consumer electronics industry could contribute indirectly to reduced sales and declining prices for our products, which will in turn affect our revenue and profit margins. According to Frost & Sullivan, prices of memory ICs are expected to decrease in the

BUSINESS

second half of 2027. This anticipated decrease is primarily driven by an expected re-balancing of supply and demand, as significant capacity expansions currently underway across the industry are projected to normalize market supply. We expect to be able to negotiate more favorable pricing with our customers.

On the whole, our new products typically have higher selling prices and profit margins when they are first launched. Therefore, we believe that, with our R&D breakthroughs and achievements, we can continue to launch new products and increase the proportion of newly-launched products in our product mix, which will also drive up our average selling price in the medium to long term.

With regard to our plan to increase the average selling price of our products, we note that the average selling price of our Micro-OLED display backplanes and drivers has been steadily increasing throughout the Track Record Period, primarily due to a higher proportion of sales of larger-sized and more technologically advanced 12-inch products, which command higher prices compared to 8-inch products. This change in product mix not only lifts our overall average selling price but also reflects our ability to serve premium end markets that require high-performance display solutions. Larger and more advanced Micro-OLED products typically yield higher gross margins, as their elevated selling prices more than offset the incremental production costs associated with their complexity and size. Although margin levels may fluctuate in the short term due to shifts in demand, customer inventory cycles, or initial ramp-up costs for new products, we believe that our ongoing efforts to innovate and drive the adoption of premium, higher-value Micro-OLED products will help stabilize and enhance margins in the medium to long term, supporting our overall profitability. As the Micro-OLED industry continues to mature, product pricing may gradually decrease, but we expect that improvements in production scale and ongoing cost optimization will support margin enhancement going forward. Margin improvement is anticipated to be driven by a combination of factors, such as increased volumes and process upgrades.

Product upgrading and optimization

We continue to promote product optimization and upgrade our product portfolio. Typically, new chip prices follow a declining trend over their product lifecycle.

To improve profitability and increase our average selling price, we also keep on releasing flagship AMOLED DDICs with more advanced features. These new products are primarily targeted at high-end smartphones and are intended to meet increasing market demand for superior display performance and energy efficiency, as evidenced by industry research and client feedback indicating strong end-user preference for premium device experiences. In particular, one of these new flagship AMOLED DDICs, which commenced sales in May 2025, has been adopted in multiple flagship smartphone models of one of our customers that was released in 2025. We expect that our new flagship AMOLED DDICs will be further adopted in its subsequent flagship smartphone models. The pricing of this product is generally higher than that of our mid-range offerings, reflecting its higher specifications and performance characteristics. In 2025, revenue from such flagship AMOLED DDICs amounted to RMB155.8 million.

Our Directors are of the view that, as a new entrant to the markets, we expect to expand into, our expansion is unlikely to trigger similar intense pricing competition with existing players or hinder our ability to charge higher selling prices and boost profitability. This is because (i) these markets have already experienced sufficient competition and prices have stabilized; (ii) we plan to compete based on product differentiation, technological advantages and value-added services rather than price alone; and (iii) customers in these markets place significant emphasis on supplier reliability, product quality and technology, so price is not the sole factor in procurement decisions.

In order to further increase our sales volume, revenue and market share, we plan to develop AMOLED TDDI chips. TDDI integrates the display driver and touch driver on a same chip. According to Frost & Sullivan, in 2024, the global sales volume of TDDI chips increased to 1,040.0

BUSINESS

million units. It is expected to reach 1,431 million, with a CAGR of 6.6% by 2029. According to Frost & Sullivan, the market remains at an early development stage, and the market participant landscape is still nascent and dynamic, with a limited number of players, primarily specialized technology companies and some larger incumbents in related sectors exploring this space. Accordingly, we believe that, leveraging our existing technological capabilities and product portfolio, we are well-positioned to respond to customer demand and deliver relevant solutions as such demand materializes.

As of the Latest Practicable Date, several of our customers had plans to establish new generation AMOLED production lines, and we are already a qualified AMOLED supplier to various manufacturers. We plan to launch new product lines in coordination with our customers as their new generation production capacity comes on stream, with the aim of securing new orders from both existing and new customers as we penetrate these markets. Specifically, a next-generation AMOLED TDDI production line has commenced construction and is expected to enter mass production in the second half of 2026 and we intend to align the introduction of our relevant products to support adoption by brand customers as such production lines come on stream. In line with prevailing industry practice, our strategy for AMOLED TDDI chips is to first penetrate the mid- to low-end segments before gradually expanding into higher-end applications. In 2027, we expect to launch an advanced AMOLED TDDI chip.

In addition, we are actively pursuing a strategy to diversify our business beyond the smartphone sector and capture growth opportunities in other fast-expanding end product markets, including in-vehicle displays, televisions, tablets, wearables and other consumer electronics. According to Frost & Sullivan, both in-vehicle entertainment screens and mid-to-large format displays like tablets currently rely primarily on LCD technology, but are undergoing a transition toward AMOLED to achieve superior display effects. This industry-wide shift is driven by the increasing demand for high-contrast and high-resolution visual experiences, with AMOLED penetration expected to accelerate as the technology matures to meet the performance standards of these segments. As of the Latest Practicable Date, we had not yet secured any purchase orders in the in-vehicle display segment. However, our entry into this segment to be technically and commercially feasible based on the existing AMOLED DDIC product portfolio. In particular, in-vehicle AMOLED display applications can be supported by deploying our existing AMOLED DDICs in scalable configurations (for example, using two smartphone AMOLED DDICs in combination) and supplementing them with software algorithms to address balancing requirements, without the need to develop a new chip product. Based on our current development plan, any related purchase orders in the in-vehicle display segment are expected to materialize in the longer term and are not anticipated before around 2028. We also plan to introduce new AMOLED DDICs for tablet displays, marking our expansion into the tablet market. The growing adoption of AMOLED panels in tablets, driven by consumer demand for better image quality and thinner form factors, presents a significant sales growth opportunity. As of the Latest Practicable Date, we were in discussions with a leading tablet manufacturer regarding potential AMOLED DDIC solutions for tablet displays, and a product qualification plan is under development. This will support our efforts to secure initial customer orders and demonstrate market demand for our products in this new segment. According to Frost & Sullivan, tablet displays currently rely primarily on LCD technology, but are undergoing a transition toward AMOLED to achieve superior display effects. This industry-wide shift is driven by the increasing demand for high-contrast and high-resolution visual experiences, with AMOLED penetration expected to accelerate as the technology matures to meet the performance standards of these segments. As of the Latest Practicable Date, we had not secured any purchase orders for AMOLED DDICs for tablet display applications, nor had we commenced mass production in this segment. Our development of AMOLED DDICs for tablet display applications remains at a preliminary stage. Similar to in-vehicle AMOLED display applications, tablet displays applications could be supported through the deployment of our existing AMOLED DDICs in scalable configurations (for example, using two smartphone AMOLED DDICs in combination), without requiring the development of a new chip product. Accordingly, the development in this area is expected to primarily focus on system-level integration and application-specific solution optimization. Based on our current development progress and prevailing industry trends, the

BUSINESS

potential purchase orders or commencement of mass production for AMOLED DDICs for tablet display applications are expected to take place around 2028 or thereafter. The market participant landscape for AMOLED DDICs specifically for in-vehicle and tablet display applications is currently nascent and highly concentrated, with only a few existing players actively engaged in development or early-stage commercialization. Given our proven technological capabilities in AMOLED DDICs and our adaptable product architecture, we believe we are strategically positioned as an early entrant with strong foundational technology to capture opportunities as demand for tablet AMOLED displays materializes. In addition to our technological capabilities, we believe our existing relationships with brand customers provide us with commercial advantages in entering these new application segments. Our familiarity with the technical requirements and product roadmaps of brand customers is expected to support a more efficient customer engagement for tablet and in-vehicle display applications as these markets develop.

During the Track Record Period, our focus on the development and mass production of high-end products has driven both an increase in the number of customers and growth in revenue per customer. The number of our direct customers increased during the Track Record Period. At the same time, revenue per direct customer from advanced products which refers to our AMOLED DDIC products with a dual RAM structure for the flagship smartphone, grew from approximately RMB145,546 thousand in 2023 to approximately RMB348,910 thousand in 2025, reflecting our successful penetration into the high-end market segment and strengthened relationships with leading clients. This growth was primarily attributable to our launch of high-end AMOLED DDICs, which commanded higher average selling prices and facilitated deeper cooperation with premium device manufacturers. In addition, revenue recognized from new customers amounted to RMB25.8 million, RMB5.7 million and RMB15.2 million in 2023, 2024 and 2025. New customers refer, in substance, to our direct customers that contributed revenue to us during a given year but did not record any revenue contribution in the preceding year. Sales made through distributors and to different entities within the same corporate group are not regarded as new customers. Our direct customers are primarily panel manufacturers and distributors. We have already successfully established business relationships with both leading domestic panel manufacturers and brand customers, during the Track Record Period. Due to the high concentration of panel manufacturers (according to Frost & Sullivan, the five largest smartphone AMOLED DDIC manufacturers in Chinese mainland accounted for a combined market share of 80% in 2024), and as we had already established partnerships with these largest five panel manufacturers by the beginning of the Track Record Period, these new direct customers are primarily smaller-scale panel manufacturers within the industry so that their revenue contribution from new sales is relatively low.

Manage our cost of sales

We believe we can effectively manage and decrease our cost of sales, as a percentage of revenue, with increased sales volume and market share.

In addition, increased market share and enhanced market position allow us to negotiate favorable pricing and supply terms with both foundries and OSAT providers, such as securing production capacity in advance and more flexibility in procurement planning and schedules, which will decrease our inventory holding costs and impairment costs. Furthermore, thanks to our widely recognized brand and our reputation among brand companies, we work closely with foundries and OSAT providers to enter the supply chain of brand companies. Thus, partnering with us presents new business opportunities for these suppliers and, in return, we can secure better supply chain support from these suppliers. This mutually beneficial relationship allows us to continue to penetrate the DDIC market. As such, we expect that our cost of sales, as a percentage of revenue, will decrease significantly as we further solidify our competitive position in the industry.

While wafer prices have generally declined in recent periods as a result of market condition, particularly following the easing of global foundry capacity constraints since late 2022, we were not able to fully benefit from lower wafer prices to improve our profitability during the Track Record Period. This was primarily because the reduction in the average selling prices of our products —

BUSINESS

driven by intense market competition and customer pricing pressure — outpaced the decrease in wafer procurement costs. In addition, some of our wafer purchase agreements were entered into at higher prices during periods of tight supply, and the impact of lower spot prices only gradually filtered through to our cost structure. In contrast, domestic foundries typically offer more flexible and responsive pricing, allowing us to better capture cost savings as market conditions evolve. As a fabless company without our own manufacturing facilities, we are focused on optimizing our manufacturing costs by leveraging our bargaining power with foundry and OSAT partners, negotiating more favorable pricing and supply terms, and actively diversifying our supplier base to increase flexibility and reduce procurement risk. We have also enhanced our operational efficiency by improving our product design for higher yield rates and better manufacturability, and by streamlining our production planning and logistics. Going forward, we expect to capture further cost savings as new wafer pricing becomes fully reflected in our procurement costs, and as we continue to expand our scale and strengthen our partnerships with key suppliers. In addition, by diversifying our foundry partners, we can further enhance our bargaining power and benefit from more favorable pricing offered by domestic foundries. Through these measures, we believe we can effectively manage and reduce our overall cost of sales as a percentage of revenue, even as a fabless semiconductor company.

Foundry transfer plan and cost-saving strategy

As part of our ongoing cost optimization strategy, we implemented a foundry transfer plan to diversify and optimize our wafer supply chain. Historically, we have relied on foundries based in Taiwan, China as our primary wafer foundry partners, given its leading-edge manufacturing capabilities and consistently high wafer quality. In 2024, the majority of our wafers continued to be supplied by foundries based in Taiwan, China, primarily because our new foundry partnerships in Chinese mainland (“Mainland Foundry”) were still undergoing testing and qualification.

In order to further reduce production costs and manage supply chain risk, we established new partnerships with Mainland Foundries. The wafer shipment volume from the Mainland Foundries increased significantly from 1,943 units in 2024 to 18,946 units in 2025, representing an increase of 875.1%.

The transition to Mainland Foundries has resulted in a reduction in wafer procurement costs. According to Frost and Sullivan, the average wafer price of foundry services for DDICs charged by the foundries in Chinese mainland are usually lower than those charged by the foundries outside Chinese mainland by 10%-30% as a result of advancements of manufacturing capability and more competitive pricing strategy adopted by Chinese foundries.

As domestic foundry technologies in Chinese mainland continue to advance and our products achieve successful qualification at Mainland Foundry, we expect local substitution to become increasingly viable and attractive. During the Track Record Period, none of our customers required us to engage foundries based in Taiwan, China, for the production of our IC products.

Therefore, local foundry substitution represents an effective and sustainable cost-saving strategy for the Group, supporting our long-term profitability while maintaining the quality and competitiveness of our AMOLED DDIC portfolio.

By consistently shifting our product mix towards premium and high-growth applications, and by leveraging cost advantages and strategic supplier relationships, we are confident in our ability to further increase our selling price and achieve sustainable profitability improvements.

FINANCIAL INFORMATION

You should read the following discussion and analysis with our audited consolidated financial information, including the notes thereto, included in the Accountants' Report in Appendix I to this Prospectus. Our consolidated financial information has been prepared in accordance with the IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in this Prospectus, including but not limited to the sections headed "Risk Factors" and "Business."

For the purpose of this section, unless the context otherwise requires, references to 2023, 2024 and 2025 refer to our financial years ended December 31 of such years. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are the fifth-largest supplier, and the largest Chinese mainland-based supplier, in the global smartphone AMOLED DDIC market in terms of sales volume in 2024 according to Frost & Sullivan. Our focus is on delivering reliable and high-performance display driver solutions to consumer electronics brand companies.

We implement the fabless business model, and achieve our leading position through strategic collaborations with key players in the industry, including foundries, OSAT providers and display panel manufacturers, ultimately enhancing the display experience for end users. We have developed a full stack of proprietary display driver technologies that integrate software and hardware. Our proprietary technologies cover three critical technical aspects: the design of DDICs, the development of driver compensation algorithms and the layout of pixel compensation circuits. We currently offer AMOLED DDICs, which are predominantly utilized in smartphones, as well as Micro-OLED display backplanes/drivers, primarily designed for VR/AR devices.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial condition are affected by a variety of factors that influence the global consumer electronics and DDIC industries. These include macroeconomic conditions, such as the overall market demand for DDICs, as well as the competitive landscape within our industry.

In addition to general market factors, our results of operations are also affected by the following key specific factors:

Growth of Chinese Mainland's AMOLED Panel Industry

According to Frost & Sullivan, the growth of the global DDIC industry has been closely tied to the overall development of the panel supply chain. China, as the world's largest consumer electronics market, naturally drives substantial demand for display panels, fostering the growth of a robust domestic display panel industry. Already the global leader in LCD panel manufacturing, China is expected to follow a similar trajectory in the development of its AMOLED panel industry.

FINANCIAL INFORMATION

According to Frost & Sullivan, by 2024, Chinese mainland's AMOLED panel production capacity represented approximately 55.0% of the global production capacity. As production line development accelerates in the region, this share is projected to rise to 60.8% by 2029.

This surge in investment in the AMOLED panel industry is also expected to drive rapid growth across upstream and downstream sectors of the supply chain. As panel production and sales volume increase, the demand for DDICs will expand correspondingly, leading to a significant growth in the domestic market for DDICs. This development underscores the increasingly important role of China's DDIC industry in the global supply chain.

Maintaining and Expanding Our Customer Base

Given the highly concentrated nature of the DDIC market, we derive a substantial portion of our revenue from a limited number of display panel manufacturers. Our results of operations have been, and are expected to continue to be, significantly affected by our ability to maintain and deepen our relationships with our downstream customers, including display panel manufacturers and brand companies. This is influenced by various factors, including global consumer demand for consumer electronics, technological development and innovation in the DDIC market and the competitiveness of our product offerings.

To maintain and expand our business with these downstream customers, we must continuously meet their rigorous requirements regarding product quality, technical specifications, technological advancements and delivery schedules. Beyond simply retaining these downstream customers, we also aim to increase our wallet share by delivering differentiated, high-performance products that address their evolving needs.

The consumer electronics and DDIC markets are highly competitive, with constant pressure on brand companies to launch new products that reflect the latest consumer preferences. This dynamic drives display panel manufacturers — and by extension, us — to continuously enhance our research and development capabilities to deliver innovative products that meet the brand companies' ever-changing requirements. Our ability to consistently and reliably provide high-quality products that meet our downstream customers' exacting standards, both in terms of performance and delivery timelines, will directly impact our ability to strengthen our existing relationships and increase our penetration within our current customer base.

In addition to deepening relationships with existing downstream customers, our business performance and financial condition also depend on our ability to win new downstream customers. We actively seek to expand our customer base by offering high-quality, high-performance products designed to meet customized technical specifications and requirements. Our ability to attract new downstream customers is further influenced by our marketing and branding efforts, as well as the competitive environment within the DDIC market.

Product Pricing

Our pricing strategy is mainly driven by our goal to maintain and grow our market share and sales volume. In line with this goal, we strive to offer value-for-money products, which requires us to price our products competitively, taking into account the competitive landscape within the industry.

Furthermore, our profitability is affected by our ability to price our products appropriately to achieve our intended profit margins. If we are unable to manage our product portfolio, satisfy customer demands, or price our products effectively, our business operations and financial condition could be adversely affected.

FINANCIAL INFORMATION

Product Mix

Our revenue and profitability are influenced by the mix of our products. We currently offer two categories of products: (i) AMOLED DDICs, primarily used for smartphones, and (ii) Micro-OLED display backplanes/drivers, primarily used for AR/VR enabled head-mounted devices. We are primarily focused on the design and supply of AMOLED DDICs, which accounted for 83.5%, 91.6% and 72.6% of our revenue in 2023, 2024 and 2025. We strategically expanded into the development and commercialization of Micro-OLED display backplanes/drivers in recent years, which is rapidly advancing as a new frontier in AMOLED display technology.

Our products have varying selling prices and margin profiles due to differences in product complexity and R&D investments. Furthermore, different products within the same category may have different selling prices and profit margins as well. As a result, the mix of our products sold in a given year significantly impacts our financial condition and profitability. Our product mix may vary in response to changes in market conditions, customer preferences and technological advancements in end products that feature our DDICs. In addition, as we deepen our relationship with our existing downstream customers, increase our wallet share and further enhance our industry position, we expect to be able to optimize our portfolio of products sold to these downstream customers by supplying more premium products to them. Our ability to effectively manage and continuously optimize our portfolio of products will affect our margin profiles and financial condition.

Ability to Control Cost of Sales

Our overall financial condition and profitability depend on our ability to manage our cost of sales, which primarily comprises wafer costs and packaging and testing-related expenses. As a fabless design house, we work closely with third-party suppliers for wafer fabrication and backend services, and the prices of these services are influenced by overall supply-demand dynamics, supplier pricing policies and the scale of our businesses with these suppliers.

In particular, our ability to coordinate effectively with our foundry partners and OSAT providers to manage capacity allocation and production schedules affects our procurement lead times, delivery schedules to our customers and our inventory holding costs, which in turn affect our business operations and financial condition. Furthermore, as we grow our business and improve our market position, our ability to leverage economies of scale as well as our industry position to manage and control our cost of sales will affect our profitability and financial condition.

Our R&D Expenses and Achievement

Research and development are crucial to our sustained business growth as our competitiveness depends on our ability to develop and implement new technologies to address evolving needs of our customers and brand companies. Therefore, we have been investing and will continue to invest in research and development efforts. In 2023, 2024 and 2025, our research and development expenses amounted to RMB177.0 million, RMB242.2 million and RMB266.0 million, accounting for 24.6%, 27.2% and 24.1% of our revenue in the respective year.

Our research and development achievements affect our business in multiple ways, such as (i) whether we will be successful in maintaining our relationships with our existing customers and acquiring new customers and (ii) whether we can expand our portfolio of products and upgrade our existing products. We will continue to invest in AMOLED and Micro-OLED display technologies to further upgrade our existing products and launch new products that reflect the latest technological development in our fields, which we believe will help us to solidify and expand our relationships with customers. However, we cannot assure you that our research and development efforts will achieve our intended results, or that we will be able to successfully implement new technologies to achieve our intended benefits. The success of our research and development efforts, including our research and development expenses, will affect our business and financial condition.

FINANCIAL INFORMATION

BASIS OF PRESENTATION

The historical financial information of our Group, comprising the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of our Group for each of the years ended December 31, 2023, 2024 and 2025, and the consolidated statements of financial position of our Group and the statements of financial position of the Company as of December 31, 2023, 2024 and 2025, and material accounting policy information and other explanatory information (“**Historical Financial Information**”) has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations as issued by the International Accounting Standards Board (“**IASB**”).

All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Historical Financial Information throughout each of the years during the Track Record Period.

The Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and derivative financial instruments which have been measured at fair value at the end of each of the years during the Track Record Period.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

Note 2.3 to “Appendix I — Accountants’ Report” to this Prospectus sets forth certain material accounting policies, which are important for understanding our financial condition and results of operations.

Impairment Testing of Certain Non-financial Assets

In accordance with IAS 36.12, we assess at the end of each reporting period whether there are any indications that non-current assets (other than inventories, contract assets, deferred tax assets, financial assets) may be impaired. If any such indication exists, we estimate the recoverable amount of the assets.

In accordance with IAS 36, we performed impairment tests at each period-end on non-current assets (primarily including property, plant and equipment, right-of-use assets, intangible assets, and other non-current assets) that show indications of impairment and estimate the recoverable amount of the non-current asset. The recoverable amount is determined for the cash-generating unit to which the asset belongs.

We are primarily engaged in delivering reliable and high-performance display driver solutions to consumer electronics brand companies. We are highly centralized managed and implement the fabless business model. Our activities including R&D, procurement and sales are all governed and managed in headquarters and we only have one operating segment. The non-current assets other than financial assets mainly include machinery and software. The entities that hold these assets are highly inter-related and cannot be considered to generate cash inflows that are largely independent of each other.

Therefore, non-current assets, other than financial assets located in different entities, are all allocated to the whole Group which is defined as the cash-generating unit (“**CGU**”) that generates cash flows that are largely independent for impairment testing.

FINANCIAL INFORMATION

The recoverable amount of the CGU is determined based on a value in use calculation using cash flow projections based on financial budgets approved by the management, with the engagement of an independent professionally qualified valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited (“JLL”). The budgeted sales and margins are estimated based on historical information achieved and the expected market development. The discount rates used reflect specific risks relating to our Company. According to the impairment test results, the recoverable amount of the CGU was larger than the carrying amount of the non-current assets at the end of each reporting period, thus no impairment was required.

RESULTS OF OPERATIONS

	Year Ended December 31,					
	2023		2024		2025	
	<i>(in RMB thousands, except for percentages)</i>					
Total revenue	720,404	100.0	891,304	100.0	1,105,659	100.0
Cost of sales	(717,211)	(99.6)	(869,396)	(97.5)	(962,674)	(87.1)
Gross profit	3,193	0.4	21,908	2.5	142,985	12.9
Other income and gains	24,084	3.3	37,285	4.2	31,910	2.9
Selling and distribution expenses	(15,253)	(2.1)	(32,495)	(3.6)	(26,815)	(2.4)
Administrative expenses	(62,932)	(8.7)	(83,921)	(9.4)	(101,790)	(9.2)
Research and development expenses	(177,026)	(24.6)	(242,204)	(27.2)	(266,036)	(24.1)
Impairment losses on financial assets, net	2,814	0.4	70	0.0	3,278	0.3
Other expenses	(6,111)	(0.8)	(5,776)	(0.6)	(12,332)	(1.1)
Finance costs	(874)	(0.1)	(3,853)	(0.4)	(1,531)	(0.1)
Loss before tax	(232,105)	(32.2)	(308,986)	(34.7)	(230,331)	(20.8)
Income tax expenses	–	–	–	–	–	–
Loss for the year	(232,105)	(32.2)	(308,986)	(34.7)	(230,331)	(20.8)

NON-IFRS MEASURE

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

	Year Ended December 31,		
	2023	2024	2025
	<i>(in RMB thousands, except for percentages)</i>		
Loss for the year	(232,105)	(308,986)	(230,331)
Add:			
Listing expense	–	–	24,660

FINANCIAL INFORMATION

	Year Ended December 31,		
	2023	2024	2025
	<i>(in RMB thousands, except for percentages)</i>		
Share-based compensation	14,793	84,831	59,794
Adjusted profit/(loss) for the year (a non-IFRS measure)	(217,312)	(224,155)	(145,877)
<i>Adjusted net margin (a non-IFRS measure)</i>	<i>(30.2)%</i>	<i>(25.1)%</i>	<i>(13.2)%</i>

Our share-based compensation increased from RMB14.8 million in 2023 to RMB84.8 million in 2024. Our share-based compensation decreased to RMB59.8 million as of December 31, 2025. We recorded a relatively lower share-based compensation in 2023, primarily due to the reassessment and extension of the vesting period for certain grants. Initially, the vesting period was set to end by December 31, 2023, and it was subsequently extended to December 31, 2025. As a result a recalculation of the share-based compensation expenses over the longer vesting period is required. As a result, the cumulative expenses to be recognized were redistributed over the revised total service period. For 2023, the share-based compensation was adjusted to reflect the difference between the cumulative expenses that should have been recognized by the end of the year and the amount already recognized in prior years. This adjustment led to a reversal of any over-accrued expenses from prior periods, which contributed to the lower share-based compensation recorded in 2023.

PRINCIPAL COMPONENTS OF RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we mainly generated revenue from sales of (i) AMOLED DDICs and (ii) Micro-OLED display backplanes/drivers.

By Product

	Year Ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>					
AMOLED DDICs	601,437	83.5	816,033	91.6	802,338	72.6
Micro-OLED display backplanes/drivers	118,833	16.5	75,039	8.4	295,650	26.7
Others ⁽¹⁾	134	0.0	232	0.0	7,671	0.7
Total	720,404	100.0	891,304	100.0	1,105,659	100.0

Note:

- (1) Primarily consisting of revenue from sales of board cards and customized development and technology licensing services related to AMOLED DDICs upon demand of our customers. Such services include compensation algorithm IP licensing and board card sales, to enhance display performance.

During the Track Record Period, revenue generated from the sales of AMOLED DDICs accounted for a substantial majority of our total revenue and represented our principal source of revenue. In addition to the sales of AMOLED DDICs, we also derived revenue from sales of Micro-OLED display backplanes/drivers. To maintain strong relationships with our key downstream customers and address their diverse needs, we also provided other products and services, which

FINANCIAL INFORMATION

primarily included board cards and customized development and technology licensing services related to AMOLED DDICs upon demand of our customers. Such services include compensation algorithm IP licensing and board card sales, to enhance display performance.

Sales Volume and Average Selling Price

	Year Ended December 31,					
	2023		2024		2025	
	Sales volume ⁽¹⁾	Average selling price ⁽²⁾	Sales volume ⁽¹⁾	Average selling price ⁽²⁾	Sales volume ⁽¹⁾	Average selling price ⁽²⁾
	<i>(Units'000)</i>	<i>(RMB)</i>	<i>(Units'000)</i>	<i>(RMB)</i>	<i>(Units'000)</i>	<i>(RMB)</i>
AMOLED DDICs	32,287	18.6	51,350	15.9	52,593	15.3

	Year Ended December 31,					
	2023		2024		2025	
	Sales volume ⁽¹⁾	Average selling price ⁽²⁾	Sales volume ⁽¹⁾	Average selling price ⁽²⁾	Sales volume ⁽¹⁾	Average selling price ⁽²⁾
	<i>(Pieces)</i>	<i>(RMB)</i>	<i>(Pieces)</i>	<i>(RMB)</i>	<i>(Pieces)</i>	<i>(RMB)</i>
Micro-OLED backplanes/ drivers	5,459	21,768.3	3,326	22,561.3	16,468	17,953.0

Notes:

- (1) Sales volume of AMOLED DDICs is measured by the number of individual chips, while the sales volume of Micro-OLED backplanes/drivers is measured by the number of wafer pieces. This difference arises from the distinct packaging and delivery requirements of these two product types.

For AMOLED DDICs, the mainstream packaging method involves cutting the wafer into individual chips before delivery. As a result, sales are calculated based on the number of chips sold.

In contrast, due to the specific manufacturing processes required by Micro-OLED panel manufacturers, our Micro-OLED backplanes/drivers are typically delivered in the form of whole wafers, without being cut or packaged into individual chips. This is because downstream panel manufacturers need to directly process the wafers to produce the Micro-OLED displays. Consequently, unlike our DDICs, which are sold on a per-chip basis, our Micro-OLED backplanes/drivers are sold on a per-wafer basis, and “wafers” are used as the unit of measurement for sales volume.

Additionally, since panel manufacturers fabricate the Micro-OLED display devices directly on the backplane chips, the size of the Micro-OLED display modules supported by the chips is essentially determined at the time of delivery. This unique characteristic further differentiates the sales and delivery of Micro-OLED products from that of AMOLED DDICs.

- (2) The average selling price of our product is calculated by dividing revenue generated from sale of such product by the sales volume of such product.

The average selling price of our AMOLED DDIC continued to decrease during the Track Record Period, primarily due to our competitive pricing strategy in order to establish and expand our market share. More specifically, the branded market for AMOLED in the smartphone sector is characterized by high entry barriers, as it requires strong yield rates and recognition from both smartphone and panel manufacturers. This makes it more challenging for new players to enter the market. The AMOLED DDIC market is dominated by a few large customers, which make our market share acquiring strategy more important. According to Frost & Sullivan, the five largest manufacturers of smartphone AMOLED DDICs in Chinese mainland accounted for a combined market share of 80% in 2024. In such an industry, new entrants typically need to maintain a period of price competitiveness in order to acquire and retain customers. On the other hand, as a young player in this well-established market, we formulated and implemented a competitive pricing strategy in response to our competitors’ efforts to lower prices and prevent us from gaining further market share. To sustain and expand our presence, we proactively reduced the average selling price

FINANCIAL INFORMATION

of our AMOLED DDICs, thereby maintaining our competitive advantage and strengthening our position in the market. In addition, starting from 2023, we increased the use of distributors to shorten our cash collection cycle and better manage our capital and offer our distributor a discount off the price we typically sell to the display panel manufacturers, which is primarily linked to the length of the collection cycle we are able to shorten. According to Frost & Sullivan, it is common to offer credit terms of 3 to 4 months to distributors following delivery. To compensate for the logistics costs associated with shorter credit periods, we have historically offered distributors a discount of approximately 0.8% for each month by which the credit period is reduced from the typical three- to four-month credit period. Such discount is the primary financial incentive for our distributors to accept a shorter credit period. On such basis, as we typically require full payment from our distributors upfront as compared with a typical 90-day credit period under direct sales, the discount we offer range from 2.4% to 3.2%. As our scale grew and liquidity position strengthened, the extent of discounts offered to distributors is expected to be reduced gradually. In 2025, the decrease in average selling prices began to stabilize, supported by the launch of our higher-end product offerings. Sales volume remained generally consistent with the previous year, primarily reflecting a temporary slowdown in product rollout and shipment pace as we allocated additional R&D resources to wafer foundry transitions and spent more time on production line calibration and optimization.

The demand for Micro-OLED backplanes/drivers has undergone notable shifts since 2022. In 2022, downstream demand experienced a significant surge, as our major customers held an optimistic outlook for market growth — particularly in industrial and early-stage consumer electronics applications — and accordingly placed advance orders to build inventory in anticipation of robust end-user demand. However, as market expectations moderated and customers worked through their accumulated inventory positions, demand softened markedly entering 2023 and remained subdued through 2024. This post-peak correction resulted in reduced order volumes and changes in customer ordering patterns during this period. Entering 2025, demand began to recover meaningfully, driven by the commercialization and volume ramp-up of new downstream applications, most notably flying eyewear and AR glasses, which created a new wave of end-market demand for high-performance Micro-OLED backplanes/drivers.

From 2023 to 2024, the average selling price of our Micro-OLED backplanes/drivers increased while sales volume decreased. The primary reason for the rising average selling price was a shift in our product mix, as the proportion of 12-inch Micro-OLED backplanes/drivers — which command higher unit prices — increased, while the proportion of 8-inch products decreased. In general, our Micro-OLED backplanes/drivers can be fabricated on either 8- or 12-inch wafers, depending on the specific requirements of our customers, which will be further processed by the panel manufacturers. In addition, 8-inch wafers are generally used by industrial customers, while 12-inch wafers are primarily applied in consumer electronics. Hence, our products fabricated into 8-inch and 12-inch wafers are not direct substitutes. At the same time, the decline in sales volume was mainly due to weaker downstream demand and changes in customer ordering patterns.

While customers would not purchase larger sized Micro-OLED products (i.e. 12-inch) less frequently than smaller sized Micro-OLED products (i.e. 8-inch) as a result of its size, the fluctuations in customers' procurement demand for different models of Micro-OLED products primarily depend on the level of end-market demand and the life cycle of different end products, rather than the size of the Micro-OLED itself. In 2023 and 2024, there was a general decline in customers' procurement volume for 12-inch Micro-OLED products, mainly due to changes in downstream demand.

Since 2025, however, market demand for end-products incorporating our Micro-OLED backplanes/drivers, such as smart glasses, has increased, leading to a notable rise in our sales volume particularly during the first half of 2025. This increase was driven by new products from certain brand companies, including FPV goggles designed for use with drones and smart glasses. In 2025, our average selling price decreased, primarily because sales volume increased and we offered additional discounts to customers in light of the larger order sizes.

FINANCIAL INFORMATION

By Geographical Location

	Year Ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except for percentages)</i>					
Chinese Mainland ⁽¹⁾	703,491	97.7	862,724	96.8	859,091	77.7
Hong Kong ⁽¹⁾⁽²⁾	16,812	2.3	28,495	3.2	245,966	22.2
Taiwan ⁽¹⁾⁽²⁾	101	0.0	85	0.0	602	0.1
Total	<u>720,404</u>	<u>100.0</u>	<u>891,304</u>	<u>100.0</u>	<u>1,105,659</u>	<u>100.0</u>

Notes:

- (1) Geographical location is solely based on the customer's place of incorporation.
- (2) Revenue from Hong Kong and Taiwan are primarily generated from customers comprising distributors, and to a lesser extent, panel manufacturers and brand companies. The increase in revenue from Taiwan in 2025 was primarily attributable to increased procurement volumes from our existing Taiwan-based customers. The increase in revenue from Hong Kong in 2025 was primarily attributable to the expansion of our distributor's distribution network in Hong Kong.

By Sales Channel

	Year Ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except for percentages)</i>					
Direct sale	214,287	29.7	234,638	26.3	369,452	33.4
Distributor	506,117	70.3	656,666	73.7	736,207	66.6
Total	<u>720,404</u>	<u>100.0</u>	<u>891,304</u>	<u>100.0</u>	<u>1,105,659</u>	<u>100.0</u>

During the Track Record Period, our downstream customers are primarily display panel manufacturers and brand companies based in Chinese mainland. However, we engaged distributors primarily to accelerate our cash collection cycle. See “Business — Sales and Marketing — Our Distributors” for further details.

By Customer Type

	Year Ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except for percentages)</i>					
Display panel manufacturers.	180,792	25.1	202,785	22.8	225,825	20.4
Distributor	506,117	70.3	656,666	73.7	736,207	66.6
Brand companies	31	0.0	–	–	94,084	8.5
Others ⁽¹⁾	33,464	4.6	31,853	3.6	49,543	4.5
Total	<u>720,404</u>	<u>100.0</u>	<u>891,304</u>	<u>100.0</u>	<u>1,105,659</u>	<u>100.0</u>

Note:

- (1) Mainly comprising non-brand customers focusing on maintenance and repair market.

FINANCIAL INFORMATION

Cost of Sales

Our cost of sales primarily consists of (i) cost of wafer as the primary raw material of our product, (ii) cost of packaging and testing, and (iii) others, mainly include the depreciation of fixed assets and amortization of intangible assets. We also recorded write-down of inventories under cost of sales.

	Year Ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except for percentages)</i>					
Wafer	531,697	74.1	668,794	76.9	773,315	80.3
Packaging and testing	122,106	17.0	169,407	19.5	169,778	17.6
Others.	10,245	1.4	5,916	0.7	6,917	0.7
Subtotal	664,048	92.6	844,117	97.1	950,010	98.7
Write-off of inventories	<u>53,163</u>	<u>7.4</u>	<u>25,279</u>	<u>2.9</u>	<u>12,664</u>	<u>1.3</u>
Total	<u>717,211</u>	<u>100.0</u>	<u>869,396</u>	<u>100.0</u>	<u>962,674</u>	<u>100.0</u>

The industry in which we operate is characterized by rapid technology evolution and iteration. More specifically, brand companies typically refresh their smartphone offerings every year, and we may need to roll out new products in response to their product iterations. Once a new generation of smartphones and DDICs are rolled out, the demand and its selling price for the previous generation of DDICs would typically decrease. Such pattern typically results in write-off of value on unsold previous generation DDICs. Micro-OLED products do not experience the same roll-out pattern as smartphones, as the product life cycle of Micro-OLED products is generally longer and the iteration pace is slower than that of smartphones.

Our inventory write-downs have shown a declining trend from 2023 through 2025. The relatively high level of write-off of inventories in 2023 was primarily attributable to the downturn in the global consumer electronics industry during that year. According to Frost and Sullivan, although the global consumer electronics industry experienced a downturn in 2023, we did not scale back our production in 2024 because our products and technologies continued to gain market and customer recognition, leading to sustained growth in both demand and sales volumes. This can be evidenced by the growth in our AMOLED DDIC sales volume from 32.3 million units in 2023 to 51.4 million units in 2024. We achieved such growth through our ability to roll out reliable and high-performance products at a competitive price. In particular, we have consistently prioritized the development of high-quality DDIC products that deliver advanced features such as low power consumption, high resolution, and superior performance reliability tailored to the specific needs of downstream customers and brand companies. Through this, we have established long-term, collaborative partnerships with them and expand our wallet shares in these downstream customers and brand companies. In addition, the display panel industry has been shifting towards China, resulting in a steady increase in domestic panel capacity and demand. Furthermore, the penetration rate of AMOLED displays has continued to rise, which has driven greater demand for our AMOLED DDICs. Supported by these factors, we maintained and even expanded our production in 2024 to capture market opportunities and meet the growing needs of our customers, despite broader market headwinds. In 2024 and 2025, as our bargaining power grew with our scale and the consumer electronics industry gradually recovered, we experienced a much lower level of inventory write-down.

FINANCIAL INFORMATION

While the inventory write-offs recorded in 2023 were substantial, we do not expect this to remain an enduring and recurring problem for the following reasons:

- **Improved Bargaining Power:** Since 2024, the growth in our business scale has enabled us to negotiate better procurement terms, thereby reducing procurement risks and inventory costs. For example, since May 2025, our payment term with Huali Microelectronics (“**HLMC**”) improved from 100% prepayment to payment within 30 days after delivery. Chipbond’s payment term has been extended from 60 to 90 days, and as of July 2025, our procurement cost from Chipmore has decreased by approximately 8%. For our other foundry partner based in Chinese mainland, we also expect its payment terms to shift from 20% prepayment and 80% payment within 30 days after delivery, to full payment within 30 days after delivery.
- **Recovery of the Consumer Electronics Market:** A gradual recovery in the global consumer electronics industry has stabilized demand, reducing the risk of overstocking.
- **Enhanced Forecasting and Inventory Management:** We have adopted more rigorous forecasting methods, strengthened inventory controls, and implemented stricter accountability measures to prevent similar issues from recurring.

As a fabless IC design company, holding a certain level of inventory is an integral part of our business operations due to the following reasons:

- **Customer-Specific Customization:** Our AMOLED DDICs are often tailored to specific customer requirements, which requires us to maintain higher inventory levels to respond to customized and potential orders.
- **Global Supply Chain Constraints:** During the global foundry capacity shortage in 2022, we increased wafer procurement to secure supply amid intense competition for production capacity.
- **Support for Rapid Product Iterations:** The rapid refresh cycles in the smartphone industry require us to maintain sufficient inventory to quickly respond to customer needs and avoid potential supply disruptions. According to Frost & Sullivan, the consumer electronics industry experienced elevated inventory levels during 2022 and 2023, with average industry inventory turnover days increasing by approximately 10 days from 2022 to 2023. Against this backdrop, we have actively optimized our inventory management to balance supply agility with inventory risk, ensuring responsiveness to customer orders while minimizing excess stock.

Our forecasted demand in 2023 was influenced by several factors:

- **Global Consumer Electronics Downturn:** The Group experienced a significant slowdown in the global consumer electronics market, resulting in lower-than-expected demand for smartphones and a shortfall in actual sales compared to our forecasts.
- **Procurement Based on Customer Forecasts:** Our procurement planning historically relied heavily on sales forecasts provided by major customers at the beginning of each period. We use these customer forecasts as the primary input for our own procurement and production planning. However, customers’ forecasts are subject to change depending on evolving market conditions and their internal sales performance. In the recent downturn in the global consumer electronics market, our customers revised their actual procurement needs downward after their initial forecasts were made. Because our procurement and production capacity is committed based on these early forecasts due to the capacity binding arrangement, there is a time lag and limited flexibility to adjust procurement volumes in response to changes in customer demand.

FINANCIAL INFORMATION

We have established and enhanced oversight mechanisms to improve forecast modelling and inventory management, including:

- **Forecast Modelling:** Our procurement planning has traditionally depended on sales forecasts supplied by brand customers. In 2023, reliance on optimistic projections without sufficient consideration of prevailing market conditions led to misjudgments in inventory and procurement decisions. The recent downturn highlighted the need for more conservative and flexible forecasting models that take into account market fluctuations and macroeconomic risks. We have since refined our approach to incorporate more data-driven and risk-adjusted methods.
- **Inventory Management:** We generally maintain a certain level of inventory to ensure continuity of supply and timely fulfillment of customer orders. In addition, we hold appropriate safety stock based on supplier capacity, customer demand, and overall market environment. Since 2024, we have implemented tighter procurement controls, adjusting orders based on updated market conditions and actual customer needs. Our inventory management practices have been enhanced to monitor unsold stock levels more closely and to improve coordination between sales and procurement departments.
- **Accountability Framework:** We have strengthened our internal accountability framework by introducing performance metrics related to inventory turnover and forecast accuracy. In addition, we have adjusted decision-making processes to ensure greater cross-departmental collaboration among R&D, sales, and supply chain teams.

Gross Profit and Gross Margin

By Product

We recorded gross profit as revenue less cost of sales. We recorded gross margin as gross profit divided by revenue, expressed as a percentage.

	Year Ended December 31,					
	2023		2024		2025	
	Gross profit/ (loss)	Gross margin	Gross profit	Gross margin	Gross profit	Gross margin
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
<i>(in thousands, except for percentages)</i>						
AMOLED DDICs	(8,714) ⁽²⁾	(1.4) ⁽²⁾	2,259	0.3	51,633	6.4
Micro-OLED display backplanes/drivers	11,846	10.0	19,436	25.9	84,621	28.6
Others ⁽¹⁾	61	45.5	213	91.8	6,731	87.7
Total/Overall.	<u>3,193</u>	0.4	<u>21,908</u>	2.5	<u>142,985</u>	12.9

Notes:

- (1) Primarily consisting of revenue from sales of board cards and customized development and technology licensing services related to AMOLED DDICs upon demand of our customers. Such services include compensation algorithm IP licensing and board card sales, to enhance display performance.
- (2) We recorded gross loss of RMB8.7 million from AMOLED DDICs in 2023 due to inventory write-offs. See also “— Cost of Sales.”

FINANCIAL INFORMATION

The gross loss from sales of AMOLED DDICs and substantially low gross margin from sales of AMOLED DDICs in 2023 and 2024 was primarily attributable to our competitive pricing strategy in order to establish and expand our market share. More specifically, we adopt such strategic pricing approach to achieve two targets: (i) gaining access to market. The AMOLED DDIC market characterized by its high entry barriers in terms of strong yield rates and recognition by a few large panel manufacturers that dominate the market. In such an industry, new entrants typically need to maintain a period of price competitiveness in order to acquire and retain customers; and (ii) protecting our market share. As a young player in this well-established market, we formulated and implemented a competitive pricing strategy in response to our competitors' efforts to lower prices and prevent us from gaining further market share. To sustain and expand our presence, we proactively reduced the average selling price of our AMOLED DDICs, thereby maintaining our competitive advantage and strengthening our position in the market. In 2025, we implemented a transition of our wafer foundry partners and introduced new products, including both premium and mid-end offerings. This resulted in an improved product mix and contributed to an overall increase in our gross profit margin, with a corresponding growth in gross profit.

On the other hand, our gross profit margins from sales of Micro-OLED backplanes/drivers were relatively stable in 2024 and 2025. The significantly lower gross profit margin in 2023 was primarily due to weaker market demand in consumer electronics, which was the primary end market for our major shipped product that year and inventory adjustments by downstream customers. Additionally, there was a lag in wafer procurement costs in response to market changes, as we were still using the higher prices agreed upon in 2022 during the market downturn in 2023. Both of these factors coincided with the overstocking of Micro-OLED products by customers in 2022, which led to lowered margin in 2023.

By Sales Channel

	Year Ended December 31,					
	2023		2024		2025	
	Gross profit	Gross margin	Gross profit	Gross margin	Gross profit	Gross margin
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except for percentages)</i>					
Direct sale	12,005	5.6	39,566	16.9	63,726	17.2
Distributor	44,351	8.8	7,621	1.2	91,923	12.5
Write-off of inventories	(53,163)		(25,279)		(12,664)	
Total/Overall	<u>3,193</u>	0.4	<u>21,908</u>	2.5	<u>142,985</u>	12.9

By Customer Type

	Year Ended December 31,					
	2023		2024		2025	
	Gross profit	Gross margin	Gross profit	Gross margin	Gross profit	Gross margin
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except for percentages)</i>					
Display panel manufacturers	7,828	4.3	36,978	18.2	50,121	22.2
Distributor	44,351	8.8	7,621	1.2	91,923	12.5
Brand companies	31	100.0	–	–	14,624	15.5
Others ⁽¹⁾	4,146	12.4	2,588	8.1	(1,019)	(2.1)

FINANCIAL INFORMATION

	Year Ended December 31,					
	2023		2024		2025	
	Gross profit	Gross margin	Gross profit	Gross margin	Gross profit	Gross margin
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except for percentages)</i>					
Write-off of inventories	(53,163)		(25,279)		(12,664)	
Total/Overall	<u>3,193</u>	0.4	<u>21,908</u>	2.5	<u>(142,985)</u>	12.9

Note:

(1) Mainly comprising non-brand customers focusing on maintenance and repair market.

Other Income and Gains

	Year Ended December 31,					
	2023		2024		2025	
	<i>(in RMB thousands, except for percentages)</i>					
Interest income	7,262	30.2	17,529	47.0	17,420	54.6
Government grants	5,885	24.4	11,430	30.7	10,846	34.0
Gains on disposal of items of property, plant and equipment	2	0.0	–	–	–	–
Gains on disposal and fair value of financial assets at fair value through profit or loss	10,008	41.6	5,911	15.9	3,640	11.4
Foreign exchange gains, net	–	–	2,415	6.5	–	–
Others	927	3.8	–	–	4	0.0
Total	<u>24,084</u>	<u>100.0</u>	<u>37,285</u>	<u>100.0</u>	<u>31,910</u>	<u>100.0</u>
<i>as % of total revenue</i>		3.3		4.2		2.9

Selling and Distribution Expenses

	Year Ended December 31,					
	2023		2024		2025	
	<i>(in RMB thousands, except for percentages)</i>					
Staff expenses	11,346	74.4	11,281	34.7	11,369	42.4
Share-based compensation	40	0.3	18,671	57.5	13,300	49.6
Marketing expenses	3,247	21.3	1,808	5.6	1,469	5.5
Depreciation and amortization	620	4.1	735	2.3	677	2.5
Total	<u>15,253</u>	<u>100.0</u>	<u>32,495</u>	<u>100.0</u>	<u>26,815</u>	<u>100.0</u>
<i>as % of total revenue</i>		2.1		3.6		2.4

FINANCIAL INFORMATION

Administrative Expenses

	Year Ended December 31,					
	2023		2024		2025	
	<i>(in RMB thousands, except for percentages)</i>					
Staff expenses	37,157	59.0	39,826	47.5	42,639	41.9
Share-based compensation	3,492	5.5	20,421	24.3	14,366	14.1
Office expenses	6,436	10.2	9,731	11.6	5,303	5.2
Consultancy fees	11,090	17.6	8,607	10.3	10,121	9.9
Listing expense	–	–	–	–	24,660	24.2
Others	4,757	7.6	5,336	6.3	4,701	4.6
Total	62,932	100.0	83,921	100.0	101,790	100.0
<i>as % of total revenue</i>	<i>8.7</i>		<i>9.4</i>		<i>9.2</i>	

Research and Development Expenses

	Year Ended December 31,					
	2023		2024		2025	
	<i>(in RMB thousands, except for percentages)</i>					
Staff expenses	121,540	68.7	139,900	57.8	161,608	60.7
Share-based compensation	11,261	6.4	45,739	18.9	32,129	12.1
Engineering expenses	32,304	18.2	43,389	17.9	58,065	21.8
Others	11,921	6.7	13,176	5.4	14,234	5.4
Total	177,026	100.0	242,204	100.0	266,036	100.0
<i>as % of total revenue</i>	<i>24.6</i>		<i>27.2</i>		<i>24.1</i>	

Finance Costs

Our finance costs include interest on interest-bearing bank loans and interest on lease liabilities.

	Year Ended December 31,					
	2023		2024		2025	
	<i>(in RMB thousands, except for percentages)</i>					
Interest on interest-bearing bank borrowings	639	73.1	3,655	94.9	1,415	92.4
Interest on lease liabilities	235	26.9	198	5.1	116	7.6
Total	874	100.0	3,853	100.0	1,531	100.0
<i>as % of total revenue</i>	<i>0.1</i>		<i>0.4</i>		<i>0.1</i>	

Impairment Losses under Expected Credit Loss Model, Net of Reversal

Our impairment of financial assets, net of reversal represents our net impairment losses recognized on trade receivables, financial assets included in prepayments, other receivables and other assets. In 2023, 2024 and 2025, our impairment of financial assets, net amounted to a gain of RMB2.8 million, a gain of RMB70 thousand and a gain of RMB3.3 million, representing 0.4%, 0.0% and 0.3% of our total revenue in each of the respective years.

FINANCIAL INFORMATION

Other Expenses

Our other expenses comprise foreign exchange losses incurred during the Track Record Period due to fluctuation of the currency exchange rate between RMB and USD and write off of other receivables. Other expenses amounted to RMB6.1 million, RMB5.8 million and RMB12.3 million in 2023, 2024 and 2025, respectively.

Income Tax Expense

Under the PRC Corporate Income Tax Law and the respective regulations, the corporate income tax for our Company and subsidiaries is calculated at a statutory rate of 25%, on their estimated taxable profits for the year based on the existing legislations, interpretations and practices in respect thereof. Our subsidiary, Kunshan Yunyinggu Electronic Technology Co., Ltd. was granted the qualification of High and New Technology Enterprises on December 13, 2023 and was entitled to a preferential corporate income tax rate of 15% from December 13, 2023 to December 13, 2026. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Our subsidiaries incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 8.25% for taxable income not exceeding HK\$2,000,000, and 16.5% for taxable income exceeding HK\$2,000,000 on any estimated assessable profits arising in Hong Kong.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

2025 Compared to 2024

Revenue

	Year Ended December 31,		% change
	2024	2025	
	<i>(in RMB thousands, except for percentages)</i>		
Revenue			
AMOLED DDICs	816,033	802,338	(1.7)
Micro-OLED backplanes/drivers	75,039	295,650	294.0
Others ⁽¹⁾	232	7,671	3,206.5
Total	891,304	1,105,659	24.0

Note:

- (1) Primarily consisting of revenue from sales of board cards and customized development and technology licensing services related to AMOLED DDICs upon demand of our customers. Such services include compensation algorithm IP licensing and board card sales, to enhance display performance.

Our revenue increased by 24.0% from RMB891.3 million in 2024 to RMB1,105.7 million in 2025, primarily due to the increase in revenue from Micro-OLED backplanes/drivers.

AMOLED DDICs

Our revenue from sales of AMOLED DDICs decreased by 1.7% from RMB816.0 million in 2024 to RMB802.3 million in 2025, primarily due to a 3.8% decrease in the average selling price of our AMOLED DDICs from RMB15.9 per unit in 2024 to RMB15.3 per unit in the 2025, coming with a 2.4% increase in sales volume from 51.4 million units to 52.6 million units during the same years. The decrease in average selling price was mainly due to changes in our product mix, and the timing of product ramp-up. Due to the transition of our wafer foundry partners and the associated production line calibration, the mass production of premium chips was commenced in the late 2025.

FINANCIAL INFORMATION

In addition, we launched mid-end products during the year, which also contributed to an overall decline in average selling price. The increase in sales volume was primarily attributable to the deepening of our cooperation with downstream brand companies.

Micro-OLED display backplanes/drivers

Revenue from sales of Micro-OLED display backplanes/drivers increased significantly from RMB75.0 million in 2024 to RMB295.7 million in 2025, which was mainly attributable to the successful ramp-up of new customer projects and increased market adoption of our Micro-OLED display backplanes/drivers. In 2025, and particularly in the fourth quarter, this growth was primarily driven by higher shipments to a key customer as it ramped up projects for its downstream customers and also reflected stronger market demand for AI-enabled wearable devices such as smart glasses. This increase was partially offset by a 20.4% decrease in the average selling price from RMB22,561 per unit to RMB17,953 per unit, primarily due to pricing arrangements with major customers in connection with increased sales volumes.

Others

Revenue from sales of other products increased from RMB232 thousand in 2024 to RMB7.7 million in 2025, primarily due to changes in customer demand.

Cost of sales

	Year Ended December 31,		% change
	2024	2025	
	<i>(in RMB thousands, except for percentages)</i>		
Raw materials	668,794	773,315	15.6
Packaging and testing	169,407	169,778	0.2
Write-off of inventories	25,279	12,664	(49.9)
Others	5,916	6,917	16.9
Total	869,396	962,674	10.7
<i>as % of total revenue</i>	97.5	87.1	

Our cost of sales increased by 10.7% from RMB869.4 million in 2024 to RMB962.7 million in 2025, primarily due to a significant increase in the sales volume of Micro-OLED backplanes/drivers in 2025.

Gross profit/(loss) and gross margin

	Year Ended December 31,			
	2024		2025	
	Gross profit	Gross margin	Gross profit	Gross margin
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in RMB thousands, except for percentages)</i>			
AMOLED DDICs	2,259	0.3	51,633	6.4
Micro-OLED display backplanes/drivers	19,436	25.9	84,621	28.6
Others ⁽¹⁾	213	91.8	6,731	87.7
Total	21,908	2.5	142,985	12.9

FINANCIAL INFORMATION

Note:

- (1) Primarily consisting revenue from sales of board cards and customized development and technology licensing services related to AMOLED DDICs upon demand of our customers. Such services include compensation algorithm IP licensing and board card sales, to enhance display performance.

Our gross profit increased significantly from RMB21.9 million in 2024 to RMB143.0 million in 2025, primarily due to an increase in our gross profit margin from 2.5% in 2024 to 12.9% in 2025 and a 24.0% increase in our revenue from 2024 to 2025. Notwithstanding the decrease in average selling prices of our AMOLED DDICs and Micro-OLED display backplanes/drivers during this period, the improvement in gross margin was primarily driven by: (i) a reduction in our per-unit cost of sales, reflecting economies of scale achieved through higher shipment volumes and improved cost efficiencies in wafer procurement and back-end services, including through the engagement of Chinese mainland foundry partners offering more competitive pricing and the renegotiation of procurement terms with existing suppliers; (ii) the successful introduction of higher-margin premium AMOLED DDICs, which, while also subject to the general downward trend in average selling prices, experienced a smaller degree of price decline relative to our mass-market AMOLED DDIC products, and whose superior gross margin profile reflects their higher technical complexity and greater R&D content rather than absolute price levels alone, thereby contributing positively to our overall blended gross margin. These higher-margin products have, to a certain extent, offset the gross margin narrowing caused by the decrease in the overall average selling price of our AMOLED DDIC products; and (iii) an increased contribution from Micro-OLED display backplanes/drivers, which carry higher gross margins than our AMOLED DDIC products, as a result of the recovery in downstream demand for AR/VR applications in 2025. The combined effect of these factors more than offset the impact of the overall decline in average selling prices across our product portfolio.

AMOLED DDICs

Our gross profit increased from RMB2.3 million in 2024 to RMB51.6 million in 2025, primarily due to an increase in our gross profit margin from 0.3% to 6.4% during the same year, mainly as a result of our improved cost control by transitioning our wafer foundry partners and the launch of our flagship products. A decrease in revenue contribution from distributors also contributed our gross margin improvement.

Micro-OLED display backplane/drivers

Our gross profit from sales of Micro-OLED backplanes/drivers increased significantly from RMB19.4 million in 2024 to RMB84.6 million in 2025, primarily driven by a substantial increase in demand, which led to higher revenue for Micro-OLED backplanes/drivers. This effect also came with an increase in gross margin from 25.9% in 2024 to 28.6% in 2025 due to improved economies of scale.

Others

Our gross profit from other products and services increased from RMB213 thousand in 2024 to RMB6.7 million in 2025, and gross profit margin decreased from 91.8% in 2024 to 87.7% in 2025 due to changes in customer demand.

Other Income and Gains

Other income and gains decreased from RMB37.3 million in 2024 to RMB31.9 million in 2025, primarily due to a decrease in interest income as a result of lower deposit interest rates offered by banks, and the lower fair value gains on financial assets at fair value through profit or loss in 2025.

FINANCIAL INFORMATION

Selling and Distribution Expenses

	Year Ended December 31,		% Change
	2024	2025	
	<i>(in RMB thousands, except for percentages)</i>		
Selling and distribution expenses	32,495	26,815	(17.5)
as % of total revenue	3.6	2.4	

Our selling and distribution expenses decreased from RMB32.5 million in 2024 to RMB26.8 million in 2025. The decrease was primarily due to i) the decrease in share-based compensation to selling and marketing staffs in 2025 and ii) the decrease in marketing expenses as we conducted fewer marketing activities in 2025. As a percentage of our revenue, our selling and distribution expenses decreased from 3.6% in 2024 to 2.4% in 2025.

Administrative Expenses

	Year Ended December 31,		% Change
	2024	2025	
	<i>(in RMB thousands, except for percentages)</i>		
Administrative expenses	83,921	101,790	21.3
as % of total revenue	9.4	9.2	

Our administrative expenses increased by 21.3% from RMB83.9 million in 2024 to RMB101.8 million in 2025, primarily because we incurred listing expense of RMB24.7 million in 2025. As a percentage of our revenue, our administrative expenses remained stable at 9.4% in 2024 and 9.2% in 2025.

Research and Development Expenses

	Year Ended December 31,		% Change
	2024	2025	
	<i>(in RMB thousands, except for percentages)</i>		
Research and development expenses	242,204	266,036	9.8
as % of total revenue	27.2	24.1	

Our research and development expenses increased by 9.8% from RMB242.2 million in 2024 to RMB266.0 million in 2025, primarily due to the increase in staff expenses from RMB139.9 million in 2024 to RMB161.6 million in 2025, which was in turn due to our ongoing efforts to attract and retain talent. As a percentage of our revenue, our research and development expenses decreased from 27.2% in 2024 to 24.1% in 2025.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

Our impairment of financial assets under the expected credit losses model, net of reversal, increased from a net gain of RMB70 thousand in 2024 to a net gain of RMB3.3 million in 2025, primarily due to changes in the balance and aging structure of our trade receivables and other financial assets as of December 31, 2025 compared to December 31, 2024.

FINANCIAL INFORMATION

Other Expenses

Other expenses increased from RMB5.8 million in 2024 to RMB12.3 million in 2025, primarily due to an increase in foreign exchange loss as a result of the unfavorable exchange rate fluctuation during the years.

Finance Costs

Our finance costs decreased from RMB3.9 million in 2024 to RMB1.5 million in 2025, primarily due to a reduction in interest expenses on interest-bearing bank loans and lease liabilities during the year.

Income Tax Expenses

We did not record any income tax expenses in 2024 and 2025, as we did not record taxable profit in those years.

Loss for the Year

As result of the foregoing, loss for the year decreased from RMB309.0 million in 2024 to RMB230.3 million in 2025. Loss margin improved from 34.7% in 2024 to 20.8% in 2025.

2024 Compared to 2023

Revenue

	Year Ended December 31,		% change
	2023	2024	
	(in RMB thousands, except for percentages)		
Revenue			
AMOLED DDICs	601,437	816,033	35.7
Micro-OLED display backplanes/drivers	118,833	75,039	(36.9)
Others ⁽¹⁾	134	232	73.1
Total	720,404	891,304	23.7

Note:

- (1) Primarily consisting of revenue from sales of board cards and customized development and technology licensing services related to AMOLED DDICs upon demand of our customers. Such services include compensation algorithm IP licensing and board card sales, to enhance display performance.

Our revenue increased by 23.7% from RMB720.4 million in 2023 to RMB891.3 million in 2024, primarily due to the increase in revenue from AMOLED DDICs.

AMOLED DDICs

Our revenue from sales of AMOLED DDICs increased by 35.7% from RMB601.4 million in 2023 to RMB816.0 million in 2024, primarily due to a 59.0% increase in the sales volume of our AMOLED DDICs from 32.3 million units in 2023 to 51.4 million units in 2024, driven by our success in increasing our share in the AMOLED DDICs market as we were able to roll out reliable and high-performance produces at a competitive price. Such increase was partially offset by a 14.7% decrease in the average selling price of our AMOLED DDICs from RMB18.6 per unit in 2023 to RMB15.9 per unit in 2024, which in turn was primarily due to (i) a change in our product mix as we increase the sales of RAM-less AMOLED DDICs due to its increased popularity among brand companies as a highly cost-effective option; and (ii) we reduced our selling price in response to price-cutting by our competitors.

FINANCIAL INFORMATION

RAM-less AMOLED DDICs refer to our AMOLED DDICs designed with a single RAM structure (also known as “single RAM”), in contrast to the traditional AMOLED DDICs we previously sold, which featured a dual RAM structure. RAM-less AMOLED DDICs are not an entirely new product for us, but their sales contribution significantly increased in 2024 as a result of growing market acceptance and customer demand. We were the first company in China to launch RAM-less AMOLED DDICs and have continuously led the industry in developing and promoting this solution, according to Frost & Sullivan. Compared to traditional dual RAM AMOLED DDICs, RAM-less (single RAM) AMOLED DDICs are able to satisfy customer performance requirements while offering lower per-unit production costs, due to a simplified circuit design and reduced material usage.

Micro-OLED display backplanes/drivers

Our revenue from sales of Micro-OLED display backplanes/drivers decreased from RMB118.8 million in 2023 to RMB75.0 million in 2024, primarily due to a 39.1% decrease in sales volume of Micro-OLED display backplanes/drivers from 5,459 pieces in 2023 to 3,326 pieces in 2024, which was in turn attributable to a decrease in AR/VR enabled head-mounted devices end-market demand and our key customers’ advance procurement earlier based on optimistic future projections, which led to reduced demand in 2024. The decrease was partially offset by an increase in the average selling price of our Micro-OLED display backplanes/drivers increased by 3.6% from RMB21,768.3 per piece in 2023 to RMB22,561.3 per piece in 2024, due to a change in product mix.

The increase in the average selling price of our Micro-OLED display backplanes/drivers in 2024 was primarily due to a change in our product mix, as the proportion of 12-inch Micro-OLED products increased while the proportion of 8-inch products decreased. Our 12-inch Micro-OLED backplanes/drivers typically carry a higher selling price than 8-inch products, reflecting their larger size, higher technical complexity, and enhanced performance characteristics, which are favored by certain customers for AR/VR applications. As a result, the shift towards a greater share of 12-inch products in our sales portfolio led to an increase in the overall average selling price. In terms of manufacturing costs, 12-inch Micro-OLED backplanes/drivers generally have higher unit costs than 8-inch products due to the use of more advanced production processes, larger substrates, and increased material and processing requirements. However, these higher costs are generally offset by the higher selling prices, allowing us to maintain a sustainable gross margin for our Micro-OLED product line.

Others

Our revenue from sales of other products increased from RMB0.1 million in 2023 to RMB0.2 million in 2024, primarily due to changes in customer demand.

Cost of sales

	Year Ended December 31,		% change
	2023	2024	
	<i>(in RMB thousands, except for percentages)</i>		
Raw materials	531,697	668,794	25.8
Packaging and testing	122,106	169,407	38.7
Write-off of inventories	53,163	25,279	(52.5)
Others	10,245	5,916	(42.3)
Total	717,211	869,396	21.2
<i>as % of total revenue</i>	99.6%	97.5%	

FINANCIAL INFORMATION

Our cost of sales increased by 21.2% from RMB717.2 million in 2023 to RMB869.4 million in 2024, primarily due to a 59.0% increase in our sales volume from 2023 to 2024, partially offset by a 52.5% decrease in our inventory write-offs from RMB53.2 million in 2023 to RMB25.3 million in 2024. See “— Principal Components of Results of Operations — Cost of Sales” for further details.

Gross profit/(loss) and gross margin

	Year Ended December 31,			
	2023		2024	
	Gross profit/(loss)	Gross margin	Gross profit	Gross margin
	<i>(in RMB thousands, except for percentages)</i>			
AMOLED DDICs	(8,714)	(1.4)	2,259	0.3
Micro-OLED display backplanes/drivers	11,846	10.0	19,436	25.9
Others ⁽¹⁾	61	45.5	213	91.8
Total	3,193	0.4	21,908	2.5

Note:

(1) Including board cards and technical service offerings.

Our gross profit increased from RMB3.2 million in 2023 to RMB21.9 million in 2024, primarily due to an increase in our gross margin from 0.4% in 2023 to 2.5% in 2024 and a 23.7% increase in our revenue from 2023 to 2024.

AMOLED DDICs

We recorded a gross loss of RMB8.7 million in 2023 and a gross profit of RMB2.3 million in 2024, primarily due to a 35.7% increase in our revenue from sales of AMOLED DDICs. We recorded a gross margin of 0.3% for sales of AMOLED DDICs in 2024 as opposed to a gross loss margin of 1.4% in 2023. This is primarily due to (i) a decrease in the per unit costs of our AMOLED DDICs as a result of an increase in the revenue contribution of RAM-less AMOLED DDICs due to its increasing popularity; and (ii) a 52.5% decrease in our inventory write-offs from RMB53.2 million in 2023 to RMB25.3 million in 2024.

In 2024, the sales volume and revenue contribution of RAM-less AMOLED DDICs increased substantially as more of our major customers adopted this product in their new models. As a result, our overall per-unit cost for AMOLED DDICs decreased, which helped drive a slight improvement in our gross margin for this product line from 2023 to 2024, despite continued pricing pressure in the market. The adoption of RAM-less AMOLED DDICs thus enabled us to optimize our cost structure and partially offset margin pressure during the period. See “— Principal Components of Results of Operations — Cost of Sales” for further details. The increased revenue contribution from RAM-less AMOLED DDICs also resulted in a decrease in the average selling price of our AMOLED DDICs.

Micro-OLED display backplane/drivers

Our gross profit from sales of Micro-OLED backplanes/drivers increased by 64.1% from RMB11.8 million in 2023 to RMB19.4 million in 2024, primarily due to an increase in gross margin from 10.0% in 2023 to 25.9% in 2024 primarily due to a shift in product mix. The effect of margin improvement was partially offset by a 36.9% decrease in our revenue from sales of Micro-OLED backplanes/drivers.

FINANCIAL INFORMATION

Others

Our gross profit from other products and services increased from RMB61,000 in 2023 to RMB0.2 million in 2024, and gross margin increased from 45.5% in 2023 to 91.8% in 2024 due to the competitiveness and our customers' recognition of our product and service offerings.

Other Income and Gains

Our other income and gains increased from RMB24.1 million in 2023 to RMB37.3 million in 2024, primarily due to an increase in interest income, as we frequently utilized our available funds to purchase short-term US dollar time deposits with maturities of one to six months in 2024.

Selling and Distribution Expenses

	Year Ended December 31,		% Change
	2023	2024	
	<i>(in RMB thousands, except for percentages)</i>		
Selling and distribution expenses	15,253	32,495	113.0
as % of total revenue	2.1%	3.6%	
Share-based compensation included in selling and distribution expenses	40	18,671	46,577.5
as % of total revenue	0.0%	2.1%	

Our selling and distribution expenses increased by 113.0% from RMB15.3 million in 2023 to RMB32.5 million in 2024, primarily due to an increase in share-based compensation to the selling and marketing staff from RMB40 thousand in 2023 to RMB18.7 million in 2024. See “— Non-IFRS Measure” for fluctuation of our shared-based compensation. As a percentage of our revenue, our selling and distribution expenses increased from 2.1% in 2023 to 3.6% in 2024.

Administrative Expenses

	Year Ended December 31,		% Change
	2023	2024	
	<i>(in RMB thousands, except for percentages)</i>		
Administrative expenses	62,932	83,921	33.4
as % of total revenue	8.7%	9.4%	
Share-based compensation included in administrative expenses	3,492	20,421	484.8
as % of total revenue	0.5%	2.3%	

Our administrative expenses increased by 33.4% from RMB62.9 million in 2023 to RMB83.9 million in 2024, primarily due to an increase in share-based compensation to the administrative staff from RMB3.5 million in 2023 to RMB20.4 million in 2024. See “— Non-IFRS Measure” for fluctuation of our shared-based compensation in 2024. As a percentage of our revenue, our administrative expenses increased from 8.7% in 2023 to 9.4% in 2024.

Research and Development Expenses

	Year Ended December 31,		% Change
	2023	2024	
	<i>(in RMB thousands, except for percentages)</i>		
Research and development expenses	177,026	242,204	36.8
as % of total revenue	24.6%	27.2%	

FINANCIAL INFORMATION

	Year Ended December 31,		<i>% Change</i>
	2023	2024	
	<i>(in RMB thousands, except for percentages)</i>		
Share-based compensation included in research and development expenses	11,261	45,739	306.2
<i>as % of total revenue</i>	<i>1.6%</i>	<i>5.1%</i>	

Our research and development expenses increased by 36.8% from RMB177.0 million in 2023 to RMB242.2 million in 2024, primarily due to an increase in share-based compensation to the R&D staff from RMB11.3 million in 2023 to RMB45.7 million in 2024. See “— Non-IFRS Measure” for fluctuation of our share-based compensation in 2024. As a percentage of our revenue, our research and development expenses increased from 24.6% in 2023 to 27.2% in 2024.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

Our impairment of financial assets under expected credit losses model, net of reversal decreased from a gain of RMB2.8 million in 2023 to a gain of RMB70 thousand in 2024, primarily due to a significant improvement in the collection of our trade receivable as of December 31, 2024 as compared to December 31, 2023.

Other Expenses

Our other expenses decreased from RMB6.1 million in 2023 to RMB5.8 million in 2024, primarily due to the decrease in foreign exchange loss.

Finance Costs

Our finance costs increased from RMB0.9 million in 2023 to RMB3.9 million in 2024, primarily due to the increase in interest costs as result of the increase in the principal amount of our interest-bearing bank borrowings.

Income Tax Expenses

We did not record any income tax expenses in 2023 and 2024, as we did not record taxable profit in those years.

Loss for the Year

As result of the foregoing, our loss for the year increased from RMB232.1 million in 2023 to RMB309.0 million in 2024. Loss margin increased from 32.2% in 2023 to 34.7% in 2024.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, we financed our operations primarily through a combination of cash generated from operations and financing activities. As of December 31, 2025, we had cash and cash equivalents of RMB379.7 million. Without taking into consideration of the net proceeds from Global Offering, we estimate that our cash and cash equivalents, deposits, wealth management products and unutilized but committed banking facilities as of March 31, 2026 will be able to maintain our financial viability for at least 6.0 years. Going forward, we believe our liquidity requirements will be satisfied by using funds from a combination of cash generated from operations and net proceeds from the Global Offering.

FINANCIAL INFORMATION

Taking into account the net proceeds from the Global Offering and cash generated from operations, our Directors believe that we have sufficient working capital to meet our present and future cash requirements for at least the next 12 months from the date of publication of this Prospectus.

Net Current Assets/Liabilities

The table below sets forth our current assets and liabilities as of the dates indicated.

	As of December 31,			As of
	2023	2024	2025	March 31, 2026
	<i>(in RMB thousands)</i>			<i>(unaudited)</i>
Current assets				
Inventories	373,205	321,859	237,883	228,747
Trade receivables	64,698	102,661	292,405	180,476
Prepayments, other receivables and other assets	71,188	92,813	43,148	50,597
Financial assets at fair value through profit or loss	247,461	415,441	–	–
Derivative financial instruments	1,308	558	–	–
Time deposits	136,821	21,916	42,550	–
Pledged deposits	7,083	9,194	1,253	–
Cash and cash equivalents	189,741	104,831	379,743	591,358
Total current assets	1,091,505	1,069,273	996,982	1,051,178
Current liabilities				
Trade payables	48,492	34,171	57,158	37,981
Other payables and accruals	33,728	40,221	65,702	52,937
Interest-bearing bank loans	30,026	150,815	140,000	255,121
Lease liabilities	3,411	3,427	2,193	2,288
Contract liabilities	7,039	4,655	20,217	7,016
Provision	4,168	2,041	134	23
Derivative financial instruments	–	–	329	–
Total current liabilities	126,864	235,330	285,733	355,366
Net current assets	964,641	833,943	711,249	695,812

Comparison between March 31, 2026 and December 31, 2025

Our net current assets decreased from RMB711.2 million as of December 31, 2025 to RMB695.8 million as of March 31, 2026, primarily due to (i) a decrease in trade receivables from RMB292.4 million as of December 31, 2025 to RMB180.5 million as of March 31, 2026, (ii) an increase in interest-bearing bank loans from RMB140.0 million as of December 31, 2025 to RMB255.1 million as of March 31, 2026, partially offset by a decrease in trade payables from RMB57.2 million as of December 31, 2025 to RMB38.0 million as of March 31, 2026.

Comparison between December 31, 2025 and December 31, 2024

Our net current assets decreased from RMB833.9 million as of December 31, 2024 to RMB711.2 million as of December 31, 2025, primarily due to (i) a decrease in inventories from RMB321.9 million as of December 31, 2024 to RMB237.9 million as of December 31, 2025, (ii) an increase in other payables and accruals from RMB40.2 million as of December 31, 2024 to RMB65.7 million as of December 31, 2025, partially offset by an increase in time deposit from RMB21.9 million as of December 31, 2024 to RMB42.6 million as of December 31, 2025.

FINANCIAL INFORMATION

Comparison between December 31, 2024 and December 31, 2023

Our net current assets decreased from RMB964.6 million as of December 31, 2023 to RMB833.9 million as of December 31, 2024, primarily due to (i) an increase in interest-bearing bank loans from RMB30.0 million as of December 31, 2023 to RMB150.8 million as of December 31, 2024, (ii) a decrease in time deposit from RMB136.8 million as of December 31, 2023 to RMB21.9 million as of December 31, 2024, partially offset by an increase in financial assets at fair value through profit or loss from RMB247.5 million as of December 31, 2023 to RMB415.4 million as of December 31, 2024.

SELECTED ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Inventories

Our inventories include raw materials, work in progress and finished. The table below sets forth the breakdown of our inventories as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(in RMB thousands)</i>		
Raw materials	76,522	122,489	54,213
Work in progress	234,882	164,711	146,296
Finished goods	126,955	78,183	71,799
Less: (provision for impairment)	<u>(65,154)</u>	<u>(43,524)</u>	<u>(34,425)</u>
Total	<u>373,205</u>	<u>321,859</u>	<u>237,883</u>

Our inventories decreased from RMB373.2 million as of December 31, 2023 to RMB321.9 million as of December 31, 2024, primarily due to: (i) a decrease in finished goods from RMB127.0 million as of December 31, 2023 to RMB78.2 million as of December 31, 2024; (ii) a decrease in work in progress from RMB234.9 million as of December 31, 2023 to RMB164.7 million as of December 31, 2024, as fewer materials were required in 2024, partially offset by (iii) an increase in raw materials from RMB76.5 million as of December 31, 2023 to RMB122.5 million as of December 31, 2024.

Our inventories decreased from RMB321.9 million as of December 31, 2024 to RMB237.9 million as of December 31, 2025, primarily due to: (i) a decrease in raw materials from RMB122.5 million as of December 31, 2024 to RMB54.2 million as of December 31, 2025; (ii) a decrease in work in progress from RMB164.7 million as of December 31, 2024 to RMB146.3 million as of December 31, 2025. These decreases were partially offset by a decrease in the provision for impairment from RMB43.5 million as of December 31, 2024 to RMB34.4 million as of December 31, 2025.

Turnover Days

The table below sets forth the turnover days of our inventories for the year indicated. Our inventory turnover days for each period equals the average of the beginning and ending balances of inventories divided by cost of sales for that year and multiplied by 365 days.

	Year Ended December 31,		
	2023	2024	2025
Inventories turnover days	160	146	106

FINANCIAL INFORMATION

Our inventory turnover days decreased from 160 days in 2023, to 146 days in 2024, as we adjusted our inventory management strategy to better align with actual sales trends and market demand. Improved sales performance and more efficient inventory control measures contributed to the reduction in turnover days, reflecting a more balanced inventory level. Our inventory turnover days decreased to 106 days in 2025, primarily due to faster inventory turnover resulting from improved demand forecasting and closer coordination with key customers, which reduced inventory holding periods.

We believe maintaining appropriate levels of inventories dynamically can help us fully address our consumers' demand and achieve consumer satisfaction without adversely affecting our liquidity. We have in place a set of policies and procedures to manage our inventories.

We perform assessment of inventory impairment regularly to ensure inventories are stated at the lower of cost and net realizable value. Based on our assessment, we believe there was no material provision issue of inventories as of the Latest Practicable Date.

Aging Analysis

The table below sets forth an aging analysis of our inventories as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(in RMB thousands)</i>		
Within 1 year	340,796	308,273	211,389
1 to 2 years	32,381	13,339	26,494
Above 2 years	28	247	–
Total	373,205	321,859	237,883

Subsequent Utilization

As of March 31, 2026, 38.1% of our total inventories as of December 31, 2025, or RMB90.6 million, were utilized or sold.

Financial Assets at Fair Value Through Profit or Loss

	As of December 31,		
	2023	2024	2025
	<i>(in RMB thousands)</i>		
Structured deposits, at fair value	67,041	31,020	–
Wealth management products, at fair value	180,420	384,421	–
Total	247,461	415,441	–

Financial assets at fair value through profit or loss increased from RMB247.5 million as of December 31, 2023, to RMB415.4 million as of December 31, 2024, primarily due to: an increase in wealth management products from RMB180.4 million as of December 31, 2023, to RMB384.4 million as of December 31, 2024.

FINANCIAL INFORMATION

Financial assets at fair value through profit or loss decreased from RMB415.4 million as of December 31, 2024 to nil as of December 31, 2025, primarily due to: (i) a decrease in structured deposits from RMB31.0 million as of December 31, 2024 to nil as of December 31, 2025; and (ii) a decrease in wealth management products from RMB384.4 million as of December 31, 2024 to nil as of December 31, 2025.

We invest in unlisted financial assets, which consist of wealth management products issued by banks in Chinese mainland. We estimate the fair value of these unlisted investments using a discounted cash flow model, with discount rates determined by reference to market interest rates for instruments with similar terms and risk characteristics. Based on this approach, the fair values are assessed to be approximately equal to their carrying amounts. In determining fair value, we also consider a discount for lack of marketability, which reflects the level of premiums or discounts that, in our Group's assessment, market participants would factor in when pricing such investments.

Our Board plays an active role in supervising and governing our investment activities. It approves our overarching investment policy to ensure it is consistent with our strategic objectives and oversees significant decisions relating to investments in wealth management products. Any proposed investment that exceeds a specified threshold or entails a higher level of risk must obtain prior approval from the Board. Investments in wealth management products are subject to a multi-tier approval process, involving both management and the Board depending on the size and risk characteristics of the investment. This approval mechanism ensures that all investment decisions are carefully reviewed and are aligned with our financial and risk management objectives. Investments in these assets will be required to comply with Chapter 14 of the Listing Rules upon the Listing and the Global Offering.

Trade Receivables

Trade receivables primarily arise from sales of our products. The table below sets for the breakdown of trade receivables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(in RMB thousands)</i>		
Gross carrying amount	68,436	106,874	293,381
Less: (Impairment)	<u>(3,738)</u>	<u>(4,213)</u>	<u>(976)</u>
Total	<u>64,698</u>	<u>102,661</u>	<u>292,405</u>

Trade receivables increased from RMB64.7 million as of December 31, 2023 to RMB102.7 million as of December 31, 2024, primarily due to an increase in carrying amount of accounts receivables from RMB68.4 million as of December 31, 2023 to RMB106.9 million as of December 31, 2024, due to higher sales toward the end of the year, resulting in an increase in outstanding receivables at year-end. Trade receivables increased from RMB102.7 million as of December 31, 2024 to RMB292.4 million as of December 31, 2025, primarily due to (i) an increase in the gross carrying amount of trade receivables from RMB106.9 million as of December 31, 2024 to RMB293.4 million as of December 31, 2025, (ii) higher sales with a lower proportion of distribution sales which carry shorter payment cycle and (iii) a decrease in impairment from RMB4.2 million as of December 31, 2024 to RMB1.0 million as of December 31, 2025.

FINANCIAL INFORMATION

Aging Analysis

The table below sets forth an aging analysis of our trade receivables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(in RMB thousands)</i>		
Within 3 months	52,984	85,236	273,960
3 to 6 months	6,507	15,256	18,445
6 to 9 months	5,035	2,169	–
9 to 12 months	172	–	–
Total	64,698	102,661	292,405

Turnover Days

The table below sets forth the turnover days of our trade receivables for the year indicated. Our trade receivables turnover days for each period equals the average of the beginning and ending balances of trade receivables for that period divided by revenue for that period and multiplied by 365 days.

	Year Ended December 31,		
	2023	2024	2025
Trade receivables turnover days	75	34	65

Our trade receivables turnover days decreased from 75 days in 2023, to 34 days in 2024, primarily due to our improved credit control measures and stricter payment terms implemented during the period. These measures included closer monitoring of customer payment cycles and prioritizing customers with strong creditworthiness. Our trade receivables turnover days increased from 34 days as of December 31, 2024 to 65 days as of December 31, 2025, primarily due to longer credit terms granted to new major customers during the period.

To address our net operating cash outflow and improve the cashflow mismatch arising from our trade receivable turnover days being significantly longer than our trade payable turnover days, we have implemented and will continue to reinforce a series of measures to strengthen our cash flow management. These include enhancing our credit control policies through more rigorous customer credit assessments, actively monitoring payment cycles on a weekly basis, and setting up early warning systems to identify overdue accounts. We have also begun to negotiate stricter payment terms and shorter credit periods with both existing and new customers, leveraging our strengthened industry position and the growing recognition of our products. In addition, we are prioritizing sales to customers with strong creditworthiness and established payment histories, and are prepared to adjust our sales and delivery arrangements for customers with relatively weaker payment records. We also conduct periodic reviews of outstanding receivables and have established dedicated teams to follow up on collections and resolve payment issues promptly. Furthermore, we are considering the adoption of incentive schemes, such as early payment discounts, to encourage faster customer payments. Through these ongoing and proactive measures, we aim to further reduce our receivable turnover days, enhance our bargaining power in commercial negotiations, and ultimately improve our net operating cash flow position.

Having considered the background of the relevant customers, their creditworthiness, ongoing business relationships, and subsequent settlement patterns, we believe that substantial portion of our trade receivable balances are recoverable and the provision for impairment is adequate and appropriate.

FINANCIAL INFORMATION

Subsequent Settlement

As of March 31, 2026, 91.4% of our total trade receivables as of December 31, 2025, or RMB267.3 million, were settled.

Trade Payables

The table below sets for our trade payables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(in RMB thousands)</i>		
Trade payables	49,569	34,171	57,158
Total	<u>49,569</u>	<u>34,171</u>	<u>57,158</u>

Our trade payables decreased from RMB49.6 million as of December 31, 2023 to RMB34.2 million as of December 31, 2024. Given the short payment cycles with our suppliers, the fluctuations in the balance of our trade payables were largely driven by the purchase order we received in the fourth quarter of any given year. Trade payables increased from RMB34.2 million as of December 31, 2024 to RMB57.2 million as of December 31, 2025, primarily due to an increase in purchases towards the end of the year.

Aging Analysis

The table below sets forth an aging analysis of our trade payables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(in RMB thousands)</i>		
Within 1 year	48,492	34,171	57,158
1 to 2 years	1,077	—	—
Total	<u>49,569</u>	<u>34,171</u>	<u>57,158</u>

Turnover Days

The table below sets forth the turnover days of our trade payables for the year indicated. Our trade payables turnover days for each period equals the average of the beginning and ending balances of trade payables for that period divided by cost of sales for that period and multiplied by 365 days.

	Year Ended December 31,		
	2023	2024	2025
Trade payables turnover days.	21	18	17

Our trade payables turnover days decreased from 21 days in 2023 to 18 days in 2024 and further to 17 days in 2025, primarily due to the acceleration of payment cycles to suppliers. This was driven by our stronger financial position that enabled us to take advantage of early payment discounts.

FINANCIAL INFORMATION

Subsequent Settlement

As of March 31, 2026, 93.6% of our total trade payables as of December 31, 2025, or RMB53.5 million, were settled.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets include other receivables, prepayments, advance talent retention bonus and impairment allowance. The table below sets forth the breakdown of our prepayments and other receivables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(in RMB thousands)</i>		
Non-current			
Value-added-tax recoverable	18,853	27,374	34,943
Other receivables	1,136	872	250
Prepayments for equipment	2,040	1,070	234
Less: (Impairment allowance)	—	—	—
Subtotal	22,029	29,316	35,427
Current			
Other receivables	12,516	7,167	1,946
Prepayments	49,268	75,145	31,652
Advance talent retention bonus	10,002	10,557	5,751
Prepaid Listing Fees	—	—	3,813
Less: (Impairment allowance)	(598)	(56)	(14)
Subtotal	71,188	92,813	43,148
Total	93,217	122,129	78,575

Our prepayments, other receivables, and other assets increased from RMB93.2 million as of December 31, 2023 to RMB122.1 million as of December 31, 2024, primarily due to an increase in prepayments, which rose from RMB49.3 million as of December 31, 2023 to RMB75.1 million as of December 31, 2024, reflecting higher advance payments made for services or supplies. Value-added-tax recoverable also increased from RMB18.9 million as of December 31, 2023 to RMB27.4 million as of December 31, 2024, due to higher VAT credits. Other receivables (current) decreased from RMB12.5 million as of December 31, 2023 to RMB7.2 million as of December 31, 2024, reflecting reduced recoverable amounts during the period. Specifically, we had an advance to a customer to fund mold tooling costs payable to a panel manufacturer for a specific AMOLED DDICs panel project. This was in exchange for the customer's commitment to exclusively procure our compatible AMOLED DDICs and to repay the advance through a product price premium over a two-year period after mass production commenced. In 2024, a portion of this advance was written off as other expenses following a negotiation, while the remaining balance was progressively recovered during the year, leading to a decrease in other receivables (current) as of December 31, 2024.

Our prepayments, other receivables, and other assets decreased from RMB122.1 million as of December 31, 2024 to RMB78.6 million as of December 31, 2025, primarily due to a decrease in prepayments from RMB75.1 million to RMB31.7 million, primarily due to our shift from full upfront payments to more purchases on credit terms, which reduced overall prepayment balances.

As of March 31, 2026, 77.1% of our prepayments, other receivables, and other assets as of December 31, 2025, or RMB28.5 million, were settled.

FINANCIAL INFORMATION

Contract Liabilities

Contract liabilities represent amounts received in advance from customers for goods that have not yet been delivered. Contract liabilities decreased from RMB7.0 million as of December 31, 2023, to RMB4.7 million as of December 31, 2024, mainly as a result of the fulfillment of contractual performance obligations. Contract liabilities increased to RMB20.2 million as of December 31, 2025, primarily attributable to the increase in several large short-term advances received from customers in relation to the sales of products at the end of the year.

As of March 31, 2026, 77.8% of our contract liabilities as of December 31, 2025, were recognized as revenue.

Time Deposits

Our time deposits primarily include time deposits with original maturities of over three months and due within one year and time deposits with original maturities over one year.

CASH FLOWS

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

	Year ended December 31,		
	2023	2024	2025
	<i>(in RMB thousands)</i>		
Operating cash flows before movements in working capital	(161,141)	(196,077)	(139,177)
Changes in working capital	(5,335)	(55,127)	(8,586)
Interest received	5,067	15,587	14,350
Income tax (paid)/refund	690	–	–
Net cash used in operating activities	(160,719)	(235,617)	(133,413)
Net cash (used in)/generated from investing activities	192,512	(92,765)	448,012
Net cash generated/(used in) from financing activities	24,875	242,585	(18,552)
Net increase (decrease) in cash and cash equivalents	56,668	(85,797)	296,047
Cash and cash equivalents as of the beginning of year	132,265	189,741	104,831
Effect of foreign exchange rate changes, net	808	887	(21,135)
Cash and cash equivalents as of the end of the year	189,741	104,831	379,743

Operating Activities

In 2025, we had net cash used in operating activities of RMB133.4 million, primarily consisting of our loss before tax of RMB230.3 million, adjusted for non-operating and non-cash items mainly including (i) the share-based compensation expenses of RMB59.8 million, and (ii) exchange losses, net of RMB20.4 million. The amount was further adjusted by change in working capital, including (i) increase in trade receivables of RMB186.5 million and (ii) decrease in provisions of RMB1.9 million.

FINANCIAL INFORMATION

In 2024, we had net cash used in operating activities of RMB235.6 million, primarily consisting of our loss before tax of RMB309 million, adjusted for non-operating and non-cash items mainly including (i) the share-based compensation expenses of RMB84.8 million, (ii) a provision for inventories of RMB25.3 million, and further adjusted by (iii) an interest income of RMB17.5 million. The amount was offset by change in working capital, including (i) an increase in trade receivables of RMB36.0 million, (ii) an increase in prepayments, other receivables and other assets of RMB32.2 million and (iii) a decrease in trade payables of RMB14.3 million.

In 2023, we had net cash used in operating activities of RMB160.7 million, primarily consisting of our loss before tax of RMB232.1 million, adjusted for non-operating and non-cash items mainly including (i) a provision for inventories of RMB53.2 million, (ii) the share-based compensation expenses of RMB14.8 million, and further adjusted by (iii) an interest income of RMB7.3 million. The amount was partially offset by change in working capital, including (i) an increase in inventories of RMB171.0 million, (ii) a decrease in other payables and accruals of RMB23.4 million, and partially offset by (iii) a decrease in trade receivables of RMB165.3 million.

Investing Activities

In 2025, we had net cash from investing activities of RMB448.0 million, primarily consisting of maturity of wealth management products and structured deposits of RMB856.4 million and maturity of time deposits with original maturity more than three months of RMB80.9 million, partially offset by purchase of management products and structured deposits of RMB436.4 million.

In 2024, we had net cash used in investing activities of RMB92.8 million, primarily consisting of purchases of wealth management products and structured deposits of RMB1,833.9 million and purchase of other intangible assets of RMB18.5 million, partially offset by maturity of wealth management products and structured deposits of RMB1,672.5 million.

In 2023, we had net cash generated from investing activities of RMB192.5 million, primarily consisting of maturity of wealth management products and structured deposits of RMB1,788.0 million and maturity of from time deposits with original maturity more than three months of RMB130.0 million, partially offset by purchases of wealth management products and structured deposits of RMB1,557.0 million.

Financing Activities

In 2025, we had net cash used in financing activities of RMB18.6 million, primarily consisting of repayments of interest-bearing bank loans of RMB150.8 million and lease payments including interest of RMB4.6 million, partially offset by new interest-bearing bank loans of RMB140.0 million.

In 2024, we had net cash generated from financing activities of RMB242.6 million, primarily consisting of new interest-bearing bank loans of RMB150.0 million and issue of shares of RMB130.0 million, partially offset by repayments of interest-bearing bank loans of RMB29.2 million.

In 2023, we had net cash generated from financing activities of RMB24.9 million, primarily consisting of new interest-bearing bank loans of RMB90.0 million and decrease in pledged deposits of RMB15.4 million, partially offset by repayments of interest-bearing bank loans of RMB75.3 million.

FINANCIAL INFORMATION

INDEBTEDNESS

The table below sets forth our indebtedness as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	<i>(in RMB thousands)</i>			<i>(unaudited)</i>
Current				
Borrowings	30,026	150,815	140,000	255,121
Lease liabilities	3,411	3,427	2,193	2,288
Non-current				
Lease liabilities	2,441	1,325	476	926
Total	<u><u>35,878</u></u>	<u><u>155,567</u></u>	<u><u>142,669</u></u>	<u><u>258,335</u></u>

Borrowings

As of December 31, 2023, 2024, 2025 and as of March 31, 2026, we had borrowings of RMB30.0 million, RMB150.8 million, RMB140.0 million and RMB255.1 million, respectively. The table below sets for the categories of our borrowings as of the dates indicated.

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	<i>(in RMB thousands)</i>			<i>(unaudited)</i>
Bank loans – unsecured	–	90,000	140,000	255,121
Bank loans – secured	30,026	60,815	–	–
Total	<u><u>30,026</u></u>	<u><u>150,815</u></u>	<u><u>140,000</u></u>	<u><u>255,121</u></u>

Subsequent Utilization

As of March 31, 2026, 55.4% of our total committed banking facilities as of December 31, 2025 were subsequently utilized. As of March 31, 2026, unutilized committed banking facilities amounted to RMB205.0 million.

Lease liabilities

Our lease liabilities decreased from RMB5.9 million as of December 31, 2023 to RMB4.8 million as of December 31, 2024, our lease liabilities decreased to RMB2.7 million as of December 31, 2025, primarily due to the decrease in the value of new leases and the absence of early cancellation of leases in those years. Lease liabilities increased to RMB3.2 million as of March 31, 2026.

Contingent liabilities

As of December 31, 2025, we did not have any contingent liabilities. We did not have any bank and other loan, or any loan capital issued and outstanding or agreed to be issued, bank overdraft, borrowing or similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchases or finance lease commitments, guarantees or other material contingent liabilities as of the latest practicable date for

FINANCIAL INFORMATION

our indebtedness statement. We did not have any material covenants and undertakings on outstanding debts, guarantees, pledge of key assets or other contingent obligations, and breaches during the Track Record Period and up to the Latest Practicable Date. We did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Our Directors confirm that there has not been any material change in our indebtedness since the March 31, 2026 up to the date of this Prospectus. Our Directors confirm that we did not have any material defaults on trade and non-trade payables and borrowings, or breaches of covenants during the Track Record Period and up to the date of this Prospectus.

CAPITAL EXPENDITURE AND COMMITMENTS

Capital Expenditure

The table below sets forth our capital expenditure for the years indicated.

	Year Ended December 31,		
	2023	2024	2025
	<i>(in RMB thousands)</i>		
Purchase of property, plant and equipment	6,956	6,851	2,834
Purchase of other intangible assets	779	18,532	274
Total	7,735	25,383	3,108

During the Track Record Period, our capital expenditure was primarily for purchase of property, plant and equipment and intangible assets.

Capital Commitments

The table below sets forth our capital commitment for the years indicated.

	Year Ended December 31,		
	2023	2024	2025
	<i>(in RMB thousands)</i>		
Contracted, but not provided for:			
Furniture and fixtures	1,380	–	–
Total	1,380	–	–

KEY FINANCIAL RATIOS

The table below sets forth our key financial ratio for the years or as of the dates indicated.

	For the Year Ended/As of December 31,		
	2023	2024	2025
Gross margin ⁽¹⁾	0.4%	2.5%	12.9%
Net profit margin ⁽²⁾	(32.2)%	(34.7)%	(20.8)%
Current ratio ⁽³⁾	8.6	4.5	3.5
Quick ratio ⁽⁴⁾	5.7	3.2	2.7

FINANCIAL INFORMATION

Notes:

- (1) Gross margin is calculated as gross profit/(loss) for the year divided by revenue for the corresponding year and multiplied by 100%.
- (2) Net profit margin is calculated as loss for the year divided by revenue for the corresponding year and multiplied by 100%.
- (3) Current ratio is calculated as total current assets as at the end of the year divided by total current liabilities as of the end of the corresponding year and multiplied by 100%.
- (4) Quick ratio is calculated as total current assets less inventories as at the end of the year and divided by total current liabilities as at the end of the corresponding year and multiplied by 100%.

DISCLOSURE ABOUT FINANCIAL RISKS

We are exposed to a variety of financial risks including currency risk, credit risk and liquidity risk. For details of our risk exposure and sensitivity analysis, see note 36 to “Appendix I — Accountants’ Report.”

Capital Management

We invest surplus cash in low-risk, highly liquid wealth management products issued by reputable financial institutions, with a primary objective to preserve capital and optimize the return on idle funds. Our investment policy restricts us to principal-protected or low-risk products, such as bank-issued wealth management products with short maturities and transparent underlying assets.

We have implemented the following internal control procedures over such investments: All proposed investments in wealth management products are subject to prior approval by our Board of Directors, regardless of the investment amount or product type. Our finance department is responsible for conducting due diligence on the issuers, assessing the risk profile of the products, and preparing detailed investment proposals for the Board’s consideration. Investment decisions are made collectively at the Board level, and the performance of such investments is monitored and reported to the Board on a regular basis. We have established internal guidelines to avoid undue concentration risk and ensure that investments are only made with well-established and financially sound institutions.

Our management team responsible for treasury and cash management has substantial experience in financial management and oversight of similar investments in both listed and private company settings.

Any investment in wealth management products or similar financial assets after Listing will be subject to, and conducted in compliance with, Chapter 14 of the Listing Rules and all other applicable regulatory requirements.

SHARE CAPITAL/PAID-IN CAPITAL

The Group and the Company

A summary of movements in the Company’s share capital is as follows:

<i>Notes</i>	<u>Numbers of ordinary shares</u>	<u>Share capital</u> <i>RMB’000</i>
As at January 1, 2023 and December 31, 2023, and January 1, 2024.	369,069,750	369,070

FINANCIAL INFORMATION

	<i>Notes</i>	<u>Numbers of ordinary shares</u>	<u>Share capital</u> <i>RMB'000</i>
Issue of shares	(a)	5,850,000	5,850
As at December 31, 2024 and 2025		<u>374,919,750</u>	<u>374,920</u>

Note:

- (a) In August 2024, the Company issued 5,850,000 shares in total with par value of RMB1.00 each to Xiangfeng Phase II (Xiamen) Equity Investment Partnership Enterprise (Limited Partnership) and Chengdu Ceyuan Guangyi Electronic Information Equity Investment Fund Partnership Enterprise (Limited Partnership). The total proceeds were received in 2024, with approximately RMB5,850,000 and RMB124,150,000 credited to the Company's share capital and capital reserves, respectively.

OFF-BALANCE SHEET ARRANGEMENTS

During the Track Record Period, we did not enter into any off-balance sheet arrangements.

DIVIDENDS

Upon completion of the Global Offering, we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. Any proposed distribution of dividends shall be formulated by our Board and will be subject to approval of our Shareholders. A decision to declare or to pay any dividends in the future, and the amount of any dividend, will depend upon a number of factors, including our earnings and financial condition, operating requirements, capital requirements, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends, and any other factors that our Directors may consider important.

There is no assurance that dividends of any amount will be declared or be distributed in any year. As of the Latest Practicable Date, we did not have any dividend policy and there is no pre-determined dividends pay out ratio. Regulations in the PRC currently permit payment of dividends of a PRC company only out of distributable profits, which refer to after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that it is required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China. As advised by our PRC Legal Advisor, we cannot pay dividends to shareholders as there is no distributable profits in view of the accumulated losses. We will pay dividends according to the applicable PRC laws and our Articles of Association.

DISTRIBUTABLE RESERVE

As of December 31, 2025, we did not have distributable reserves.

DISCLOSURE REQUIRED UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, they were not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to Rules 13.19 of the Listing Rules.

RELATED-PARTY TRANSACTIONS

Related party transactions are set out in note 33 to “Appendix I — Accountants’ Report.” Our Directors confirm that these transactions were conducted in the ordinary and usual course of business and at arm’s length basis. For related party loans, advances, guarantees and/or pledges of securities including the terms and the plans for these arrangements after the Listing, if any, see also note 33 to “Appendix I — Accountants’ Report.”

FINANCIAL INFORMATION

UNAUDITED PRO FORMA FINANCIAL INFORMATION

See “Appendix II — Unaudited Pro Forma Financial Information” for details.

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commission and fees incurred in connection with the Listing and the Global Offering. During the Track Record Period, we recorded listing expenses of RMB28.5 million, among which RMB24.7 million was charged to our consolidated statements of profit or loss and other comprehensive income in 2025, and RMB3.8 million was recognized to our consolidated statements of financial position as of December 31, 2025, which will be deducted from equity upon the Listing.

Our listing expenses are estimated to be approximately HK\$102.9 million (including underwriting commission), accounting for 9.4% of the gross proceeds of the Global Offering (based on an Offer Price of HK\$20.81 per H Share and assuming no exercise of the Over-allotment Option). Among our listing expenses, approximately HK\$59.4 million will be accounted for as a deduction from equity upon completion of the Listing, and approximately HK\$43.5 million has been and will be charged to our consolidated statements of profit or loss as listing expense. The listing expenses we incurred during the Track Record Period and expect to incur would consist of approximately HK\$55.0 million underwriting related expenses and fees (including but not limited to commissions and fees), approximately HK\$34.3 million non-underwriting-related expenses and fees of the Joint Sponsors, legal advisors and reporting accountant and approximately HK\$13.6 million for other non-underwriting-related fees and expenses. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

NO MATERIAL ADVERSE CHANGE

Our Directors confirmed that, as of the date of this Prospectus, there has been no material adverse change in our financial position since December 31, 2025, and there has been no event since December 31, 2025 that would materially affect the information as set out in the Accountants’ Report in Appendix I to this Prospectus.

RELATIONSHIP WITH THE SINGLE LARGEST SHAREHOLDER GROUP

OVERVIEW

As of the Latest Practicable Date, Dr. Gu Jing, chairman of the Board and an executive Director, was entitled to control approximately 13.03% of the total issued Shares through Shenzhen Yishi and Yisheng No. 2, representing approximately 59.97% of the aggregate voting power at the Company's general meetings taking into account the weighted voting rights attached to the 36,204,584 Class A Ordinary Shares and 12,636,372 Class A Ordinary Shares held by Shenzhen Yishi and Yisheng No. 2, respectively. See "History, Development and Corporate Structure — Weighted Voting Rights Structure."

Upon the Listing, the Articles of Association will take effect, under which the Company will no longer have a weighted voting rights structure and all Class A Ordinary Shares will be converted and re-designated as Shares without any weighted voting rights on an one-to-one basis. Accordingly, each of the then issued Shares of the Company will entitle its holder to one vote at the Company's general meetings.

Upon the Listing, the general partner of Yisheng No. 1 shall be changed from Mr. Han Xu to Dr. Gu Jing. As of the Latest Practicable Date, Yisheng No. 1 has completed all the internal procedures (including the general partner making the written decision to change the general partner and the amendment of the partnership agreement) with respect to the change of general partner from Mr. Han Xu to Dr. Gu Jing and Yisheng No. 1 expects to complete all requisite procedures (including the filings with the SAMR authorities) upon the Listing pursuant to applicable laws and regulations in the PRC. See "History, Development and Corporate Structure — Establishment and Evolvement of the Shareholding Platforms of the Company." Accordingly, immediately following the completion of the Global Offering and upon the conversion and re-designation of Class A Ordinary Shares as Shares without any weighted voting rights on an one-to-one basis (assuming the Over-allotment Option is not exercised), Dr. Gu Jing will act as the general partner of and control each of Shenzhen Yishi, Yisheng No. 1 and Yisheng No. 2, and will be entitled to control approximately 16.99% of the total issued Shares of the Company through Shenzhen Yishi, Yisheng No. 1 and Yisheng No. 2, representing approximately 16.99% of the aggregate voting power at the Company's general meetings. Accordingly, Dr. Gu Jing, Shenzhen Yishi, Yisheng No. 1 and Yisheng No. 2 will be our Single Largest Shareholder Group upon the Listing.

INDEPENDENCE FROM THE SINGLE LARGEST SHAREHOLDER GROUP

Having considered the following factors, the Directors are satisfied that the Group is capable of carrying on its business independently from the Single Largest Shareholder Group upon the Listing.

Management Independence

The business of the Group is managed and conducted by the Board and senior management of the Company. The Board consists of seven Directors, three of whom are independent non-executive Directors. See "Directors and Senior Management."

The Directors are of the view that the Board and senior management of the Company are able to manage the business of the Group independently from the Single Largest Shareholder Group for the following reasons:

- (i) each of the Directors is aware of his/her fiduciary duties and responsibilities under the Listing Rules as a director, which require that he/she acts in the best interests of the Company and the Shareholders as a whole;
- (ii) all decisions of the Board require the approval of a majority vote from the Board;

RELATIONSHIP WITH THE SINGLE LARGEST SHAREHOLDER GROUP

- (iii) the Company's daily management and operations are carried out by the senior management, all of whom have substantial experience in the industry where the Company operates, and will therefore be able to make business decisions that are in the best interests of the Group;
- (iv) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between the Company and the Directors or their respective associates, the interested Director(s) is (are) required to declare the nature of such interest before voting at the relevant Board meetings in respect of such transactions;
- (v) the Company has appointed three independent non-executive Directors to provide a balance of the number of potentially interested and independent Directors with a view to promote the interests of the Company and the Shareholders as a whole. The independent non-executive Directors will be entitled to engage professional advisors at our cost for advice on matters relating to any potential conflict of interest arising out of any transaction to be entered into between the Company and the Directors or their respective close associates; and
- (vi) we have adopted other corporate governance measures to manage conflicts of interest, if any, between the Group and the Single Largest Shareholder Group. See "— Corporate Governance Measures."

Operational Independence

The Group holds all the relevant material licenses, qualifications and permits required for conducting its business. The Group has sufficient capital, facilities and employees to operate its business independently from the Single Largest Shareholder Group. The Group also has independent access to its clients. The Group has its own accounting and financial department, human resources and administration department, internal control department and technology department. In addition, the Group has established its internal organizational and management structure which includes Shareholders' meetings, the Board and its committees and formulated the terms of reference of these bodies in accordance with the requirements of the applicable laws and regulations, the Listing Rules and the Articles of Association, so as to establish a regulated and effective corporate governance structure with independent departments, each with specific areas of responsibilities.

Based on the above, the Directors are of the view that the Group will be able to operate independently from the Single Largest Shareholder Group and his respective close associates after the Listing.

Financial Independence

The Group has an independent financial system. The Group makes financial decisions according to its own business needs and the Single Largest Shareholder Group will not intervene with the Group's use of funds. The Group has opened accounts with banks independently and do not share any bank account with the Single Largest Shareholder Group or their respective close associates. The Group has made tax filings and paid tax independently from the Single Largest Shareholder Group pursuant to applicable laws and regulations. The Group has established an independent finance department as well as implemented sound and independent audit, accounting and financial management systems. The Group has adequate internal resources and credit profile to support its daily operations.

As of the Latest Practicable Date, the Group has no loans, advances and balances of non-trade nature due to or from the Single Largest Shareholder Group, and none of the loans of the Group is guaranteed or secured by the Single Largest Shareholder Group, nor any loan of the Single Largest Shareholder Group is guaranteed or secured by Group.

RELATIONSHIP WITH THE SINGLE LARGEST SHAREHOLDER GROUP

Based on the above, the Directors are of the view that the Group will be financially independent from the Single Largest Shareholder Group after the Listing.

COMPETITION

As of the Latest Practicable Date, neither Dr. Gu Jing nor any of the Directors, was interested in any business, other than our Group, which, competes or is likely to compete, either directly or indirectly, with the Group's business and which requires disclosure pursuant to Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE MEASURES

In order to further safeguard the interests of our Shareholders, the Group will adopt the following corporate governance measures to manage any potential conflicts of interest with the Single Largest Shareholder Group:

- (i) where a Shareholders' meeting is held pursuant to the Listing Rules to consider proposed transactions or arrangements in which the Single Largest Shareholder Group or any of their respective associates has a material interest, the Single Largest Shareholder Group shall abstain from voting and their votes shall not be counted;
- (ii) the Company has established internal control mechanisms to identify connected transactions. Upon the Listing, if the Company enters into connected transactions with the Single Largest Shareholder Group or any of their respective associates, the Company will comply with the applicable requirements under the Listing Rules;
- (iii) the Company is committed that the Board shall include a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors). The Company has appointed three independent non-executive Directors, and the Company believes the independent non-executive Directors possess sufficient experiences and are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of the Shareholders as a whole. For details of the independent non-executive Directors, see "Directors and Senior Management — Directors — Independent Non-executive Directors;"
- (iv) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between the Group and the Single Largest Shareholder Group (the "Annual Review") and provide impartial and professional advice to protect the interests of minority Shareholders;
- (v) the Single Largest Shareholder Group will provide all information necessary or requested by the independent non-executive Directors for the Annual Review, including all relevant financial, operational and market information;
- (vi) the Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its annual reports or by way of announcements as required by the Listing Rules;
- (vii) where the Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company's expense;

RELATIONSHIP WITH THE SINGLE LARGEST SHAREHOLDER GROUP

- (viii) the Company has appointed Gram Capital Limited as the Compliance Advisor, which will provide advice and guidance to the Company in respect of compliance with the applicable laws and Listing Rules including various requirements relating to directors' duties and corporate governance; and
- (ix) the Company has established Audit Committee, Nomination Committee and Remuneration Committee with written terms of reference in compliance with the Listing Rules.

Based on the above, the Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between the Group and the Single Largest Shareholder Group, and to protect the minority Shareholders' interests after the Listing.

SHARE CAPITAL

This section presents certain information regarding the Company's share capital before and upon completion of the Global Offering.

BEFORE COMPLETION OF THE GLOBAL OFFERING

As of the Latest Practicable Date, the issued share capital of the Company was RMB374,919,750, comprising 374,919,750 Unlisted Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE GLOBAL OFFERING

Immediately following the completion of the Global Offering and the conversion of Unlisted Shares into H Shares (assuming that the Over-allotment Option is not exercised) the issued share capital of the Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total share capital of the Company (%)
Unlisted Shares in issue	—	—
H Shares to be converted from Unlisted Shares	374,919,750	87.64%
H Shares to be issued under the Global Offering . . .	52,859,200	12.36%
Total	<u>427,778,950</u>	<u>100.00</u>

Immediately following the completion of the Global Offering and the conversion of Unlisted Shares into H Shares (assuming that the Over-allotment Option is fully exercised) the issued share capital of the Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total share capital of the Company (%)
Unlisted Shares in issue	—	—
H Shares to be converted from Unlisted Shares	374,919,750	86.05%
H Shares to be issued under the Global Offering . . .	60,788,000	13.95%
Total	<u>435,707,750</u>	<u>100.00</u>

OUR VOTING STRUCTURE BEFORE AND AFTER THE LISTING

Under the Weighted Voting Rights Structure, the Company's share capital comprises Class A Ordinary Shares and Class B Ordinary Shares. As of the Latest Practicable Date, all the 48,840,956 Class A Ordinary Shares were held by Shenzhen Yishi and Yisheng No. 2, being entities controlled by Dr. Gu Jing. Each Class A Ordinary Share entitles its holder to ten votes at the Company's general meetings. Each Class B Ordinary Share entitles its holder to one vote at the Company's general meetings.

Upon the Listing, the Articles of Association will take effect, under which the Company will no longer have a weighted voting rights structure and all Class A Ordinary Shares will be converted and re-designated as Shares without any weighted voting rights on an one-to-one basis. Upon the completion of the re-designation, each of the then issued Shares of the Company will entitle its holder to one vote at the Company's general meetings.

SHARE CAPITAL

For further details, see “Summary of the Articles of Association — Resolutions of Shareholders’ Meetings” in Appendix III to this Prospectus.

RANKING

Upon the completion of the Global Offering, the Company would have only one class of Shares. H Shares and Unlisted Shares are all ordinary Shares in the share capital of the Company. However, except for certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold the H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for or traded between legal or natural persons of the PRC. Unlisted Shares and H Shares will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Prospectus. All dividends in respect of the H Shares are to be paid by the Company in Renminbi, Hong Kong dollars or in the form of Shares.

CONVERSION OF UNLISTED SHARES INTO H SHARES

According to the regulations issued by the CSRC, the holders of the Unlisted Shares may, at their own option, authorize the Company to apply to the CSRC for conversion of their respective Unlisted Shares to H Shares, and such converted Shares may be listed and traded on an overseas stock exchange provided that the required filings with the securities regulatory authorities of the State Council for the conversion, listing and trading of such converted Shares have been completed. Additionally, such conversion, trading and listing shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of the Unlisted Shares are to be converted, listed and traded as H Shares on the Stock Exchange, the filings with the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange are necessary for such conversion. Based on the procedures for the conversion of Unlisted Shares into H Shares as set forth below, the Company can apply for the listing of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion after the Global Offering to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As the listing of additional Shares after the Listing on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior application for listing at the time of the Company’s listing in Hong Kong. No class Shareholder voting is required for the conversion of such Shares or the listing and trading of such converted Shares on an overseas stock exchange. Any application for listing of the converted shares on the Stock Exchange after the Company’s initial listing is subject to prior notification by way of announcement to inform the Shareholders and the public of any proposed conversion.

After all the requisite filings have been completed and approvals have been obtained, the relevant Unlisted Shares will be withdrawn from the Unlisted Share register, and the Company will re-register such Shares on the H Share register maintained in Hong Kong and instruct the H Share Registrar to issue H Share certificates. Registration on the H Share register of the Company will be on the conditions that (i) the H Share Registrar lodges with the Stock Exchange a letter confirming the entry of the relevant H Shares on the H Share register and the due dispatch of H Share certificates; and (ii) the admission of the H Shares to be traded on the Stock Exchange complies with the Listing Rules and the General Rules of HKSCC and the HKSCC Operational Procedures in force from time to time.

SHARE CAPITAL

Until the converted Shares are re-registered on the H Share register of the Company, such Shares would not be listed as H Shares. For details of the existing Shareholders' proposed conversion of Unlisted Shares into H Shares, see "History, Development and Corporate Structure — Capitalization" in this Prospectus.

RESTRICTIONS OF SHARE TRANSFER

Pursuant to the PRC Company Law, the Shares issued prior to the Listing shall not be transferred within one year from the Listing Date.

Shares transferred by the Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in the Company. The Shares that the aforementioned persons hold in the Company cannot be transferred within one year from the date on which the Shares are listed and traded, nor within half a year after they leave their positions as Directors and members of the senior management in the Company.

GENERAL MANDATE TO (I) ISSUE SHARES AND (II) SELL AND/OR TRANSFER OF TREASURY SHARES AND REPURCHASE MANDATE

Subject to the Global Offering becoming unconditional, the Directors have been granted general unconditional mandates to issue the Shares and sell and/or transfer of treasury shares as well as repurchase the Shares. For further details, see "Statutory and General Information — Further Information about the Company — Resolutions of the Shareholders" in Appendix IV to this Prospectus.

SHAREHOLDERS' GENERAL MEETING

For details of circumstances under which the Shareholders' general meeting is required, see "Summary of the Articles of Association" in Appendix III to this Prospectus.

SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware, immediately following the completion of the Global Offering, the conversion of Unlisted Shares to H Shares and assuming the Over-allotment Option is not exercised, the following persons will have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly interested in 5% or more of the nominal value of any class of the Company's share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name of Shareholder	Type of Shares	Nature of interest ⁽¹⁾	As of the Latest Practicable Date		Immediately following the completion of the Global Offering (assuming the Over-Allotment Option is not exercised)		
			Number of Shares	Approximate percentage of shareholding in the relevant type of Shares	Number of Shares	Approximate percentage of shareholding in the relevant type of Shares	Approximate percentage in the total issued share capital of the Company
Dr. Gu Jing ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ (顧晶博士)	H Shares	Interest in controlled corporation	-	-	72,684,739	16.99%	16.99%
	Unlisted Shares		48,840,956	13.03%	-	-	-
Shenzhen Yishi ⁽²⁾	H Shares	Beneficial owner	-	-	36,204,584	8.46%	8.46%
	Unlisted Shares		36,204,584	9.66%	-	-	-
Yisheng No. 1 ⁽³⁾	H Shares	Beneficial owner	-	-	23,843,783	5.57%	5.57%
	Unlisted Shares		23,843,783	6.36%	-	-	-
Ms. Zhan Jing ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ (詹靜女士)	H Shares	Interest of spouse	-	-	72,684,739	16.99%	16.99%
	Unlisted Shares		48,840,956	13.03%	-	-	-
Ms. Jia Jing (賈靜女士) ⁽⁶⁾⁽⁷⁾⁽⁸⁾	H Shares	Interest in controlled corporation Interest of spouse	-	-	47,688,757	11.15%	11.15%
	Unlisted Shares		47,688,757	12.72%	-	-	-
Mr. Li Changshun (李長順先生) ⁽⁶⁾⁽⁷⁾⁽⁸⁾	H Shares	Interest in controlled corporation Interest of spouse	-	-	47,688,757	11.15%	11.15%
	Unlisted Shares		47,688,757	12.72%	-	-	-
HSG	H Shares	Beneficial owner	-	-	23,718,425	5.54%	5.54%
	Unlisted Shares		23,718,425	6.33%	-	-	-

Notes:

- (1) All interest stated are long positions.
- (2) As of the Latest Practicable Date, Dr. Gu Jing was the general partner of Shenzhen Yishi. See "History, Development and Corporate Structure — Employee Shareholding Platforms." By virtue of the SFO, Dr. Gu Jing is deemed to be interested in the Shares held by Shenzhen Yishi.

SUBSTANTIAL SHAREHOLDERS

- (3) Upon the Listing, the general partner of Yisheng No. 1 shall be changed from Mr. Han Xu to Dr. Gu Jing. See “History, Development and Corporate Structure — Employee Shareholding Platforms.” By virtue of the SFO, Dr. Gu Jing shall be then deemed to be interested in the Shares held by Yisheng No. 1.
- (4) As of the Latest Practicable Date, Dr. Gu Jing was the general partner of Yisheng No. 2. See “History, Development and Corporate Structure — Employee Shareholding Platforms.” By virtue of the SFO, Dr. Gu Jing is deemed to be interested in the Shares held by Yisheng No. 2.
- (5) Dr. Gu Jing and Ms. Zhan Jing are spouses. By virtue of the SFO, Dr. Gu Jing and Ms. Zhan Jing are deemed to be interested in the Shares held by each other.
- (6) As of the Latest Practicable Date, Ms. Jia Jing was the general partner of Qicheng Zhiyuan and Ningbo Yuhang. As of the same date, Hefei Tianze was owned as to 54.91% by Qicheng Zhiyuan as a limited partner. See “History, Development and Corporate Structure — Capitalization.” By virtue of the SFO, Ms. Jia Jing is deemed to be interested in the Shares held by Qicheng Zhiyuan, Ningbo Yuhang and Hefei Tianze.
- (7) As of the Latest Practicable Date, Mr. Li Changshun was the general partner of Xiamen Zhiyi. See “History, Development and Corporate Structure — Capitalization.” By virtue of the SFO, Mr. Li Changshun is deemed to be interested in the Shares held by Xiamen Zhiyi.
- (8) Ms. Jia Jing and Mr. Li Changshun are spouses. By virtue of the SFO, Ms. Jia Jing and Mr. Li Changshun are deemed to be interested in the Shares held by each other.

Save as disclosed in this section headed “Substantial Shareholders” in this Prospectus, the Directors are not aware of any person who will, immediately following completion of the Global Offering (assuming that the Over-allotment Option is not exercised), have any interest and/or short position in the Shares or underlying Shares of the Company which will be required to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company or any other member of the Group.

CORNERSTONE INVESTMENTS

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 respective designated entities to subscribe, at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 200 H Shares) that may be purchased for an aggregate amount of HK\$389.00 million and exclusive of brokerage fee, the SFC transaction levy, the AFRC transaction levy and the Hong Kong Stock Exchange trading fee) (the “**Cornerstone Placing**”).

Based on the Offer Price of HK\$20.81 per Offer Share, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 18,692,800. The table below reflects the shareholding percentage immediately after the completion of the Global Offering.

Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
Approximate % of the Offer Shares	Approximate % of the total issued share capital	Approximate % of the Offer Shares	Approximate % of the total issued share capital
35.37%	4.37%	30.75%	4.29%

We believe that the Cornerstone Placing demonstrates our Cornerstone Investors’ confidence in the Company and its business prospect, and that the Cornerstone Placing will help to raise the profile of the Company. The Company became acquainted with each of the Cornerstone Investors in its ordinary course of operation through the Group’s business network or through introduction by the Company’s business partners/the Underwriters in the Global Offering.

The Cornerstone Placing will form part of the International Offering, and, save as otherwise obtained consent from the Hong Kong Stock Exchange, the Cornerstone Investors and their respective close associates will not subscribe for any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid H Shares in issue following the Global Offering and will be counted towards the public float of the Company under Rule 8.08 of the Hong Kong Listing Rules. Immediately following the completion of the Global Offering, the Cornerstone Investors or their respective close associates will not, by virtue of their cornerstone investments, have any Board representation in the Company; and the Cornerstone Investors and their respective close associates will not become a substantial Shareholder of the Company. Other than a guaranteed allocation of the relevant Offer Shares at the Offer Price, the Cornerstone Investors do not have any preferential rights under the Cornerstone Investment Agreements, as compared with other public Shareholders. There are no side arrangements or agreements between the Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Listing, other than a guaranteed allocation of the relevant Offer Shares at the Offer Price, following the principles as set out in Chapter 4.15 of the Guide For New Listing Applicants.

Digital Vista (as defined below), one of the Cornerstone Investors, is a close associate of one of our existing Shareholders, Guangdong Province Semiconductor and Integrated Circuit Industry Investment Fund Partnership (L.P.) (廣東省半導體及集成電路產業投資基金合夥企業(有限合夥)). The Stock Exchange has granted a consent under paragraph 1C(2) of Appendix F1 to the Listing Rules to permit H Shares in the International Offering to be placed to Digital Vista as a Cornerstone Investor. For further details, please refer to the section headed “Waiver and Consent — Consent under Paragraph 1C(2) of Appendix F1 to the Listing Rules in respect of Subscription of Offer Shares by a Close Associate of an Existing Shareholder as a Cornerstone Investor.” Save as disclosed above and to the best knowledge of the Company, each of the Cornerstone Investors is (i) not accustomed to take instructions from the Company or any of our Directors, chief executive, our Single Largest Shareholder Group, substantial Shareholders or existing Shareholders or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in their name or otherwise held by them; (ii) not financed by the Company or any of our Directors, chief executive of the Company, our Single Largest

CORNERSTONE INVESTMENTS

Shareholder Group, substantial Shareholders, existing Shareholders or any of its subsidiaries or their respective close associates; and (iii) an Independent Third Party. In addition, to the best knowledge of the Company, each of the Cornerstone Investors makes independent investment decisions.

As confirmed by each of the Cornerstone Investors, its subscription under the Cornerstone Placing would be financed by its own internal financial resources or financial resources of its shareholders and it has sufficient funds to settle its investment under the Cornerstone Placing. 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.

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. The Cornerstone Investors have agreed that, the Company, the Joint Sponsors and the Sponsor-Overall Coordinators may in their sole discretion defer the delivery of all or part of the Offer Shares they will subscribe for on a date later than the Listing Date. Such delayed delivery arrangement is in place to facilitate the over-allocation in the International Offering. There will be no delayed delivery if there is no over-allocation in the International Offering. Where delayed delivery takes place, such Cornerstone Investor 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 Tuesday, May 26, 2026.

To the best knowledge of the Company and the Sponsor-Overall Coordinators, and based on the indicative interest of investment of the Cornerstone Investors and/or their respective close associates as of the date of this Prospectus, the Cornerstone Investors and/or their respective close associates may participate in the International Offering as places 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 respective close associates to participate in the International Offering as places pursuant to Chapter 4.15 of the Guide For New Listing Applicants. Whether the Cornerstone Investors and/or their respective close associates will place orders in the International Offering is uncertain and will be subject to the final investment decisions of such investors and the terms and conditions of the Global Offering.

THE CORNERSTONE INVESTORS

The table below sets forth details of the Cornerstone Placing:

Cornerstone Investor	Subscription amount (HK\$)	Number of Offer Shares ⁽¹⁾	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
			Approximate % of the Offer Shares	Approximate % of the issued share capital	Approximate % of the Offer Shares	Approximate % of the issued share capital
Digital Vista GD Investment LP (“Digital Vista”) . . .	350,000,000	16,818,800	31.82%	3.93%	27.67%	3.86%
SpreadCom Limited (“SpreadCom”) . . .	39,000,000	1,874,000	3.55%	0.44%	3.08%	0.43%
Total	389,000,000	18,692,800	35.37%	4.37%	30.75%	4.29%

Note:

(1) Subject to rounding down to the nearest whole board lot of 200 Offer Shares.”

CORNERSTONE INVESTMENTS

The information about the Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing.

Digital Vista

Digital Vista is a limited partnership incorporated in British Virgin Islands, principally engaged in equity investment. Digital Vista is held as to 0.000001% by SummitVista Capital GD Management Limited (“**SummitVista**”) as the general partner and 99.999999% by Guangdong SummitView IC M&A Investment Limited Partnership (廣東武岳峰集成電路股權投資合夥企業(有限合夥)) (“**Guangdong SummitView IC M&A**”) as the limited partner. SummitVista is owned as to 50% by Mr. Xiong Quan and 50% by Mr. Bernard Anthony Xavier, each of whom is a member of the Guangdong SummitView management team and an Independent Third Party. Guangdong SummitView IC M&A is primarily held by Guangdong Semiconductor and Integrated Circuit Industry Investment Fund Partnership (Limited Partnership) (廣東省半導體及集成電路產業投資基金合夥企業(有限合夥)) as to approximately 29.1%, SummitView Electronic Investment GD Fund L.P. as to approximately 15.8%, Zhuhai Development and Investment Fund II (Limited Partnership) (珠海發展投資基金二期(有限合夥)) as to approximately 13.6%, Hengqin New Area Industrial Investment Fund Partnership (Limited Partnership) (橫琴新區產業投資基金合夥企業(有限合夥)) as to approximately 13.6%, and Zhuhai Hi-Tech Investment Industry Equity Investment Co., Ltd. (珠海高科金投產業股權投資有限公司) as to approximately 11.7% as limited partners, with the remaining five limited partners each holding less than 10% interest in Guangdong SummitView IC M&A. The general partner of Guangdong SummitView IC M&A is Guangdong SummitView IC Private Fund Management Partnership (Limited Partnership) (廣東武岳峰集成電路私募基金管理合夥企業(有限合夥)) (“**Guangdong SummitView IC Private Fund Management**”). There is no single investor holding 30% or more interest in Guangdong SummitView IC M&A or Guangdong SummitView IC Private Fund Management. Each of the partners of Guangdong SummitView IC M&A is an Independent Third Party.

The investment decision of Digital Vista with respect to the Cornerstone Placing was made by the Guangdong SummitView management team composing five team members who are Independent Third Parties, namely Wu Ping, Xiong Quan, Bernard Anthony Xavier, Zhu Hui and Zhang Jiarong, with decisions being made by simple majority vote of the members of such investment committee. Each member of such Guangdong SummitView management team is independent from each other and makes independent decisions. No single individual exercises control over, or has the ability to direct or veto the decisions of, such Guangdong SummitView management team.

SummitView is a professional long-term equity investment institution focused on the hard technology sector, dedicated to providing capital to high-growth enterprises with the aim of nurturing them into industry leaders.

SpreadCom

SpreadCom is a company incorporated in British Virgin Islands and is wholly owned and controlled by Mr. Wu Ping (武平). Mr. Wu Ping is a founding partner of SummitView. Mr. Wu co-founded Spreadtrum Communications Co., Ltd. simultaneously in Shanghai and Silicon Valley in 2001, and led the company to a successful listing on the Nasdaq Stock Exchange in 2007. In 2011, Mr. Wu co-founded SummitView, focusing on investment in and mergers and acquisitions of high-technology enterprises, with a commitment to driving technological innovation and industrial consolidation. Mr. Wu Ping currently serves as a member of Guangdong SummitView management team. Mr. Wu Ping makes investment decision independently from Guangdong SummitView management team. Mr. Wu Ping is an Independent Third Party.

CORNERSTONE INVESTMENTS

CLOSING CONDITIONS

The obligation of the Cornerstone Investors to subscribe for the Offer Shares under the Cornerstone Investment Agreements 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 these 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 Sponsor-Overall Coordinators (for themselves and on behalf of the underwriters of the Global Offering);
- (iii) the Hong Kong Stock Exchange having granted the approval for the listing of, and permission to deal in, the H Shares (including the H Shares under the Cornerstone Placing) 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 Hong Kong 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 the Cornerstone Investment Agreements, and there being 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 Cornerstone Investors under the Cornerstone Investment Agreements are accurate and true in all respects and not misleading and that there is no breach of the Cornerstone Investment Agreements on the part of the Cornerstone Investors.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that it will not, and will cause its affiliates not to, whether directly or indirectly, at any time during the period of six months from (and inclusive of) the Listing Date (the “**Lock-up Period**”), dispose of, in any way, any of the Offer Shares or any interest in any company or entity holding such Offer Shares that they have purchased pursuant to the Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

DIRECTORS AND SENIOR MANAGEMENT

OVERVIEW

Upon the Listing, the Board will consist of seven Directors, comprising two executive Directors, two non-executive Directors and three independent non-executive Directors.

DIRECTORS

The following table sets forth the information about the Directors:

Name	Age	Position	Time of joining the Group	Date of appointment as a Director	Roles and responsibilities
Dr. Gu Jing (顧晶博士)	44	Executive Director, chairman of the Board, general manager and chief executive officer	June 2012	March 28, 2013	Overall strategic planning, business development and management of the Group
Mr. Han Zhiyong (韓志勇先生)	63	Executive Director and president	November 2020	November 20, 2020	Overall strategic planning and management of the Group
Ms. Zhan Jing (詹靜女士)	38	Non-executive Director	June 2012	November 20, 2020	Providing advice on the operation and management of the Group
Mr. Zhou Zhifeng (周志峰先生)	47	Non-executive Director	September 2019	September 23, 2019	Providing advice and judgment to the Board
Dr. Jiang Yimin (蔣毅敏博士)	52	Independent non-executive Director	June 2013	December 20, 2022	Supervising and providing independent opinion and judgment to the Board
Ms. Zhou Xinru (周欣如女士)	42	Independent non-executive Director	December 2022	December 20, 2022	Supervising and providing independent opinion and judgment to the Board
Mr. Chang Eric Jackson (張世澤先生)	45	Independent non-executive Director	June 2025	June 12, 2025	Supervising and providing independent opinion and judgment to the Board

Save as Dr. Gu Jing and Ms. Zhan Jing are spouses, none of the Directors and members of senior management of the Company is related to other Directors or members of senior management.

Save as disclosed in this section headed “Directors and Senior Management” in this Prospectus, (i) none of the Directors held any directorships in public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years immediately preceding the date of this Prospectus; (ii) to the best knowledge, information and belief of the Directors having made all reasonable inquiries, there were no other matters with respect to the appointment of the Directors that need to be brought to the attention of the Shareholders and there was no information relating to the Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Executive Directors

Dr. Gu Jing (顧晶博士), aged 44, is an executive Director, chairman of the Board, the general manager and the chief executive officer of the Company. Dr. Gu joined the Group in June 2012 and has been serving as a Director since March 28, 2013. Dr. Gu was redesignated as an executive Director on June 12, 2025. He is primarily responsible for the overall strategic planning, business development and management of the Group.

DIRECTORS AND SENIOR MANAGEMENT

Other than his positions in the Company, Dr. Gu has also been concurrently serving a number of executive roles in the Company's subsidiaries, including the director of Viewtrix Hong Kong, the director and general manager of Viewtrix Kunshan and the executive director and manager of Viewtrix Chengdu.

Prior to joining the Group, Dr. Gu was proactively exploring entrepreneurship initiatives upon his graduation. Dr. Gu served as the executive director of Shanghai Jingwei Electronic Technology Company Limited* (上海晶為電子科技有限公司) from August 2010 to June 2015 and the executive director of Shenzhen Jingwei Huayue Technology Company Limited* (深圳晶為華悅科技有限公司) from April 2011 to April 2014.

Dr. Gu obtained a bachelor's degree in electronic information engineering and a master's degree in information and communication engineering from Tsinghua University (清華大學) in the PRC in July 2003 and July 2005, respectively. Dr. Gu obtained a doctoral degree in engineering and applied science from Harvard University in the United States in October 2010.

Mr. Han Zhiyong (韓志勇先生), aged 63, is an executive Director and the president of the Company. Mr. Han joined the Group in November 2020 and has been serving as a Director and the president since then. Mr. Han was redesignated as an executive Director on June 12, 2025. He is primarily responsible for the overall strategic planning and management of the Group.

Mr. Han is a seasoned veteran with nearly 40 years of experience in the technology industry. From January 1996 to July 2020, Mr. Han served at GlobalFoundries China (Shanghai) Co., Limited, with his last position as a senior director of the business development department. From October 1991 to July 1993, Mr. Han was a visiting scholar at Lund University (瑞典隆德大學). From July 1986 to September 1991, Mr. Han served as an assistant researcher at Institute of Semiconductors (中國科學院半導體研究所).

Mr. Han obtained a bachelor's degree in physics from Peking University (北京大學) in the PRC in July 1983, a master's degree in semiconductor physics from University of Science and Technology of China (中國科學技術大學) in the PRC in April 1987 and a doctoral degree of philosophy from Nanyang Technological University (新加坡南洋理工大學) in Singapore in June 1998.

Non-Executive Directors

Mr. Zhou Zhifeng (周志峰先生), aged 47, has been serving as a Director since September 2019 and was redesignated as a non-executive Director on June 12, 2025. He is responsible for providing advice and judgment to the Board.

From August 2011 to March 2014, Mr. Zhou served as a senior investment manager of Kaipeng (Beijing) Investment Consulting Company Limited* (凱鵬(北京)投資諮詢有限公司). Mr. Zhou has been serving in Qiming Venture Partners (啟明創投), an institution principally engaged in providing venture capital and asset management services since May 2014, and currently serves as a managing partner, focusing on investments in emerging technologies in areas such as artificial intelligence, robotics, AR/VR, semiconductor, autotech, enterprise software, etc. Mr. Zhou has been serving as a director of Beijing HyperStrong Technology Co., Ltd. (北京海博思創科技股份有限公司) (stock code: 688411.SH) and a non-executive director of UBTECH ROBOTICS CORP LTD (深圳市優必選科技股份有限公司) (stock code: 09880.HK), since June 2020 and August 2015, respectively.

Mr. Zhou obtained a bachelor's degree in computer science and technology from Harbin Institute of Technology (哈爾濱工業大學) in the PRC in July 2000 and a master's degree in business administration from Columbia University (美國哥倫比亞大學) in the United States in May 2011.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Zhan Jing (詹靜女士), aged 38, is a non-executive Director and the human resources manager of the Company. Ms. Zhan joined the Group in June 2012 as the administrative manager of the Company. Ms. Zhan was appointed as a Director in November 2020 and has been serving as a Director since then. Ms. Zhan was redesignated as a non-executive Director on June 12, 2025. She is primarily responsible for providing advice on the operation and management of the Group.

Ms. Zhan has served a number of positions in the Group. Ms. Zhan served as the human resources manager of the Company from June 2012 to May 2016 and the human resources manager of Shanghai Viewtric Technology Company Limited* (上海雲英谷科技有限公司), a then wholly-owned subsidiary of the Company, from June 2016 to May 2021. Ms. Zhan has been serving as the human resources manager of the Group since June 2021.

Ms. Zhan obtained a bachelor's degree in radio, television and news from Jinggangshan University (井岡山大學) in the PRC in July 2009.

Independent Non-Executive Directors

Dr. Jiang Yimin (蔣毅敏博士), aged 52, has been serving as an independent Director since December 2022 and was redesignated as an independent non-executive Director on June 12, 2025. He is responsible for supervising and providing independent opinion and judgment to the Board.

Dr. Jiang has been serving successively as a partner and a consulting partner of CITIC Capital Holdings Limited* (中信資本控股有限公司) from February 2012 to February 2016. Dr. Jiang served as the chief technical officer of Availink Company Limited* (中天聯科有限公司) from April 2005 to October 2011. Prior to that, he served as a senior researcher at Hughes Electronics Company Limited (美國休斯電子公司) from June 1998 to January 2005. From June 2013 to May 2021, Dr. Jiang served as a Director of the Company, nominated by White Cloud Valley. His role during this period was non-executive in nature, acting solely as a shareholder representative. Throughout his tenure, he did not hold any management position and was not involved in the Company's then daily operations or executive decision-making process. Since February 2015, Dr. Jiang has been serving as a director in Shanghai Anlogic Infotech Co., Ltd.* (上海安路信息科技股份有限公司) (stock code: 688107.SH). Since November 2012, Dr. Jiang has been serving as a director of Xi'an Peri Power Semiconductor Converting Technology Co., Ltd.* (西安派瑞功率半導體變流技術股份有限公司) (stock code: 300831.SZ).

Dr. Jiang obtained a bachelor's degree in electronic engineering from Tsinghua University (清華大學) in the PRC in July 1996, a master's degree in electrical engineering and a doctoral degree in electrical engineering from University of Maryland in the United States in May 1998 and August 2000, respectively.

Ms. Zhou Xinru (周欣如女士), aged 42, has been serving as an independent Director since December 2022 and was redesignated as an independent non-executive Director on June 12, 2025. She is responsible for supervising and providing independent opinion and judgment to the Board.

Ms. Zhou has extensive experience in legal and compliance affairs. For the periods from July 2005 to July 2009 and from July 2010 to December 2013, Ms. Zhou served at the Shanghai office of Clifford Chance LLP (高偉紳律師事務所), where she started her professional career and held the last position as a senior associate. From January 2014 to March 2016, Ms. Zhou served as the general counsel of the Greater China region of General Electric Medical Investment (China) Investment Company Limited* (通用電氣(中國)投資有限公司). From April 2016 to April 2019, Ms. Zhou also ever served as the general counsel of the Greater China region and compliance officer of Philips (China) Investment Company Limited* (飛利浦(中國)投資有限公司). Since May 2019, Ms. Zhou has been serving as the executive director of Shanghai Fajia Education Technology Company Limited* (上海法嘉教育科技有限公司) and Shanghai Fachang Education Technology Company Limited* (上海法暢教育科技有限公司).

DIRECTORS AND SENIOR MANAGEMENT

Ms. Zhou obtained a bachelor's degree in law from Fudan University (復旦大學) in the PRC in July 2005 and a master's degree in law from Harvard University in the United States in May 2010.

Mr. Chang Eric Jackson (張世澤先生) (formerly known as Chang Eric Jackson (張再祖)), aged 45, He is responsible for supervising and providing independent opinion and judgment to the Board.

Mr. Chang has over 20 years of experience in accounting, finance and business advisory work. He is a member of the Hong Kong Institute of Certified Public Accountants since September 2005 and the American Institute of Certified Public Accountants since January 2005.

Mr. Chang has been an independent non-executive director of Ganglong China Property Group Limited (港龍中國地產集團有限公司) (stock code: 6968.HK) since October 2025. Mr. Chang served as an independent non-executive director of Yik Wo International Holdings Limited (易和國際控股有限公司) (stock code: 8659.HK) from June 2022 to February 2026. Mr. Chang has been an independent non-executive director of DL Holdings Group Limited (德林控股集團有限公司) (previously known as Season Pacific Holdings Ltd) (stock code: 1709.HK) since May 2018. From December 2022 to September 2024, Mr. Chang served as an independent non-executive director of Datang Group Holdings Limited (大唐集團控股有限公司) (stock code: 2117.HK), which was delisted from the Stock Exchange in October 2024. From September 2019 to May 2020, Mr. Chang served the independent non-executive director of Centenary United Holdings Limited (世紀聯合控股有限公司) (stock code: 1959.HK). From July 2019 to December 2021, Mr. Chang served as the chief finance officer and company secretary of Sanxun Holdings Group Limited (三巽控股集團有限公司) (stock code: 6611.HK). Since December 2017, Mr. Chang has been serving as the independent non-executive director of Transmit Entertainment Limited (傳遞娛樂有限公司) (stock code: 1326.HK). From July 2015 to April 2017, Mr. Chang served as the chief finance officer and executive director of Zensun Enterprises Limited (正商置業有限公司) (previously known as ZH International Holdings Limited) (stock code: 185.HK). From October 2013 to July 2015, Mr. Chang served as the chief finance officer of Henan Zensun Enterprises Company Limited* (河南正商置業有限公司). From September 2002 to October 2013, Mr. Chang served at PricewaterhouseCoopers, where his last position was senior manager.

Mr. Chang obtained his bachelor's degree of Commerce from the University of British Columbia in May 2002.

SENIOR MANAGEMENT

The following table provides information about members of the senior management of the Company (other than the executive Directors):

Name	Age	Position	Time of joining the Group	Date of appointment as a senior management	Responsibilities
Mr. Han Xu (韓旭先生)	59	Vice president	June 2012	December 20, 2022	Responsible for the overall marketing strategy and product sales
Mr. Peng Yu-Hsun (彭昱勳先生)	43	Vice president	August 2016	December 20, 2022	Responsible for the research and development of the Group and management of products and technology initiatives

DIRECTORS AND SENIOR MANAGEMENT

Mr. Han Xu (韓旭先生), aged 59, has been the vice president of the Company since June 2012. He is primarily responsible for the overall marketing strategy and product sales.

Prior to joining the Group, Mr. Han served as the sales director of Adtran Networks China Office (亞卓網絡(中國)辦事處) from November 2008 to May 2012. From January 2005 to October 2008, Mr. Han served as the sales director of Proxim Network China Office (普羅克西姆(中國)辦事處). Mr. Han served as a regional sales manager of Redback Networks China Office (力博通信(中國)辦事處) from April 2000 to December 2004. From June 1997 to March 2000, Mr. Han served as the sales director of Beijing Ellister Network Integration Company Limited* (北京艾利斯特網絡集成有限公司). From January 1993 to May 1997, Mr. Han served as the vice president in charge of marketing of Beijing Sanxian Electronic Technology Company Limited* (北京三先電子科技有限公司). From January 1990 to December 1992, Mr. Han served as a sales staff of Beijing Jingmei Electronic Technology Company Limited* (北京京美電子科技有限公司). From August 1988 to December 1989, Mr. Han served as a system engineer of China Electronic System Technology Company Limited* (中國電子系統工程公司).

Mr. Han graduated from Beijing University of Posts and Telecommunications (北京郵電大學) in the PRC in July 1988.

Mr. Peng Yu-Hsun (彭昱勳先生), aged 43, has been the vice president of the Company since September 2016. He is primarily responsible for the research and development of the Group and management of products and technology initiatives.

Prior to joining the Group, Mr. Peng served as the senior manager of Novatek Microelectronic Corp. (聯詠科技股份有限公司) (stock code: 3034.TW) from October 2006 to August 2016.

Mr. Peng obtained a bachelor's degree in telecommunication engineering from National Yang Ming Chiao Tung University (國立陽明交通大學) in Taiwan, China in June 2004 and a master's degree in electronic engineering from National Taiwan University (國立臺灣大學) in Taiwan, China in June 2006.

For the biographies of the executive Directors, including Dr. Gu Jing and Mr. Han Zhiyong, see the section headed “— Directors — Executive Directors” above.

Ms. Xia Qian (夏倩), who has over ten years of experience in financial reporting, is in charge of overseeing our financial affairs.

COMPANY SECRETARY

Ms. Chu Cheuk Ting (朱卓婷), is the company secretary of the Company. Ms. Chu currently serves a manager of the listing services department of TMF Hong Kong Limited and is responsible for the provision of corporate secretarial and compliance services to listed company clients. She has over 12 years of experience in the corporate service field. Ms. Chu is an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Chu holds a bachelor of arts degree from The Hong Kong Polytechnic University and a master of science in professional accounting and corporate governance from the City University of Hong Kong.

CONFIRMATION FROM THE DIRECTORS

Rule 3.09D of the Listing Rules

Each of the Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in June 2025 and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he or she had no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there were no other factors that may affect his or her independence at the time of his/her appointments.

Rule 8.10 of the Listing Rules

Each of the Directors (excluding our independent non-executive Directors) confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business and requires disclosure under Rule 8.10 of the Listing Rules.

MANAGEMENT AND CORPORATE GOVERNANCE

Board Committees

The Company has established three Board committees in accordance with the relevant laws and regulations in Chinese mainland, the Articles of Association and the code of corporate governance practices under the Listing Rules, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. The functions of the Board committees are summarized as follows:

Audit Committee

The Company 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 primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group, review and approve connected transactions and provide advice and comments to the Board. The Audit Committee comprises three members, namely Mr. Chang Eric Jackson, Dr. Jiang Yimin and Ms. Zhan Jing, with Mr. Chang Eric Jackson as the chairperson and the Director appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Remuneration Committee

The Company has established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Remuneration Committee are to review and make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to the Directors and other senior management. The Remuneration Committee comprises three members, namely Dr. Jiang Yimin, Ms. Zhou Xinru and Dr. Gu Jing, with Dr. Jiang Yimin as the chairperson.

Nomination Committee

The Company has established the Nomination Committee with written terms of reference in compliance with the Code on Corporate Governance in Appendix C1 to the Listing Rules. The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment of Directors and management of Board succession. The Nomination Committee comprises three members, namely Dr. Jiang Yimin, Ms. Zhou Xinru and Dr. Gu Jing, with Dr. Jiang Yimin as the chairperson.

DIRECTORS AND SENIOR MANAGEMENT

Corporate Governance Code

The Company aims to implement a high standard of corporate governance, which the Company believes is crucial to safeguard the interests of the Shareholders. To accomplish this, the Company expects to comply with the Corporate Governance Code set out in Appendix C1 of the Listing Rules after the Listing, save that Dr. Gu Jing will serve as both the chairman of the Board and general manager as discussed below.

Pursuant to code provision A.2.1 of the Corporate Governance Code, companies listed on the Hong Kong Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive should be segregated and should not be performed by the same individual. The Company does not have a separate chairman and chief executive and Dr. Gu Jing currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired, and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the general manager of the Company if and when it is appropriate taking into account the circumstances of the Group as a whole.

Board Diversity

The Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining the Company's competitive advantage and enhancing its ability to attract, retain and motivate employees from the widest possible pool of available talent. Pursuant to the board diversity policy, in reviewing and assessing suitable candidates to serve as a Director, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience. In particular, the Company currently has two female Director in the Board and will continue to work towards enhancing the gender diversity of the Board. The Directors have a balanced mix of knowledge and skills, and the Company has five non-executive Directors, including three independent non-executive Directors, with different industry backgrounds. Taking into account the Group's existing business model and specific needs as well as the different background of the Directors, the composition of the Board satisfies the Company's board diversity policy. Pursuant to the board diversity policy, the 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 formal adoption.

Pursuant to the Company's board diversity policy, the Company aims to maintain at least one female representation in the Board and the current composition of the Board satisfies such target gender ratio. The Company will implement policies to ensure gender diversity when nominating Directors to develop a pipeline of potential female successors to the Board. The Company will strive to enhance the female representation in the Board and achieve appropriate balance of gender diversity after the Listing with reference to the stakeholders' expectation and international and local recommended best practices, including those set out in the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules. Furthermore, the Company will implement comprehensive programs aimed at identifying and training the female staff who display leadership and potential, with the goal of nominating them to the Board.

DIRECTORS AND SENIOR MANAGEMENT

REMUNERATION

The Directors and senior management of the Company receive their remuneration in the form of basic annual payments and performance-related annual payments, including fees, salaries, share-based compensation, pension schemes contribution and other benefits in kind.

For the years ended December 31, 2023, 2024 and 2025, the total remuneration paid to the Directors amounted to RMB5.6 million, RMB9.7 million and RMB9.6 million, respectively. None of the Directors waived or agreed to waive any emolument during the same years.

Under the arrangements in force as of the date of this Prospectus, the Company estimates the total remuneration payable to, and benefits in kind receivable by, the Directors by the Group for the year ending December 31, 2026 to be approximately RMB4.2 million.

The five highest paid individuals of the Group for the years ended December 31, 2023, 2024 and 2025 included two, one and two Directors, respectively. During the same year, the aggregate amount of remuneration of the remaining three, four and three individuals who are neither Directors nor the chief executive of the Company were RMB10.5 million, RMB36.7 million and RMB21.2 million, respectively.

During the Track Record Period, no remuneration was paid to, or received by, the Directors or the five highest paid individuals as an inducement to join or upon joining the Group. No compensation was paid to, or received by, the Directors, former Directors, or the five highest paid individuals for the loss of office as a director of any member of the Group or of any other office in connection with the management of the affairs of any member of the Group.

Save as disclosed in this section headed “Directors and Senior Management” in this Prospectus, no other payments have been made or are payable by the Group to the Directors in respect of the Track Record Period.

COMPLIANCE ADVISOR

The Company has appointed Gram Capital Limited as the Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. The Compliance Advisor will provide the Company with guidance and advice as to compliance with the requirements under the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will, amongst other things, advise the Company in the following circumstances:

- (a) before the publication of any regulatory announcement, circular, or financial report;
- (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (c) where the Group proposes to use the proceeds of the Global Offering in a manner different from that detailed in this Prospectus or where the business activities, development or results of the Group deviate from any forecast, estimate or other information in this Prospectus; and
- (d) where the Stock Exchange makes an inquiry of the Company concerning unusual movements in the price or trading volume of its listed securities or any other matters under Rule 13.10 of the Listing Rules.

The term of appointment of the Compliance Advisor shall commence on the Listing Date and is expected to end on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

For a detailed description of our future plans, see “Business — Our Growth Strategies.”

USE OF PROCEEDS

Based on an Offer Price of HK\$20.81 per Offer Share, we estimate that we will receive net proceeds of approximately HK\$997.1 million from the Global Offering after deducting the underwriting commissions and other estimated expense in connection with the Global Offering (assuming the Over-allotment Option is not exercised). We intend to use our proceeds for the purposes and in the amounts set forth below.

- Approximately 47.0%, or HK\$468.6 million, will be used to support the research and development and optimization of AMOLED TDDI chips. TDDI integrates the display driver and touch driver on a same chip. As such, AMOLED TDDI chips can be seen as a type AMOLED DDIC. We plan to launch our first TDDI chip in 2025 and target for TDDI products to account for over 50% of our total shipment volume by 2027, making it one of our core products. We intend to maintain our technological leadership, while broadening our product portfolio of display driver chips and expanding their downstream application scenarios, thereby establishing a diversified and multi-dimensional product matrix. In particular, we aim to enhance the performance, efficiency and reliability of our AMOLED TDDI chips, and further expand their adoption in smartphones in line with evolving customer requirements and technological trends in the next three years. According to Frost & Sullivan, in 2024, the global sales volume of TDDI chips increased to 1,040.0 million units. It is expected to grow at a CAGR of 6.6% to reach 1,431 million by 2029. See also “Business — Our Growth Strategies — Continue to Increase R&D Investment to Promote Technological Innovation and Iteration.” In particular:
- Approximately 33.6%, or HK\$335.5 million will be used to expand and strengthen our R&D team, including covering staff costs for the existing team and hiring additional R&D engineers, lab engineers, product development engineers, and field application engineers. Our R&D team is responsible for the development of both AMOLED TDDI chips and Micro-LED display backplanes/drivers, and resources are shared across these product lines based on project needs. Looking ahead, we anticipate an increase in the overall size of our R&D team to support our product development roadmap, with the total number of R&D personnel expected to reach approximately 200 by the end of 2026 and further increase to approximately 300 by the end of 2029. The estimated average monthly staff cost for each category is approximately HK\$12.1 million for R&D engineers, HK\$1.6 million for lab engineers, HK\$1.1 million for product development engineers and HK\$1.1 million for field application engineers. Over the next five years, we aim to achieve key development milestones in next-generation AMOLED TDDI chips through the continued scaling of our team. This forward-looking information reflects our current estimates and is subject to change due to various factors beyond our control. There is no assurance that our actual results will not differ materially from these expectations.
- Approximately 2.1%, or HK\$21.2 million will be used for design expenditures, including costs related to intellectual property licenses, technical services and associated design activities. These include patents relating to integrated circuit layout designs and circuit designs at the chip level, as well as compensation algorithm patents and module production process optimization patents developed in collaboration with display panel manufacturers. In addition, we plan to allocate funds to maintain and expand certain general-purpose patents that are applicable to both AMOLED and Micro-OLED products, such as those related to display module technologies and pixel arrangement of display panels, in order to further strengthen the competitiveness of our products over the next three years.

FUTURE PLANS AND USE OF PROCEEDS

- Approximately 10.5%, or HK\$104.2 million will be used for tape-out expenditures. Tape-out refers to the process of delivering chip design schemes to wafer fabrications facilities for actual wafer production. These expenditures primarily include mask costs, which cover the manufacturing of masks by FABs — ownership of which is essential for utilizing them in wafer production. Probe card costs are also included, as these custom-designed tools are critical for Chip Probing testing, a prerequisite for shipping qualified chips. Raw material costs primarily relate to wafers used in extensive verification procedures to ensure chips are ready for mass production.
- Approximately 0.8%, or HK\$7.7 million will be used for new product verification, encompassing testing and validation costs, such as tester fees and third-party verification services. Third-party costs cover expenses for standardized verifications conducted by impartial external organizations, as well as failure analysis of defective samples using professional equipment from third-party institutions. Additionally, testing costs include those incurred during the development phase for test program development and corner lot verification.
- Approximately 33.0%, or HK\$329.0 million, will be used to support the research and development and optimization of Micro-OLED and Micro-LED display backplanes/drivers. Micro-LED display backplanes/drivers are similar to Micro-OLED display backplanes/drivers, with the display technology being the difference. LED pixels, instead of OLED pixels in the case of Micro-OLED display backplanes/drivers, are placed on to the silicon wafers with our display driver circuit. Due to its longer durability and higher efficiency, Micro-LED display backplanes/drivers are suitable for applications such as commercial displays, AR/VR headsets, and automotive displays. We aim to advance our technical capabilities in next-generation display technologies and enhance the performance, integration and commercial viability of Micro-OLED and Micro-LED solutions. In terms of technical research and development, IP development and patent protection in pixel circuit design represent a crucial aspect. We have established a technical roadmap to develop and refine key technologies, including Single/Tandem-EL driving and High-PPI designs over the next three years. Driven by the demand for downstream XR devices, the sales volume of global Micro-OLED display backplane/driver has shown significant growth, increasing from 0.6 million units in 2020 to 2.5 million units in 2024, at a CAGR of 41.1%. The global Micro-OLED display backplane/driver market is expected to continue to show an upward trend in sales volume to 26.7 million units by 2029, at a CAGR of 60.6%. See also “Business — Our Growth Strategies — Continue to Increase R&D Investment to Promote Technological Innovation and Iteration.” In particular:
 - Approximately 21.1%, or HK\$210.0 million will be used to expand and strengthen our R&D team in the next three years, including covering staff costs for the existing team and hiring R&D engineers, lab engineers, product development engineers, and field application engineers. As our R&D personnel concurrently support both AMOLED and Micro-OLED product development, the projected headcount growth and average monthly staff costs for different categories of engineers are consistent. The above projections are based on our current estimates and are subject to change depending on actual operational needs.
 - Approximately 2.3%, or HK\$23.4 million will be used for design expenditures, including costs related to intellectual property licenses, technical services, and associated design activities. These include pixel circuit design patents for Micro-OLED displays. In addition, we plan to invest in system-level patents for new product lines such as AR/VR, including those covering data transmission protocols and display driving modes, to ensure the competitiveness of our products in next-generation display applications in the next three years.

FUTURE PLANS AND USE OF PROCEEDS

- Approximately 8.3%, or HK\$82.8 million will be used for tape-out expenditures, covering expenses for wafer fabrication, including mask production, probe card costs and raw materials. The core processes remain consistent with the chip production of AMOLED TDDI chips in the tape-out phase.
- Approximately 1.3%, or HK\$12.8 million will be used for new product verification, encompassing testing and validation costs, such as tester fees and third-party verification services. These costs are consistent with verification of AMOLED TDDI chips.
- Approximately 10.0%, or HK\$99.7 million, will be used for strategic investments or acquisitions to capture future growth opportunities. Such investments will primarily target upstream and downstream participants in the display driver chip industry value chain, in line with our long-term expansion plans. Specifically, we intend to invest in or acquire companies with established display driver chip products, customer bases and sales channels, with a view to accelerating the development of our emerging businesses and expanding into new markets and application scenarios. We also plan to make strategic investment in upstream participants such as foundries to deepen our relationship with these partners and ensure sufficient capacity. According to Frost & Sullivan, it is common for fabless design houses like ourselves to make strategic equity investment in foundries for supply chain security reasons. In addition, we will continue to explore potential investment or acquisition opportunities in downstream participants, such as display panel manufacturers or module companies, where such investments are commercially viable. This would further strengthen our position along the value chain and enhance our ability to serve end customers. As of the Latest Practicable Date, we have not selected any specific investments or acquisitions targets. We currently expect to conduct a limited number of strategic investments or acquisitions over the next three years, primarily targeting upstream and downstream participants in the display driver chip industry value chain, in line with our long-term expansion plans as set out in “Business — Our Growth Strategies.” In selecting investment or acquisition targets, we intend to apply standardized selection criteria, including, among others: (i) business scale and operational track record; (ii) geographical coverage and market presence; (iii) technical capabilities, intellectual property portfolio and product pipeline; (iv) established customer bases and sales channels; and (v) a track record of stable revenues and sustainable profitability.

These strategic investments or acquisitions are expected to generate synergies with our existing operations by enhancing our upstream supply chain security and expanding our downstream customer reach. As of the Latest Practicable Date, we had not identified or entered into discussions with any specific investment or acquisition targets.

- Approximately 10.0%, or HK\$99.7 million, will be used for working capital and other general corporate purposes, including day-to-day operation and general corporate expenditures.

The additional net proceeds that we would receive if the Over-allotment Option were exercised in full would be HK\$156.7 million.

To the extent that the net proceeds of the Global Offering are not immediately used for the above purposes or if we are unable to effect any part of our future development plans as intended, we will only deposit such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdiction). In such event, we will comply with the appropriate disclosure requirements under the Hong Kong Listing Rules.

UNDERWRITING

HONG KONG UNDERWRITERS

China International Capital Corporation Hong Kong Securities Limited
CLSA Limited
GF Securities (Hong Kong) Brokerage Limited
AVICT Global Asset Management Limited
Webull Securities Limited

UNDERWRITING

This Prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement.

The Global Offering comprises the Hong Kong Public Offering of initially 5,286,000 Hong Kong Offer Shares and the International Offering of initially 47,573,200 International Offer Shares, subject, in each case, to the reallocation on the basis as described in “Structure of the Global Offering” as well as to the Over-allotment Option in the case of the International Offering.

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, we are offering the Hong Kong Offer Shares (subject to reallocation) for subscription by the public in Hong Kong in accordance with the terms and conditions of this Prospectus and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares to be issued as mentioned in this Prospectus (including the additional H Shares which may be issued pursuant to the exercise of the Over-allotment Option) on the Main Board of the Stock Exchange and such approval not having been withdrawn and (b) certain other conditions set forth in the Hong Kong Underwriting Agreement (including the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and our Company agreeing upon the Offer Price) being satisfied (or, as the case may be, waived), the Hong Kong Underwriters have agreed severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable portions of the Hong Kong Offer Shares in aggregate, now being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions of this Prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on and subject to, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for termination

The Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) may in their absolute discretion and upon giving notice in writing to our Company, terminate the Hong Kong Underwriting Agreement with immediate effect if at any time prior to 8:00 a.m. on the Listing Date:

- (1) there develops, occurs, exists or comes into force:
 - (a) any new law or regulation or any change or development involving a prospective change or any event or series of events or circumstances likely to result in a change or a development involving a prospective change in existing laws or regulations, or the interpretation or application thereof by any court or any competent Authority in or affecting Hong Kong, the PRC, the United States, the United Kingdom, the

UNDERWRITING

European Union (or any member thereof), Japan, Singapore or other jurisdictions relevant to the Group or the Global Offering (each a “**Relevant Jurisdiction**” and collectively, the “**Relevant Jurisdictions**”); or

- (b) any change or development involving a prospective change, or any event or series of events or circumstances likely to result in a change or prospective change, in any local, national, regional or international financial, political, military, industrial, economic, fiscal, legal, regulatory, currency, credit or market conditions or sentiments, Taxation, equity securities or currency exchange rate or controls or any monetary or trading settlement system, or foreign investment regulations (including, without limitation, a devaluation of the Hong Kong dollar, United States dollar or Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or the Renminbi is linked to any foreign currency or currencies) or other financial markets (including, without limitation, conditions and sentiments in stock and bond markets, money and foreign exchange markets, the inter-bank markets and credit markets) in or affecting any Relevant Jurisdictions, or affecting an investment in the Offer Shares; or
- (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 (whether or not responsibility has been claimed)) in or affecting any of the Relevant Jurisdictions; or
- (d) the imposition or declaration of any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on (i) the trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; or (ii) the trading in any securities of the Company listed or quoted on a stock exchange or an over-the-counter market; or
- (e) the imposition or declaration of any general moratorium on banking activities in or affecting any of the Relevant Jurisdictions or any disruption in commercial banking or foreign exchange trading or securities settlement or clearing services, procedures or matters in or affecting any of the Relevant Jurisdictions; or
- (f) the issue or requirement to issue by the Company of a supplement or amendment to the Prospectus or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC; or
- (g) the commencement by any authority or other regulatory or political body or organization of any public action or investigation against a group company or a Director or a senior management of the Company or announcing an intention to take any such action; or

UNDERWRITING

- (h) the imposition of sanctions or export controls in whatever form, directly or indirectly, on any group company or any of the members of the Single Largest Shareholder Group or by or on any Relevant Jurisdiction, or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or
- (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 the Prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares), the CSRC filings or any aspect of the Global Offering with the Listing Rules or any other applicable laws; or
- (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 member of the Single Largest Shareholder Group or any Director or senior management members as named in the Prospectus; or
- (l) any contravention by the Company, any group company, any Director, any member of senior management of the Company named in the Prospectus or any member of the Single Largest Shareholder Group of the Listing Rules or applicable laws; or
- (m) an order or petition is presented for the winding-up or liquidation of any member of the Group (other than the Company), or any member of the Group (other than the Company) 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 (other than the Company) or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group (other than the Company) or anything analogous thereto occurs in respect of any member of the Group (other than the Company); or
- (n) any change or prospective change, or a materialization of, any of the risks set out in the section headed “Risk Factors” in the Prospectus

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Joint Sponsors and the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

- i. has or will or may have a material adverse effect or any development involving a prospective material adverse effect, on the profits, losses, results of operations, assets, liabilities, general affairs, business, management, performance, prospects, shareholders’ equity, position or condition (financial, trading or otherwise) of the Group, taken as a whole (the “**Material Adverse Effect**”);
- ii. has or will or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of indications of interest under the International Offering; or
- iii. makes or will make or may make it impracticable, inadvisable, inexpedient or incapable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged, or for the Hong Kong Public Offering and/or the Global Offering to proceed, or to market the Global Offering, or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the Offering Documents; or

UNDERWRITING

- iv. has or will or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or
- (2) there has come to the notice of the Joint Sponsors and the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):
- (a) 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, for, or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto but excluding the information of such Joint Sponsors, Sponsor-Overall Coordinators, Overall Coordinators, Joint Global Coordinators, CMI, Joint Bookrunners, Joint Lead Managers and Hong Kong Underwriters provided thereby expressly and specifically for inclusion in the Offering Documents, it being understood that such information contains only their respective marketing names, legal names, logos, and addresses of the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the CMI, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters or any of them contained therein) (the “**Global Offering Documents**”) was, when it was issued, or has become untrue, incomplete, incorrect, inaccurate 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, incomplete, dishonest or unreasonable assumptions or given in bad faith; or
 - (b) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of the Prospectus, constitute a material omission or misstatement in any Global Offering Document; or
 - (c) 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 the Company or the Single Largest Shareholder Group in the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or
 - (d) any event, act or omission which gives rise or is likely to give rise to any liability of any of the indemnifying parties pursuant to the indemnities in the Hong Kong Underwriting Agreement; or
 - (e) any material breach of any of the obligations or undertakings imposed upon the Company or any member of the Single Largest Shareholder Group or any cornerstone investor (as applicable) to the Hong Kong Underwriting Agreement, the International Underwriting Agreement or the Cornerstone Investment Agreements; or
 - (f) there is any change or development involving a prospective change, constituting or having a Material Adverse Effect; or
 - (g) that the chairman of the Board, any Director or any member of senior management of the Company named in the Prospectus seeks to retire, or is removed from office or vacating his/her office; or

UNDERWRITING

- (h) any Director or any member of senior management of the Company named in the Prospectus is being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company or there is a commencement by any governmental, political or regulatory body or any authority of any investigation or other action against any Director or any member of senior management of the Company in his or her capacity as such or any member of the Group or any member of the the Single Largest Shareholder Group or an announcement by any governmental, political or regulatory body or any authority that it intends to commence any such investigation or take any such action; or
- (i) an order or petition is presented for the winding-up or liquidation of the Company or any member of the Single Largest Shareholders Group, or the Company or any member of the Single Largest Shareholders 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 the Company or any member of the Single Largest Shareholders Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of the Company or any member of the Single Largest Shareholders Group or anything analogous thereto occurs in respect of the Company or any member of the Single Largest Shareholders Group; or
- (j) the Company withdraws the Prospectus (and/or any other documents used in connection with the subscription or sale of any of the Offer Shares pursuant to the Global Offering) or the Global Offering; or
- (k) that the approval by the Listing Committee of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including pursuant to any exercise of the Over-allotment Option) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or
- (l) any expert named in the Prospectus has withdrawn its consent to the issue of the Prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or
- (m) any prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or
- (n) (A) the notice of acceptance of the CSRC filings issued by the CSRC and/or the results of the CSRC filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated; or (B) the issue or requirement to issue by the Company of a supplement or amendment to the CSRC filings pursuant to the CSRC rules or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC filings with the CSRC rules or any other applicable laws; or
- (o) 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, or with respect to which the payment of the relevant orders and/or investment commitment has not been received or settled in the stipulated time and manner or otherwise,

UNDERWRITING

Undertakings to the Stock Exchange pursuant to the Listing Rules

Undertakings by the Company

Pursuant to Rule 10.08 of the Listing Rules, the Company has undertaken to the Stock Exchange that no further Shares or securities convertible into equity securities of the Company (whether or not of a class already listed) may be issued or form the subject of any agreement to such an issue within six months from the date on which the H Shares of the Company first commence dealing on the Stock Exchange (whether or not such issue of Shares or securities will be completed within six months from the commencement of dealing), except (a) pursuant to the Global Offering and the Over-allotment Option, if any, or (b) under any of the circumstances provided under Rule 10.08 of the Listing Rules.

Undertakings by the Single Largest Shareholder Group

Pursuant to Rule 10.07 of the Listing Rules and Chapter 4.13 of the Guide, each member of the Single Largest Shareholder Group has undertaken to the Stock Exchange and to us that, except pursuant to the Global Offering (including the Over-allotment Option), it/he will not, and shall procure that the relevant registered holder(s) will not, without the prior written consent of the Stock Exchange or unless otherwise permitted under the Listing Rules, at any time in the period commencing on the date by reference to which disclosure of its/his shareholding is made in this Prospectus and ending on the date which is six months from the Listing Date, either directly or indirectly, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the securities of the Company in respect of which it/he is shown by this Prospectus to be the beneficial owner.

Note 2 to Rule 10.07(2) of the Listing Rules provides that Rule 10.07 does not prevent a member of the Single Largest Shareholder Group from using the securities of the Company beneficially owned by it/him as security (including a charge or pledge) in favour of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a *bona fide* commercial loan.

Further, pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, each member of the Single Largest Shareholder Group has undertaken to the Stock Exchange and to us that, within the period commencing on the date by reference to which disclosure of its/his shareholding is made in this Prospectus and ending on the date which is six months from the Listing Date:

- (1) when it/he pledges or charges any securities of the Company beneficially owned by it/him in favor of an authorized institution (as defined in the Banking Ordinance, Chapter 155 of the Laws of Hong Kong) for a *bona fide* commercial loan relying on Note 2 to Rule 10.07(2) of the Listing Rules, immediately inform us and the Stock Exchange of such pledge or charge together with the number of securities so pledged or charged; and
- (2) when it/he receives indications, either verbal or written, from the pledgee or chargee of any securities of the Company that any of the pledged or charged securities will be disposed of, immediately inform us and the Stock Exchange of such indications.

We will inform the Stock Exchange as soon as we have been informed of the above matters, if any, by any member of the Single Largest Shareholder Group and disclose such matters as soon as possible after being so informed.

UNDERWRITING

Undertakings pursuant to the Hong Kong Underwriting Agreement

Undertakings by our Company

Pursuant to the Hong Kong Underwriting Agreement, our Company has undertaken to each of the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the CMIs, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that except pursuant to the Global Offering (including pursuant to the Over-allotment Option), at any time after the date of the Hong Kong Underwriting Agreement up to and including the date falling six months after the Listing Date (the “**First Six Month Period**”), it will not, without the prior written consent of the Joint Sponsors and the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

- (a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an Encumbrance over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, or repurchase, any legal or beneficial interest in the share capital or any other securities of the Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase any share capital or other securities of the Company, as applicable), or deposit any share capital or other securities of the Company, as applicable, with a depository in connection with the issue of depository receipts; or
- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of the H Shares or any other securities of the Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares or any other securities of the Company); or
- (c) enter into any transaction with the same economic effect as any transaction described in (a) or (b) above; or
- (d) offer to or agree to do any of the foregoing specified in paragraphs (a), (b) or (c) or announce any intention to do so,

in each case, whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise (whether or not the issue of such share capital or other securities will be completed within the First Six Month Period). The Company further agrees that, in the event the Company is allowed to enter into any of the transactions described in paragraphs (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction during the period of six months commencing on the date on which the First Six Month Period expires (the “**Second Six Month Period**”), it will take all reasonable steps to ensure that such an issue or disposal will not, and no other act of the Company will, create a disorderly or false market for any H Shares or other securities of the Company. For the avoidance of doubt, this paragraph shall not apply to any issue of debt securities by the Company which are not convertible into equity securities of the Company.

The Single Largest Shareholder Group undertakes to each of the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the CMIs, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that it/he shall procure the Company to comply with such undertakings.

UNDERWRITING

Undertakings by our Single Largest Shareholder Group

Under the Hong Kong Underwriting Agreement, our Single Largest Shareholder Group has undertaken to each of the Company, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the CMIs, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, without the prior written consent of the Joint Sponsors and the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

- (a) it/he will not, and will procure that the relevant registered holder(s), any nominee or trustee holding on trust for it/him/her and the companies controlled by it/him will not, at any time during the 12 months from the Listing Date, (i) sell, offer to sell, accept subscription for, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an Encumbrance over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any H Shares or other securities of the Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares or any such other securities, as applicable or any interest in any of the foregoing), or deposit any H Shares or other securities of the Company with a depository in connection with the issue of depository receipts, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any H Shares or other securities of the Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares or any such other securities, as applicable or any interest in any of the foregoing), or (iii) enter into any transaction with the same economic effect as any transaction specified in this paragraph (a), or (iv) offer to or agree to or announce any intention to effect any transaction specified in this paragraph (a), in each case, whether any of the transactions specified in this paragraph (a) is to be settled by delivery of Shares or other securities of the Company or in cash or otherwise, and whether or not the transactions will be completed within the 12 months from the Listing Date; and
- (b) until the expiry of the 12 months from the Listing Date, in the event that it enters into any of the transactions specified in paragraph (a) or offer to or agrees to or contract to or publicly announce any intention to effect any such transaction, it/he will take all reasonable steps to ensure that such a disposal will not create a disorderly or false market in the securities of the Company.

The Company hereby undertakes to the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the CMIs, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that upon receiving such information in writing from the Single Largest Shareholder Group, it will, as soon as practicable and if required pursuant to the Listing Rules, the SFO and/or any other applicable Law, notify the Stock Exchange and/or other relevant Authorities, and make a public disclosure in relation to such information by way of an announcement.

Indemnity

Our Company and our Single Largest Shareholder Group agreed to indemnify, among others, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters for certain losses which they may suffer, including, amongst others, losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by our Company of the Hong Kong Underwriting Agreement.

UNDERWRITING

Hong Kong Underwriters' Interests in our Company

Except for their obligations under the Hong Kong Underwriting Agreement, the Hong Kong Underwriters do not have any shareholding interest in our Company or any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in our Company or any member of our Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the H Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement.

International Offering

International Underwriting Agreement

In connection with the International Offering, it is expected that we will enter into the International Underwriting Agreement with our Single Largest Shareholder Group, the Overall Coordinators and the International Underwriters. Under the International Underwriting Agreement, subject to the conditions set forth therein, the International Underwriters would agree to purchase, or procure subscribers to purchase, the Offer Shares being offered pursuant to the International Offering (subject to, amongst others, 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 the Hong Kong Underwriting Agreement. Potential investors are reminded that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed.

Over-allotment Option

Our Company is expected to grant to the International Underwriters, exercisable in whole or in part by the Sponsor-Overall Coordinators at their sole and absolute discretion (for themselves and on behalf of the International Underwriters), the Over-Allotment Option, which will be exercisable from the Listing Date until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, to require our Company to issue and allot, up to an aggregate of 7,928,800 H Shares, representing no more than 15% of the Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering, to cover over-allocations in the International Offering, if any. See “Structure of the Global Offering — Over-allotment Option.”

Commissions and Expenses

The Capital Market Intermediaries will receive an underwriting commission of 3.0% of the aggregate gross proceeds from the Global Offering (including any proceeds arising from exercise of the Over-allotment Option) (the “**Gross Proceeds**”) (the “**Fixed Fees**”), out of which they will pay any sub-underwriting commissions and other fees. In addition, our Company may, at our sole and absolute discretion, pay any one or more of Capital Market Intermediaries a discretionary fee of an aggregate of up to 2.0% of the Gross Proceeds (the “**Discretionary Fees**”).

Assuming the Discretionary Fees are paid in full, the Fixed Fees and Discretionary Fees payable to the Capital Market Intermediaries represent 60.0% and 40.0% of the aggregate fees payable to the Capital Market Intermediaries in total in connection with the Global Offering. For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, we will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the relevant International Underwriters and not the Hong Kong Underwriters.

UNDERWRITING

The aggregate Fixed Fees, Discretionary Fees (if any), documentation fee, listing fees, Stock Exchange trading fee and transaction levies, legal and other professional fees, and printing and other expenses in relation to the Global Offering are estimated to amount to approximately HK\$102.9 million in total (based on the Offer Price of HK\$20.81 per Offer Share and assuming the Over-allotment Option is not exercised), and are payable by our Company.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the “**Syndicate Members**”) and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of our Company and/or persons and entities with relationships with our Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with the Group’s loans and other debt.

In relation to the H Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the H Shares (which financing may be secured by the H Shares) in the Global Offering, proprietary trading in the H Shares, and entering into over the counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the H Shares. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares, which may have a negative impact on the trading price of the H Shares. All such 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 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.

All such activities may occur both during and after the end of the stabilizing period described in the section headed “Structure of the Global Offering” in this Prospectus. Such activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of the price of the H Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

- the Syndicate Members (other than the Stabilizing Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to

UNDERWRITING

the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

- the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to our Company and its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

JOINT SPONSORS' INDEPENDENCE

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

Xiamen Qilu is one of the Pre-IPO Investors and a shareholder of the Company with a 1.89% shareholding interest immediately prior to the Listing. CICC Capital Operation Company Limited* (中金資本運營有限公司) (“**CICC Capital**”) is the general partner of Xiamen Qilu. CICC Pucheng Investment Company Limited* (中金浦成投資有限公司) (“**CICC Pucheng**”) is one of the Pre-IPO Investors and a shareholder of the Company with a 0.62% shareholding interest immediately prior to the Listing. Further details of the ultimate beneficial owner of CICC Capital and CICC Pucheng are set forth in “History, Development and Corporate Structure — Information about the Pre-IPO Investors”. Each of CICC Capital and CICC Pucheng is a fellow subsidiary of China International Capital Corporation Hong Kong Securities Limited (“**CICC**”), one of our Joint Sponsors and shall be sponsor group of CICC for the purposes of Rule 3A.01(9). Accordingly, Xiamen Qilu, CICC Capital and CICC Pucheng are regarded as members of the sponsor group (as defined under Rule 3A.01(9) of the Listing Rules) of CICC. As the aggregate shareholding of Xiamen Qilu and CICC Pucheng in the Company is below the threshold under Rule 3A.07(1) nor does it give rise to any circumstances under 3A.07, the independence of CICC as a sponsor would not be affected under Rule 3A.07 of the Listing Rules.

White Cloud Valley is a limited liability company established under the laws of Hong Kong. As of the Latest Practicable Date, White Cloud Valley was a wholly-owned subsidiary of Blue Sky Valley Limited, which was ultimately controlled by CITIC Capital Holdings Limited. Further details of the ultimate beneficial owner of White Cloud Valley are set forth in “History, Development and Corporate Structure – Information about the Pre-IPO Investors”. CITIC Capital Holdings Limited is a fellow subsidiary of CITIC Securities (Hong Kong) Limited (“**CITICS**”). Accordingly, White Cloud Valley and CITIC Capital Holdings Limited are regarded as members of the sponsor group (as defined under Rule 3A.01(9) of the Listing Rules) of CITICS. As the shareholding of White Cloud Valley in the Company is below the threshold under Rule 3A.07(1) nor does it give rise to any circumstances under 3A.07, the independence of CITICS as a sponsor would not be affected under Rule 3A.07 of the Listing Rules.

STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

This Prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises:

- (1) the Hong Kong Public Offering of initially 5,286,000 Offer Shares (subject to reallocation as mentioned below) for subscription by the public in Hong Kong as described in the paragraph headed “— The Hong Kong Public Offering” below; and
- (2) the International Offering of initially 47,573,200 Offer Shares (subject to reallocation and the Over-allotment Option as mentioned below) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, or in a transaction not subject to, the registration requirements under the U.S. Securities Act, as described in the paragraph headed “— the International Offering” below.

Investors may apply for the Hong Kong Offer Shares under the Hong Kong Public Offering or indicate an interest, if qualified to do so, for the International Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 12.4% of the enlarged issued share capital of our Company immediately after completion of the Global Offering without taking into account the exercise of the Over-allotment Option. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 14.0% of the enlarged issued share capital of our Company immediately after completion of the Global Offering and the exercise of the Over-allotment Option as set out in “— The International Offering — Over-allotment Option” below.

References in this Prospectus to applications, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

The number of Offer Shares to be offered under the Hong Kong Public Offering and the International Offering, respectively, may be subject to reallocation as described in “— The Hong Kong Public Offering — Reallocation” below.

THE HONG KONG PUBLIC OFFERING

Number of Hong Kong Offer Shares Initially Offered

We are initially offering 5,286,000 Offer Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10.0% of the total number of the Offer Shares initially available under the Global Offering. Subject to the reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering, the Hong Kong Offer Shares will represent approximately 1.2% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, and companies (including fund managers) whose ordinary business involves dealing in shares and other securities, and corporate entities which regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions as set forth in “— Conditions of the Global Offering” below.

STRUCTURE OF THE GLOBAL OFFERING

Allocation

Allocation of the Offer Shares to applicants under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than the others who have applied for the same number of the Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of the Offer Shares initially available under the Hong Kong Public Offering (after taking into account any allocation) is to be divided into two pools (subject to adjustment of odd lot size): Pool A and Pool B. Accordingly, the maximum number of Hong Kong Offer Shares initially in Pool A and Pool B will be 2,643,000 and 2,643,000, respectively. The Hong Kong Offer Shares in Pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of HK\$5 million (excluding the brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable) or less. The Offer Shares in Pool B will be allocated on an equitable basis to applicants who have applied for Offer Shares with an aggregate price of more than HK\$5 million and up to the value of pool B (excluding the brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable).

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 that other pool and be allocated accordingly. For the purpose of this subsection only, the “price” for the Hong Kong Offer Shares means the price payable on application therein. Applicants can only receive an allocation of the Offer Shares from either Pool A or Pool B but not from both pools. Multiple or suspected multiple applications and any application for more than 2,643,000 Hong Kong Offer Shares (being approximately 50% of the 5,286,000 Hong Kong Offer Shares initially available under the Hong Kong Public Offering) are liable to be rejected.

Reallocation

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Sponsor-Overall Coordinators. Subject to the allocation cap described in the subsequent paragraph, the Sponsor-Overall Coordinators may in their sole 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 the event of reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering in the circumstances where (a) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times; or (b) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 2,642,800 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 7,928,800 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering (before exercise of the Over-allotment Option) in accordance with Chapter 4.14 of the Guide for New Listing Applicants. In the circumstance where the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are undersubscribed, there will be no reallocation from the International Offering to the Hong Kong Public Offering, and no over-allocation of H Shares to the Hong Kong Public Offering.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Sponsor-Overall Coordinators deems appropriate.

STRUCTURE OF THE GLOBAL OFFERING

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows Mechanism B set out under paragraph 2 of Chapter 4.14 of the Guide and the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering.

If the Hong Kong Public Offering is not fully subscribed, the Sponsor-Overall Coordinators have the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Sponsor-Overall Coordinators deem appropriate.

However, if neither the Hong Kong Public Offering nor the International Offering is fully subscribed, the Global Offering will not proceed unless the Underwriters would subscribe for or procure subscribers to subscribe for respective applicable proportions of the Offer Shares being offered which are not taken up under the Global Offering on the terms and conditions of this prospectus and the Underwriting Agreements.

Applications

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him/her that he/she and any person(s) for whose benefit he/she is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering, and such applicant's application under 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 INTERNATIONAL OFFERING

Number of International Offer Shares Initially Offered

The International Offering will consist of an initial offering of 47,573,200 Offer Shares, representing approximately 90.0% of the total number of Offer Shares initially available under the Global Offering and approximately 11.1% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering and assuming that the Over-allotment Option is not exercised. The International Offering will be offered by us outside of the United States in reliance on Regulation S pursuant to an exemption from registration under the U.S. Securities Act.

Allocation

The International Offering will include selective marketing of Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in the paragraph headed "— Pricing and Allocation" below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares, and/or hold or sell its Offer Shares, after the listing of the Offer Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Company and the Shareholders as a whole.

STRUCTURE OF THE GLOBAL OFFERING

The Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering, and who has made an application under the Hong Kong Public Offering, to provide sufficient information to the Sponsor-Overall Coordinators so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any application of Offer Shares under the International Offering.

Reallocation

The total number of the Offer Shares to be issued or sold pursuant to the International Offering may change as a result of the reallocation arrangement described in “— The Hong Kong Public Offering — Reallocation” above, the exercise of the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering to the International Offering.

Over-allotment Option

In connection with the Global Offering, our Company is expected to grant to the International Underwriters, exercisable in whole or in part by the Sponsor-Overall Coordinators at their sole and absolute discretion (for themselves and on behalf of the International Underwriters), the Over-allotment Option, which will be exercisable from the Listing Date until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, to require our Company to allot and issue, up to an aggregate of 7,928,800 Offer Shares, representing no more than 15% of the Offer Shares available under the Global Offering, at the Offer Price, to cover over-allocations in the International Offering, if any. If the Over-allotment Option is exercised in full, the additional Offer Shares to be issued pursuant to the Over-allotment Option will represent approximately 1.8% of the total number of Shares in issue immediately following the completion of the Global Offering and the exercise of the Over-allotment Option. If the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the newly issued securities in the secondary market, during a specified period of time, to retard and, if possible, prevent any decline in the market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager, its affiliates or any person acting for it, on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of the H Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date, to the extent permitted by applicable laws of Hong Kong or elsewhere. However, there is no obligation on the Stabilizing Manager, its affiliates or any persons acting for it, to conduct any such stabilizing action. Such stabilization action, if taken, (a) will be conducted at the absolute discretion of the Stabilizing Manager (or any person acting for it) and in what the Stabilizing Manager (or any person acting for it) reasonably regards as the best interest of our Company, (b) may be discontinued at any time and (c) is required to be brought to an end within 30 days of the last day for lodging applications under the Hong Kong Public Offering.

Stabilizing action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong), as amended, includes (i) over-allocation for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (ii) selling or agreeing to sell the H Shares so as to establish a short position in them for

STRUCTURE OF THE GLOBAL OFFERING

the purpose of preventing or minimizing any reduction in the market price of the H Shares, (iii) purchasing or subscribing for, or agreeing to purchase or subscribe for, the H Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above, (iv) purchasing, or agreeing to purchase, any of the H Shares for the sole purpose of preventing or minimizing any reduction in the market price of the H Shares, (v) selling or agreeing to sell any H Shares in order to liquidate any position established as a result of those purchases and (vi) offering or attempting to do anything as described in paragraph (ii), (iii), (iv) or (v) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- the Stabilizing Manager, its affiliates or any person acting for it may, in connection with the stabilizing action, maintain a long position in the H Shares;
- there is no certainty regarding the extent to which and the time or period for which the Stabilizing Manager, its affiliates or any person acting for it, will maintain such a long position;
- liquidation of any such long position by the Stabilizing Manager, its affiliates or any person acting for it may have an adverse impact on the market price of the H Shares;
- no stabilizing action can be taken to support the price of the H Shares for longer than the stabilizing period which will begin on the Listing Date, and is expected to expire on Saturday, June 20, 2026, being the 30th day after the date of closing of the application lists under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the H Shares, and therefore the price of the H Shares, could fall;
- the price of the H Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and
- stabilizing bids may be made or transactions effected in the course of the stabilizing action at any price at or below the Offer Price, which means that stabilizing bids may be made or transactions effected at a price below the price paid by applicants for, or investors in, the H Shares.

Our Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong) will be made within seven days of the expiration of the stabilization period.

Over-allocation

Following any over-allocation of H Shares in connection with the Global Offering, the Sponsor-Overall Coordinators, its affiliates or any person acting for them may cover such over-allocation by using H Shares purchased by the Stabilizing Manager, its affiliates or any person acting for it in the secondary market, exercising the Over-allotment Option in full or in part, or by a combination of these means. Any such purchases will be made in accordance with the laws, rules and regulations in place in Hong Kong on stabilization. The number of H Shares which can be over-allocated will not exceed the number of the H Shares which may be allotted and/or issued pursuant to the exercise in full of the Over-allotment Option, being 7,928,800 H Shares, representing approximately 15% of the Offer Shares initially available under the Global Offering.

PRICING

The Offer Price will be HK\$20.81 H Share, unless otherwise announced by our Company no later than the morning of the last day for lodging applications under the Hong Kong Public Offering, as further explained below.

STRUCTURE OF THE GLOBAL OFFERING

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building,” is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

The Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) may, where they deem appropriate, based on the level of interest expressed by prospective investors during the book-building process, and with the consent of our Company, reduce the number of Offer Shares and/or the Offer Price below that stated in this prospectus at any time in or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, our Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the website of the Stock Exchange at www.hkexnews.hk and our website at www.viewtrixtech.com notices of the reduction in the number of Offer Shares and/or the Offer Price, the cancellation of the Global Offering and the relaunch of the offering on FINI at the revised number of Offer Shares and/or the Offer Price. Our Company will also, as soon as practicable following the decision to make such reduction, issue a supplemental or new prospectus updating investors of the reduction in the number of Offer Shares and/or the Offer Price, and giving investors at least three business days to consider the new information. The supplemental or new prospectus shall include at least the following: updated (a) Offer Price and market capitalization; (b) listing timetable and underwriting obligations; (c) price/earnings multiple (if applicable), unaudited pro forma and adjusted net tangible assets; and (d) use of proceeds and working capital adequacy confirmation based on revised estimated proceeds. In the event of a reduction in the number of Offer Shares, the Sponsor-Overall Coordinators may also at their discretion reallocate the number of Offer Shares to be offered under the Hong Kong Public Offering and the International Offering, provided that the number of Offer Shares offered under the Hong Kong Public Offering shall not be less than 10% of the Offer Shares available under the Global Offering (without taking into account any additional H Shares that may be issued pursuant to the Over-allotment Option). In the absence of any such supplemental or new prospectus so published, the number of Offer Shares will not be reduced and the Offer Price will be HK\$20.81 per H Share.

If there is any change to the offer size due to change in the number of Offer Shares initially offered under the Global Offering (other than pursuant to the Over-allotment Option and/or the reallocation mechanism as disclosed in this prospectus), or if there is any change to the Offer Price as stated in this prospectus, or if our Company becomes aware that there has been a significant change affecting any matter contained in this prospectus or a significant new matter has arisen, the inclusion of information in respect of which would have been required to be in this prospectus if it had arisen before this prospectus was issued, after the issue of this prospectus and before the commencement of dealings in our H Shares as prescribed under Rule 11.13 of the Listing Rules, we are required to cancel the Global Offering, issue a supplemental or new prospectus and relaunch the offering on FINI pursuant to the supplemental or new prospectus.

The level 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 are expected to be announced on Tuesday, May 26, 2026 on the website of the Stock Exchange at www.hkexnews.hk and our website at www.viewtrixtech.com.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is conditional upon the International Underwriting Agreement being signed and becoming unconditional.

STRUCTURE OF THE GLOBAL OFFERING

We expect that we will enter into the International Underwriting Agreement relating to the International Offering on or around May 22, 2026.

The underwriting arrangements under the Hong Kong Underwriting Agreement and the International Underwriting Agreement are summarized in the section headed “Underwriting” in this Prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptances of all applications for Offer Shares will be conditional on:

- (1) the Stock Exchange granting the approval for the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including the Offer Shares which may be issued pursuant to the exercise of the Over-allotment Option) and such approval not subsequently having been withdrawn or revoked prior to the Listing Date;
- (2) the execution and delivery of the International Underwriting Agreement on or around May 22, 2026; and
- (3) the obligations of the Underwriters under each of the respective Underwriting Agreements becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective Underwriting Agreements;

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times).

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. We will as soon as possible publish or cause to be published a notice of the lapse of the Hong Kong Public Offering on the website of our Company (www.viewtrixtech.com) and the website of the Stock Exchange (www.hkexnews.hk). In such eventuality, all application monies will be returned, without interest, on the terms set forth in the section headed “How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies” in this Prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), as amended.

H Share certificates issued in respect of the Hong Kong Offer Shares will only become valid evidence of title at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional in all respects (including the Underwriting Agreements not having been terminated in accordance with their terms) at any time prior to 8:00 a.m. on the Listing Date.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the H Shares to be converted from Unlisted Shares.

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.

STRUCTURE OF THE GLOBAL OFFERING

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

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

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

DEALING IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Wednesday, May 27, 2026, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Wednesday, May 27, 2026.

The H Shares will be traded on the Main Board of the Stock Exchange in board lots of 200 H Shares each. The stock code of the H Shares will be 3310.

HOW TO APPLY FOR HONG KONG OFFER SHARES

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This Prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the “HKEXnews > New Listings > New Listing Information” section, and our website at www.viewtrixtech.com.

The contents of this Prospectus are identical to the Prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older; and
- have a Hong Kong address (for the **White Form eIPO** service only).

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to us, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing beneficial owner of any Shares in the Company and/or any of its subsidiaries;
- are a director or a supervisor or chief executive officer of the Company and/or any of its subsidiaries;
- are a close associate (as defined in the Listing Rules) of any of the above;
- are a connected person (as defined in the Listing Rules) of the Company or will become a connected person of the Company immediately upon completion of the Global Offering; or
- have been allocated or have applied for any International Offer Shares or otherwise participate in the International Offering.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 am on Monday, May 18, 2026 and end at 12:00 noon on Thursday, May 21, 2026 (Hong Kong time).

HOW TO APPLY FOR HONG KONG OFFER SHARES

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

Application Channel	Platform	Target Investors	Application Time
White Form eIPO Service	www.eipo.com.hk	Applicants who would like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Monday, May 18, 2026, to 11:30 a.m. on Thursday, May 21, 2026 (Hong Kong time). The latest time for completing full payment of application monies will be 12:00 noon on Thursday, May 21, 2026 (Hong Kong time).
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit electronic application instruction(s) on your behalf through HKSCC's FINI system in accordance with your instruction.	Applicants who would not like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

The **White Form eIPO** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **White Form eIPO** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of **electronic application instructions** for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **White Form eIPO** service, you are deemed to have authorized the **White Form eIPO** Service Provider to apply on the terms and conditions in this Prospectus, as supplemented and amended by the terms and conditions of **White Form eIPO** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this Prospectus and any supplement to it.

HOW TO APPLY FOR HONG KONG OFFER SHARES

For those applying through **HKSCC EIPO** channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this Prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants	For Corporate Applicants
<ul style="list-style-type: none"> • Full name(s)² as shown on your identity document • Identity document's issuing country or jurisdiction • Identity document type, with order of priority: <ul style="list-style-type: none"> i. Hong Kong identity card (“HKID”); or ii. National identification document; or iii. Passport; and • Identity document number 	<ul style="list-style-type: none"> • Full name(s)² as shown on your identity document • Identity document's issuing country or jurisdiction • Identity document type, with order of priority: <ul style="list-style-type: none"> i. Legal entity identifier (“LEI”) registration document; or ii. Certificate of incorporation; or iii. Business registration certificate; or iv. Other equivalent document; and • Identity document number

Notes:

1. If you are applying through the **White Form eIPO** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card.
2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for Hong Kong Offer Shares. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.
3. If the applicant is a trustee, the client identification data (“**CID**”) of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

HOW TO APPLY FOR HONG KONG OFFER SHARES

4. The maximum number of joint applicants on FINI is capped at 4 in accordance with market practice.
5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii) the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.
6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

“Unlisted company” means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

“Statutory control” means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through **HKSCC EIPO** channel, and making an application under a power of attorney, we and the Sponsor-Overall 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. Permitted Number of Hong Kong Offer Shares for Application

Board lot size : 200 H Shares

Permitted number of Hong Kong Offer Shares for application and amount payable on application/ : Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

successful allotment

The Offer Price is HK\$20.81 per Offer Share.

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

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the designated bank for your broker or custodian. If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Offer Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

HOW TO APPLY FOR HONG KONG OFFER SHARES

No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application
	HK\$		HK\$		HK\$		HK\$
200	4,203.98	3,000	63,059.61	40,000	840,794.75	500,000	10,509,934.43
400	8,407.94	4,000	84,079.47	50,000	1,050,993.44	600,000	12,611,921.31
600	12,611.93	5,000	105,099.35	60,000	1,261,192.13	700,000	14,713,908.20
800	16,815.89	6,000	126,119.21	70,000	1,471,390.82	800,000	16,815,895.08
1,000	21,019.87	7,000	147,139.08	80,000	1,681,589.51	900,000	18,917,881.96
1,200	25,223.84	8,000	168,158.95	90,000	1,891,788.20	1,000,000	21,019,868.86
1,400	29,427.82	9,000	189,178.82	100,000	2,101,986.89	1,250,000	26,274,836.07
1,600	33,631.79	10,000	210,198.69	200,000	4,203,973.76	1,500,000	31,529,803.28
1,800	37,835.77	20,000	420,397.38	300,000	6,305,960.65	1,750,000	36,784,770.49
2,000	42,039.73	30,000	630,596.07	400,000	8,407,947.55	2,643,000 ⁽¹⁾	55,555,513.37

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

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

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed “— A. Applications for Hong Kong Offer Shares — 3. Information Required to Apply” in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **White Form eIPO** service, (ii) **HKSCC EIPO** channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply for any Offer Shares.

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **White Form eIPO** service or **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

- (i) undertake to execute all relevant documents and instruct and authorize us and/or the Sponsor-Overall 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 **White Form eIPO** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (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 Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering (the “Relevant Persons”), the H Share Registrar and HKSCC will not be liable for any information and representations not in this Prospectus and any supplement to it;
- (vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed “— G. Personal Data — 3. Purposes” and “4. Transfer of personal data” in this section;
- (viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees’ application) has been accepted) that you will not rescind it because of an innocent misrepresentation;
- (ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed “— B. Publication of Results” in this section;
- (x) confirm that you are aware of the situations specified in the paragraph headed “— C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares” in this section;
- (xi) agree that your application or HKSCC Nominees’ application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;
- (xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this Prospectus;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (xiii) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by the Company, any of the directors, chief executives, substantial Shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in your name or otherwise held by you;
- (xiv) warrant that the information you have provided is true and accurate;
- (xv) confirm that you understand that we and the Sponsor-Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;
- (xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;
- (xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC directly or indirectly or through the application channel of the H Share Registrar or by any one as your agent or by any other person; and
- (xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC and (2) you have due authority to give **electronic application instructions** on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform	Date/Time
Applying through White Form eIPO service or HKSCC EIPO channel:	
Website . . . The designated results of allocation at www.iporesults.com.hk (alternatively, www.eipo.com.hk/eIPOAllotment) with a "search by ID" function.	24 hours, from 11:00 p.m. on Tuesday, May 26, 2026 to 12:00 midnight on Monday, June 1, 2026 (Hong Kong time)
The full list of (i) wholly or partially successful applicants using the White Form eIPO service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the "Allotment Results" page of the White Form eIPO service at www.iporesults.com.hk (alternatively, www.eipo.com.hk/eIPOAllotment).	No later than 11:00 p.m. on Tuesday, May 26, 2026 (Hong Kong time)
The Stock Exchange's website at www.hkexnews.hk and our website at www.viewtrixtech.com which will provide links to the above mentioned websites of the H Share Registrar.	

HOW TO APPLY FOR HONG KONG OFFER SHARES

Platform	Date/Time
Telephone. + 852 2862 8555 — the allocation results telephone enquiry line provided by the H Share Registrar	between 9:00 a.m. and 6:00 p.m., on Wednesday, May 27, 2026, Thursday, May 28, 2026, Friday, May 29, 2026 and Monday, June 1, 2026

For those applying through **HKSCC EIPO** channel, you may also check with your broker or custodian from 6:00 p.m. on Friday, May 22, 2026 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Friday, May 22, 2026 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at www.hkexnews.hk and our website at www.viewtrixtech.com by no later than 11:00 p.m. on Tuesday, May 26, 2026 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Sponsor-Overall Coordinators, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the H Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

HOW TO APPLY FOR HONG KONG OFFER SHARES

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed “— A. Applications for Hong Kong Offer Shares — 5. Multiple Applications Prohibited” in this section on what constitutes multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Hong Kong Offer Shares and International Offer Shares;
- your **electronic application instructions** through the **White Form eIPO** service are not completed in accordance with the instructions, terms and conditions on the designated website at www.eipo.com.hk;
- 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 Sponsor-Overall Coordinators believe that by accepting your application, it or we would violate applicable securities laws or other laws, rules or regulations; or
- your application is for more than 50% of the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering.

5. If there is money settlement failure for allotted Offer Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their designated bank before balloting. After balloting of Hong Kong Offer Shares, the receiving bank will collect the portion of these funds required to settle each HKSCC Participant’s actual Hong Kong Offer Share allotment from their designated bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its designated bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its designated bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the **HKSCC EIPO** channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application.

HOW TO APPLY FOR HONG KONG OFFER SHARES

H Share certificates will only become valid at 8:00 a.m. on Wednesday, May 27, 2026 (Hong Kong time), provided that the Global Offer has become unconditional and the right of termination described in the section headed “Underwriting” has not been exercised. Investors who trade Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	White Form eIPO service	HKSCC EIPO channel
Despatch/collection of H Share certificate¹		
For physical share certificates of equal or over 1,000,000 Hong Kong Offer Shares issued under your own name	Collection in person from Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong	Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant’s stock account. No action by you is required.
	Time: from 9:00 a.m. to 1:00 p.m. on Wednesday, May 27, 2026 (Hong Kong time)	
	If you are an individual, you must not authorize any other person to collect for you. If you are a corporate applicant, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation’s chop.	
	Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar.	
	Note: If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk.	
For physical share certificates of less than 1,000,000 Offer Shares issued under your own name	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk.	
	Time: Tuesday, May 26, 2026	

1. Except in the event of a Bad Weather Signals (as defined below) in force in Hong Kong in the morning on Tuesday, May 26, 2026 rendering it impossible for the relevant H share certificates to be dispatched to HKSCC in a timely manner, the Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and H share certificates in accordance with the contingency arrangements as agreed between them. You may refer to “— E. Bad Weather Arrangements” in this section.

HOW TO APPLY FOR HONG KONG OFFER SHARES

Refund mechanism for surplus application monies paid by you

Date	Wednesday, May 27, 2026	Subject to the arrangement between you and your broker or custodian
Responsible party	H Share Registrar	Your broker or custodian
Application monies paid through single bank account	White Form e-Refund payment instructions to your designated bank account	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it
Application monies paid through multiple bank accounts	Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk	

E. BAD WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Thursday, May 21, 2026 if, there is/are:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- Extreme Conditions,

(collectively, “**Bad Weather Signals**”),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, May 21, 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 Bad Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed “Expected Timetable” in this Prospectus, an announcement will be made and published on the Stock Exchange’s website at www.hkexnews.hk and our website at www.viewtrixtech.com of the revised timetable.

If a Bad Weather Signal is hoisted on Tuesday, May 26, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the H share certificates to the CCASS Depository’s service counter so that they would be available for trading on Wednesday, May 27, 2026.

HOW TO APPLY FOR HONG KONG OFFER SHARES

If a Bad Weather Signal is hoisted on Wednesday, May 27, 2026:

- for physical share certificates of 1,000,000 or more Offer Shares issued under your own name, you may collect your share certificates from the H Share Registrar's office after the Bad Weather Signal is lowered or canceled (e.g. in the afternoon of Wednesday, May 27, 2026 or on Thursday, May 28, 2026).

If a Bad Weather Signal is hoisted on Tuesday, May 26, 2026:

- for physical share certificates of less than 1,000,000 Offer Shares issued under your own name, despatch will be made by ordinary post when the post office re-opens after the Bad Weather Signal is lowered or canceled (e.g. in the afternoon of Tuesday, May 26, 2026 or on Wednesday, May 27, 2026).

Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.

F. ADMISSION OF THE H SHARES INTO CCASS

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

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

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the H Share Registrar, the receiving banks and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

HOW TO APPLY FOR HONG KONG OFFER SHARES

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **White Form** e-Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this Prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the Offer Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the Offer Shares and identifying any duplicate applications for the Offer Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the Offer Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the Offer Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the H Share Registrar to discharge their obligations to applicants and holders of the Offer Shares and/or regulators and/or any other purposes to which applicants and holders of the Offer Shares may from time to time agree.

4. Transfer of personal data

Personal data held by the Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers and receiving banks;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- 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, telecommunications, computer, payment or other services to the Company or the H Share Registrar in connection with their respective business operation;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

The Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfill the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the H Share Registrar, at their registered address disclosed in the section headed "Corporate information" in this Prospectus or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report received from our Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in the prospectus.



Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鯉魚涌英皇道 979 號
太古坊一座 27 樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF VIEWTRIX TECHNOLOGY CO., LTD, CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND CITIC SECURITIES (HONG KONG) LIMITED.

Introduction

We report on the historical financial information of Viewtrix Technology Co., Ltd (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-53, which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-3 to I-53 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 18 May 2026 (the "Prospectus") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 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.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance***Adjustments***

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

Certified Public Accountants

Hong Kong
18 May 2026

I. HISTORICAL FINANCIAL INFORMATION**Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing ("HKSAAs") issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
REVENUE	5	720,404	891,304	1,105,659
Cost of sales		(717,211)	(869,396)	(962,674)
Gross profit		<u>3,193</u>	<u>21,908</u>	<u>142,985</u>
Other income and gains	5	24,084	37,285	31,910
Selling and marketing expenses		(15,253)	(32,495)	(26,815)
Administrative expenses		(62,932)	(83,921)	(101,790)
Research and development expenses	6	(177,026)	(242,204)	(266,036)
Impairment losses on financial assets, net	6	2,814	70	3,278
Other expenses		(6,111)	(5,776)	(12,332)
Finance costs	7	(874)	(3,853)	(1,531)
LOSS BEFORE TAX	6	(232,105)	(308,986)	(230,331)
Income tax expense	10	–	–	–
LOSS FOR THE YEAR		<u>(232,105)</u>	<u>(308,986)</u>	<u>(230,331)</u>
Attributable to:				
Owners of the parent		<u>(232,105)</u>	<u>(308,986)</u>	<u>(230,331)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	12			
Basic (RMB)		(0.63)	(0.83)	(0.61)
Diluted (RMB)		<u>(0.63)</u>	<u>(0.83)</u>	<u>(0.61)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
LOSS FOR THE YEAR	<u>(232,105)</u>	<u>(308,986)</u>	<u>(230,331)</u>
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	<u>3,628</u>	<u>55</u>	<u>(768)</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>3,628</u>	<u>55</u>	<u>(768)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>3,628</u>	<u>55</u>	<u>(768)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(228,477)</u>	<u>(308,931)</u>	<u>(231,099)</u>
Attributable to:			
Owners of the parent	<u>(228,477)</u>	<u>(308,931)</u>	<u>(231,099)</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	13	49,787	43,970	38,014
Right-of-use assets	14(a)	5,693	4,738	2,772
Other intangible assets	15	4,387	16,833	9,986
Prepayments, other receivables and other assets	16	22,029	29,316	35,427
Time deposits	21(c)	40,792	61,591	20,836
Total non-current assets		<u>122,688</u>	<u>156,448</u>	<u>107,035</u>
CURRENT ASSETS				
Inventories	18	373,205	321,859	237,883
Trade receivables	19	64,698	102,661	292,405
Prepayments, other receivables and other assets	16	71,188	92,813	43,148
Financial assets at fair value through profit or loss	17	247,461	415,441	–
Derivative financial instruments	20	1,308	558	–
Time deposits	21(c)	136,821	21,916	42,550
Pledged deposits	21(b)	7,083	9,194	1,253
Cash and cash equivalents	21(a)	189,741	104,831	379,743
Total current assets		<u>1,091,505</u>	<u>1,069,273</u>	<u>996,982</u>
CURRENT LIABILITIES				
Trade payables	22	48,492	34,171	57,158
Other payables and accruals	23	33,728	40,221	65,702
Contract liabilities	24	7,039	4,655	20,217
Interest-bearing bank loans	25	30,026	150,815	140,000
Lease liabilities	14(b)	3,411	3,427	2,193
Provision	26	4,168	2,041	134
Derivative financial instruments	20	–	–	329
Total current liabilities		<u>126,864</u>	<u>235,330</u>	<u>285,733</u>
NET CURRENT ASSETS		<u>964,641</u>	<u>833,943</u>	<u>711,249</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		<u>1,087,329</u>	<u>990,391</u>	<u>818,284</u>
NON-CURRENT LIABILITIES				
Lease liabilities	14(b)	2,441	1,325	476
Provision	26	915	270	317
Trade payables	22	1,077	–	–
Total non-current liabilities		<u>4,433</u>	<u>1,595</u>	<u>793</u>
Net assets		<u>1,082,896</u>	<u>988,796</u>	<u>817,491</u>
EQUITY				
Equity attributable to owners of the parent				
Share capital	27	369,070	374,920	374,920
Reserves	29	713,826	613,876	442,571
Total equity		<u>1,082,896</u>	<u>988,796</u>	<u>817,491</u>

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent					
	Share capital	Capital reserve*	Exchange fluctuation reserve*	Share-based payment reserve*	Accumulated losses*	Total equity
	RMB'000 (note 27)	RMB'000 (note 29)	RMB'000	RMB'000 (note 28)	RMB'000	RMB'000
At 1 January 2023	369,070	754,025	(1,653)	162,006	13,699	1,297,147
Loss for the year	-	-	-	-	(232,105)	(232,105)
Other comprehensive income for the year:						
Exchange differences on translation of foreign operations.	-	-	3,628	-	-	3,628
Total comprehensive income for the year	-	-	3,628	-	(232,105)	(228,477)
Issue of shares	-	(567)	-	-	-	(567)
Share-based payments	-	-	-	14,793	-	14,793
At 31 December 2023 and 1 January 2024	369,070	753,458	1,975	176,799	(218,406)	1,082,896
Loss for the year	-	-	-	-	(308,986)	(308,986)
Other comprehensive income for the year:						
Exchange differences on translation of foreign operations.	-	-	55	-	-	55
Total comprehensive income for the year	-	-	55	-	(308,986)	(308,931)
Issue of shares	5,850	124,150	-	-	-	130,000
Share-based payments	-	-	-	84,831	-	84,831
At 31 December 2024	374,920	877,608	2,030	261,630	(527,392)	988,796

	Attributable to owners of the parent					
	Share capital	Capital reserve*	Exchange fluctuation reserve*	Share-based payment reserve*	Accumulated losses*	Total equity
	RMB'000 (note 27)	RMB'000 (note 29)	RMB'000	RMB'000 (note 28)	RMB'000	RMB'000
At 1 January 2025	374,920	877,608	2,030	261,630	(527,392)	988,796
Loss for the year	-	-	-	-	(230,331)	(230,331)
Other comprehensive income for the year:						
Exchange differences on translation of foreign operations	-	-	(768)	-	-	(768)
Total comprehensive income for the year	-	-	(768)	-	(230,331)	(231,099)
Share-based payments	-	-	-	59,794	-	59,794
As at 31 December 2025.	374,920	877,608	1,262	321,424	(757,723)	817,491

* These reserve accounts represent the total consolidated reserves of RMB713,826,000, RMB613,876,000 and RMB442,571,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

In December 2022, pursuant to the resolution in the shareholders' meeting, the shareholders of the Company approved the conversion of the Company into a joint stock company with limited liabilities, whereby an amount of RMB567,251,000 was transferred from the Company's capital reserve to retained earnings, in compliance with the applicable regulatory requirements for corporate restructuring. Upon completion of the transfer, the retained earnings of the Company as at the conversion date turned from an accumulated losses to a positive balance of RMB13,699,000. The transfer described above is an internal reallocation among components of reserves, which does not change the total amount of the Group's total reserves.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		(232,105)	(308,986)	(230,331)
Adjustments for:				
Finance costs	7	874	3,853	1,531
Interest income	5	(7,262)	(17,529)	(17,420)
Fair value gains, net	5	(10,008)	(5,911)	(3,640)
Gains on disposal of items of property, plant and equipment	5	(2)	–	–
Depreciation of property, plant and equipment	13	8,907	9,695	9,544
Depreciation of right-of-use assets	14	3,706	4,206	4,409
Amortisation of other intangible assets	15	4,651	6,087	7,119
(Reversal of impairment)/Impairment of trade receivables	19	(2,777)	475	(3,237)
Reversal of impairment of financial assets included in prepayments, other receivables and other assets	16	(37)	(545)	(41)
Write-off of other receivables	6	–	5,770	–
Provision for inventories	6	53,163	25,279	12,664
Share-based compensation	6	14,793	84,831	59,794
Exchange (gains)/losses, net		4,956	(3,302)	20,431
		(161,141)	(196,077)	(139,177)
Decrease/(increase) in trade receivables		165,312	(36,011)	(186,507)
Decrease/(increase) in prepayments, other receivables and other assets		23,570	(32,199)	46,572
(Increase)/decrease in inventories		(170,980)	26,067	71,312
(Decrease)/increase in contract liabilities		(14,298)	(2,384)	15,562
Decrease in provisions		(2,229)	(2,772)	(1,860)
Increase/(decrease) in trade payables		16,711	(14,321)	22,987
(Decrease)/increase in other payables and accruals		(23,421)	6,493	23,348
Cash used in operations		(166,476)	(251,204)	(147,763)
Interest received		5,067	15,587	14,350
Tax refund		690	–	–
Net cash flows used in operating activities		(160,719)	(235,617)	(133,413)

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of items of property, plant and equipment		(6,956)	(6,851)	(2,834)
Purchase of other intangible assets		(779)	(18,532)	(274)
Proceeds from disposal of property, plant and equipment		3	–	20
Placement of time deposits with original maturity more than three months		(155,829)	(41,312)	(60,791)
Maturity of time deposits with original maturity more than three months		130,000	135,418	80,912
Purchases of wealth management products and structured deposits		(1,557,000)	(1,833,866)	(436,427)
Maturity of wealth management products and structured deposits		1,787,961	1,672,547	856,395
Placement of pledged deposits		(7,083)	(9,433)	(2,845)
Maturity of pledged deposits		–	7,322	10,786
Interest received from time deposits with original maturity more than three months		2,195	1,942	3,070
Net cash flows from/(used in) investing activities		<u>192,512</u>	<u>(92,765)</u>	<u>448,012</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
New interest-bearing bank loans		90,000	150,000	140,000
Repayments of interest-bearing bank loans		(75,344)	(29,211)	(150,815)
Interest paid for interest-bearing bank loans		(639)	(3,655)	(1,415)
Maturity of pledged deposits		15,370	–	–
Lease payments including interest		(3,945)	(4,549)	(4,642)
Issue of shares	27	–	130,000	–
Payment of listing expense		–	–	(1,680)
Payment of share issue expenses		(567)	–	–
Net cash flows from/(used in) financing activities		<u>24,875</u>	<u>242,585</u>	<u>(18,552)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash and cash equivalents at beginning of year		56,668	(85,797)	296,047
Effect of foreign exchange rate changes, net		132,265	189,741	104,831
		808	887	(21,135)
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>189,741</u></u>	<u><u>104,831</u></u>	<u><u>379,743</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances		333,645	135,941	423,546
Less: Time deposits	21(c)	136,821	21,916	42,550
Less: Pledged deposits	21(b)	7,083	9,194	1,253
Cash and cash equivalents as stated in the statement of financial position and statement of cash flows		<u><u>189,741</u></u>	<u><u>104,831</u></u>	<u><u>379,743</u></u>

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	13	1,172	706	713
Right-of-use assets	14(a)	4,912	3,428	1,753
Other intangible assets	15	2,427	2,074	1,440
Investments in subsidiaries	1	216,404	342,646	551,153
Prepayments, other receivables and other assets .	16	6,273	7,203	4,666
Time deposits	21(c)	30,745	51,301	20,836
Total non-current assets		261,933	407,358	580,561
CURRENT ASSETS				
Inventories	18	193	190	–
Trade receivables	19	1,705	17,080	25,850
Prepayments, other receivables and other assets .	16	856,460	962,787	725,461
Financial assets at fair value through profit or loss	17	67,041	30,020	–
Time deposits	21(b)	20,682	–	31,970
Cash and cash equivalents	21(a)	59,822	16,201	3,702
Total current assets		1,005,903	1,026,278	786,983
CURRENT LIABILITIES				
Trade payables	22	108,222	130,848	147,966
Other payables and accruals	23	6,067	10,977	22,906
Interest-bearing bank loans	25	30,026	80,815	60,000
Lease liabilities	14(b)	2,808	2,754	1,484
Contract liabilities	24	4,550	4,550	8,416
Provision	26	253	135	120
Total current liabilities		151,926	230,079	240,892
NET CURRENT ASSETS		853,977	796,199	546,091
TOTAL ASSETS LESS CURRENT LIABILITIES				
		1,115,910	1,203,557	1,126,652
NON-CURRENT LIABILITIES				
Lease liabilities	14(b)	2,286	798	299
Provision	26	915	270	317
Total non-current liabilities		3,201	1,068	616
Net assets		1,112,709	1,202,489	1,126,036
EQUITY				
Equity attributable to owners of the parent				
Share capital	27	369,070	374,920	374,920
Reserves	29	743,639	827,569	751,116
Total equity		1,112,709	1,202,489	1,126,036

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

Viewtrix Technology Co., Ltd (formerly known as “Shenzhen Viewtrix Technology Co., Ltd.”, hereinafter “the Company”) was registered in the People’s Republic of China (hereinafter referred to as “PRC”) as a limited liability company in 2012. In December 2022, the Company was converted into a joint stock limited company. The registered office of the Company is located at No. 20 GaoXin South 7th Road, High-Tech Zone Community, Yuehai Subdistrict, Nanshan District, Shenzhen.

During the Relevant Periods, the Company and its subsidiaries (collectively, the “Group”) were principally engaged in the research, design, and sale of organic light-emitting diode (“OLED”) display driver chips and technical services.

As at the date of this report, the Company had direct interests in its subsidiaries, all of which are private limited liability companies, the particulars of the subsidiaries are set out below:

Name	Notes	Place and date of incorporation/ registration and place of business	Issued ordinary/ registered share capital	Percentage of equity directly attributable to the Company	Principal activities
Kunshan Yunyinggu Electronic Technology Co., Ltd.* (昆山雲英谷電子科技有限公司)	a	PRC/Chinese mainland 22 June 2018	RMB60,000,000	100%	Research, design and sale of chip products
Hong Kong Viewtrix Technology Limited (香港精優電子科技有限公司)	b	Hong Kong 27 September 2019	USD100,000	100%	Research, design and sale of chip products
Chengdu Yunyinggu Technology Co., Ltd.* (成都雲英谷科技有限公司)	c	PRC/Chinese mainland 14 April 2024	RMB100,000,000	100%	Research, design and sale of chip products

Notes:

- (a) The statutory financial statements of this entity for the years ended 31 December 2023 and 2024 prepared in accordance with the China Accounting Standards for Business Enterprises were audited by Beijing Huameng Accounting Firm (General Partnership) (北京華盟會計師事務所(普通合夥)), certified public accountants registered in the Chinese mainland. The statutory financial statements of this entity for the year ended 31 December 2025 prepared in accordance with the China Accounting Standards for Business Enterprises were audited by Pengsheng Certified Public Accountants (Special General Partnership) (鵬盛會計師事務所(特殊普通合夥)), certified public accountants registered in the Chinese mainland.
- (b) No audited financial statements have been prepared for this entity for the years ended 31 December 2023, 2024 and 2025.
- (c) The statutory financial statements of this entity for the year ended 31 December 2024 prepared in accordance with the China Accounting Standards for Business Enterprises were audited by Beijing Huameng Accounting Firm (General Partnership) (北京華盟會計師事務所(普通合夥)), certified public accountants registered in the Chinese mainland. The statutory financial statements of this entity for the year ended 31 December 2025 prepared in accordance with the China Accounting Standards for Business Enterprises were audited by Pengsheng Certified Public Accountants (Special General Partnership) (鵬盛會計師事務所(特殊普通合夥)), certified public accountants registered in the Chinese mainland.
- * The English names of the PRC companies above represent management’s best efforts in translating the Chinese names of these companies as no English names have been registered.

The Company

The carrying amounts of the Company’s investments in subsidiaries are as follows:

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Investments, at cost.	216,404	342,646	551,153

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations as issued 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 adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and derivative financial instruments which have been measured at fair value at the end of each of the Relevant Periods.

Basis of consolidation

The consolidated financial statement includes the financial statements of the Group for the Relevant Periods. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

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

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

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

1 Effective for annual periods beginning on or after 1 January 2026

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

3 No mandatory effective date yet determined but available for adoption

The application of IFRS 18 will have no impact on the consolidated statements of financial position of the Group, but will have impact on the presentation of the consolidated statements of profit or loss. Except for IFRS 18, the directors of the Company anticipate that the application of these new and amended IFRS Accounting Standards will have no material impact on the Group's financial performance and financial position in the foreseeable future.

2.3 MATERIAL ACCOUNTING POLICIES

Fair value measurement

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

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

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

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

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

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

Impairment of non-financial assets

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

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

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

Related parties

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

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

or

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

Property, plant and equipment and depreciation

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

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

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

Categories	Principal annual rates
Machinery	12%
Electronic equipment	19%-32%
Motor vehicles	24%
Furniture and fixtures	19%-32%
Leasehold improvement	33%

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

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

Intangible assets (other than goodwill)

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

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 2 to 10 years.

Research and development costs

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

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

Leases

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

Group as a lessee

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

(a) Right-of-use assets

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

Buildings.	24 to 73 months
--------------------	-----------------

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

(b) Lease liabilities

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

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

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of buildings and machinery (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

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

Investments and other financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Financial assets at fair value through profit or loss

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

Derecognition of financial assets

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

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

Impairment of financial assets

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

General approach

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

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset 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.

The Group assesses on a forward looking basis the expected credit losses and the impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

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

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

Simplified approach

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

Financial liabilities

Initial recognition and measurement

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

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

The Group's financial liabilities include trade payables, other payables and interest-bearing bank loans.

Subsequent measurement

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

Financial liabilities at amortised cost (Trade payables, other payables and interest-bearing bank loans)

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

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

Derecognition of financial liabilities

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

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

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as foreign exchange option and currency swap, to hedge its foreign currency risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss.

Inventories

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

Cash and cash equivalents

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

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

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 each reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

The Group provides for warranties in relation to the OLED display driver chips. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of compensation expenses. The estimation is reviewed on an ongoing basis and is revised when appropriate.

Income tax

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

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

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

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

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

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

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates 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 reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

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

Government grants

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

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

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

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

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

(a) Sale of goods

The Group sells active matrix organic light emitting diode (“AMOLED”) display driver integrated circuit (“DDIC”) and Micro-OLED display backplanes/drivers. Sales revenue are recognised when control of the goods has been transferred to the customers, and there is no unfulfilled obligation that could affect the customer’s acceptance of the goods.

The Group provides sales rebate and discounts to certain customers for sales of AMOLED DDIC and Micro-OLED display backplanes/drivers, and the relevant revenue is recognised based on contract consideration net of the estimated sales rebate and discount amount.

AMOLED DDIC and Micro-OLED display backplanes/drivers are often sold with volume rebates. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognised.

(b) Rendering of services

The services rendered include technology support services and development services. Should one of the following conditions is satisfied, service provided by the Group, is a performance obligation performed within a certain period of time: (i) the customer simultaneously receives and consumes the benefits as the Group performs; (ii) the Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (iii) the asset delivered has no alternative use and the Group has an enforceable right to payment for performance completed to date. The Group recognises revenue from provision of technology support services within a period of time in accordance with the progress of contract performance because the customer simultaneously receives and consumes the benefits provided by the Group and recognises revenue from the provision of development services at the point in time when the services are rendered and accepted by the customers.

Other income

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

Contract liabilities

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

Share-based payments

The Company operates several equity-settled, share-based compensation plans (the "Plan"). Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer based on investors' recent capital contribution price and valuation models, further details of which are given in note 28 to the Historical Financial Information.

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

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

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

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

Other employee benefits**Pension schemes**

The employees of the Group's subsidiaries which operate in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statements of profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Borrowing costs

All borrowing costs are expensed in the periods in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign currencies

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

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

The functional currencies of certain overseas subsidiaries are currencies other than 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 the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Deferred tax assets

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

The Group had tax losses carried forward of RMB636,918,000, RMB872,719,000 and RMB1,195,432,000 as at 31 December 2023, 2024 and 2025, respectively. These losses related to the Company and subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The Company and the subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward. Further details are included in note 10 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.

Provision for expected credit losses on trade receivables

Provision for impairment of trade receivables is made based on an assessment of expected credit losses on trade receivables. The assessment of expected credit losses requires management's judgement and estimates. Trade receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for impairment allowance. The remaining trade receivables are grouped based on ageing of bills from various customer segments with similar loss patterns and are collectively assessed for impairment allowance.

Under the collective approach, the Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on ageing analysis of customers that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At end of Relevant Periods, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

Warranty provisions

Provisions for warranties granted by the Group for the AMOLED DDIC and Micro-OLED display backplanes/drivers sold are recognised based on sales volumes and past experiences of compensation expenses. The estimate of unit warranty cost may not be equal to the actual warrant costs in the future. The Group reassesses the unit warranty cost at least annually and the unit warranty cost is revised when appropriate. The information about the provisions for warranties is disclosed in note 26 to the Historical Financial Information.

Net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value at the end of each reporting period. The net realisable value is the estimated selling price in the current course of business, less applicable costs, selling expenses and tax charges. Management of the Group make the best estimate on the net realisable value and the corresponding impairment of inventory, while the impairment assessment may still be significantly changed due to the change of market conditions.

Share-based payments

The Group operates employee incentive schemes for the purpose of providing incentives to the Company’s directors and the Group’s employees. The grant date fair value of the shares of the employee incentive schemes was determined by Black-Scholes Model based on investors’ recent capital injection price. The Group estimates the number of share awards contingently issuable when determining the share-based payment expenses, which depends on the achievement of certain non-market performance targets of the Group under employee incentive schemes. This requires an estimation of the performance targets to be achieved by the Group, including the completion of initial public offering (“IPO”). Further details are contained in note 28 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

Management has determined the operating segment based on the information reviewed by the Group’s chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment. The chief operating decision maker has been identified as the executive directors of the Company.

For management purposes, the Group is organised into one single business unit that is the research, design, and sale of AMOLED DDIC and Micro-OLED display backplanes/drivers in the PRC (including Hong Kong and Taiwan). Management reviews the overall results and financial position of the Group as a whole based on the same accounting policies set out in note 3. Accordingly, the Group has only a single operating segment and no further analysis of the single segment is presented.

Geographical information

As the Group generated all of its revenues in the PRC (including Hong Kong and Taiwan) and its non-current assets were located in PRC (including Hong Kong and Taiwan) during the Relevant Periods, no geographical information is presented.

Information about major customers

The revenue generated from sales to customers which individually amounted to more than 10% of the Group’s total revenue during each of the Relevant Periods is set out below:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Customer A	112,190	*	*
Customer B	347,464	*	*
Customer C	138,812	174,042	360,438
Customer D	*	482,624	375,769

* 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		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers	720,404	891,304	1,105,659

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Types of goods or services			
Sale of AMOLED DDICs	601,437	816,033	802,338
Sale of Micro-OLED display backplanes/drivers	118,833	75,039	295,650
Others	134	232	7,671
Total	<u>720,404</u>	<u>891,304</u>	<u>1,105,659</u>
Timing of revenue recognition			
Transferred at a point in time	720,373	891,304	1,105,659
Transferred over time	31	–	–
Total	<u>720,404</u>	<u>891,304</u>	<u>1,105,659</u>

The following table shows the amounts of revenue recognised in each of the reporting periods that were included in the contract liabilities at the beginning of each reporting period:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Sales of goods or services	16,134	2,489	4,655

(b) Performance obligations

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

Sale of AMOLED DDIC and Micro-OLED display backplanes/drivers

The Group mainly manufactures and sells AMOLED DDIC and Micro-OLED display backplanes/drivers to its customers. Sales revenue are recognised when control of the goods is transferred to the customers, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Payment is generally due from 30 to 90 days from delivery.

All contracts are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to the unsatisfied contracts is not disclosed.

Others

The performance obligation is satisfied upon delivery of goods and rendering of services, and payment is generally due on receipt of goods and completion of services. There was no unsatisfied performance obligation 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		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
<u>Other income</u>			
Interest income	7,262	17,529	17,420
Government grants	5,885	11,430	10,846
Others	927	–	4
Sub-total other income	<u>14,074</u>	<u>28,959</u>	<u>28,270</u>
<u>Gains</u>			
Gains on disposal of items of property, plant and equipment	2	–	–
Fair value gains on financial assets at fair value through profit or loss, net	10,008	5,911	3,640
Foreign exchange gains, net	–	2,415	–
Sub-total gains	<u>10,010</u>	<u>8,326</u>	<u>3,640</u>
Total other income and gains	<u>24,084</u>	<u>37,285</u>	<u>31,910</u>

6. LOSS BEFORE TAX

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

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Cost of inventories sold		664,048	844,117	950,010
Depreciation of property, plant and equipment*	13	8,907	9,695	9,544
Amortisation of other intangible assets*	15	4,651	6,087	7,119
Depreciation of right-of-use assets*	14(a)	3,706	4,206	4,409
Research and development expenses		177,026	242,204	266,036
Lease payments not included in the measurement of lease liabilities	14(c)	354	373	446
Auditor's remuneration		190	308	357
Listing expense		–	–	24,660
Employee benefit expense (including directors' and supervisors' remuneration)				
Wages and salaries		152,820	169,246	193,220
Pension scheme contributions		14,437	17,264	19,846
Share-based payment expenses	28	14,793	84,831	59,794
Impairment of financial assets, net:				
(Reversal of impairment)/impairment of trade receivables	19	(2,777)	475	(3,237)
Reversal of impairment of financial assets included in prepayments, other receivables and other assets	16	(37)	(545)	(41)
Write-off of other receivables		–	5,770	–
Write-down of inventories to net realisable value		53,163	25,279	12,664
Foreign exchange differences, net		5,764	(2,415)	12,330
Provision/(reversal of provision)	26	3,165	(2,326)	(1,860)

* The depreciation of property, plant and equipment, amortisation of other intangible assets, depreciation of right-of-use assets and employee benefit expense are included in "Cost of sales", "Selling and marketing expenses", "Administrative expenses", and "Research and development expenses" in the consolidated statements of profit or loss.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Interest on interest-bearing bank loans	639	3,655	1,415
Interest on lease liabilities	235	198	116
Total	<u>874</u>	<u>3,853</u>	<u>1,531</u>

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

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

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Fees	240	240	240
Other emoluments:			
Salaries, allowances, bonuses and benefits in kind*	8,390	8,381	9,961
Share-based compensation expenses	(56)	5,730	3,701
Sub-total	<u>8,334</u>	<u>14,111</u>	<u>13,662</u>
Total	<u>8,574</u>	<u>14,351</u>	<u>13,902</u>

* Certain executive directors and supervisors of the Company are entitled to bonus payments which are related to the decision of remuneration committee.

Certain directors were granted shares, in respect of their services to the Group, under the share-based compensation plan of the Company, further details of which are set out in note 28 to the Historical Financial Information. The fair values of the share-based compensation, which are recognised in the statements of profit or loss over the vesting period, were determined as at the dates of grant and the amounts included in the Historical Financial Information during the Relevant Periods are included in the above directors' and supervisors' remuneration disclosures.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods were as follows:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Mr. Jiang Yimin	120	120	120
Ms. Zhou Xinru	120	120	120
Total	<u>240</u>	<u>240</u>	<u>240</u>

These independent non-executive directors of the Company were appointed on 20 December 2022.

There were no other emoluments payable to the independent non-executive directors during the Relevant Periods.

(b) Executive directors, non-executive directors and supervisors

	Fees	Salaries, allowances, bonuses and benefits in kind	Share-based compensation expenses	Total remuneration
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Year ended 31 December 2023				
Executive directors:				
Mr. Han Zhiyong ⁽ⁱ⁾	–	2,260	78	2,338
Mr. Gu Jing ⁽ⁱⁱ⁾	–	2,380	–	2,380
Sub-total	–	4,640	78	4,718
Non-executive directors:				
Ms. Zhan Jing ^(iv)	–	643	(3)	640
Mr. Zhou Zhifeng ⁽ⁱⁱⁱ⁾	–	–	–	–
Sub-total	–	643	(3)	640
Supervisors:				
Mr. Liu Xiaoqiang ^(v)	–	1,495	(62)	1,433
Mr. Xu Haining ^(v)	–	1,302	(69)	1,233
Ms. Gao Xiaoqing ^(v)	–	310	–	310
Sub-total	–	3,107	(131)	2,976
Total	–	8,390	(56)	8,334
Year ended 31 December 2024				
Executive directors:				
Mr. Han Zhiyong ⁽ⁱ⁾	–	2,559	3,773	6,332
Mr. Gu Jing ⁽ⁱⁱ⁾	–	2,157	–	2,157
Sub-total	–	4,716	3,773	8,489
Non-executive directors:				
Ms. Zhan Jing ^(iv)	–	681	240	921
Mr. Zhou Zhifeng ⁽ⁱⁱⁱ⁾	–	–	–	–
Sub-total	–	681	240	921
Supervisors:				
Mr. Liu Xiaoqiang ^(v)	–	1,348	1,701	3,049
Mr. Xu Haining ^(v)	–	1,306	16	1,322
Ms. Gao Xiaoqing ^(v)	–	330	–	330
Sub-total	–	2,984	1,717	4,701
Total	–	8,381	5,730	14,111
Year ended 31 December 2025				
Executive directors:				
Mr. Han Zhiyong ⁽ⁱ⁾	–	2,345	2,340	4,685
Mr. Gu Jing ⁽ⁱⁱ⁾	–	3,781	–	3,781
Sub-total	–	6,126	2,340	8,466
Non-executive directors:				
Ms. Zhan Jing ^(iv)	–	777	166	943
Mr. Zhou Zhifeng ⁽ⁱⁱⁱ⁾	–	–	–	–
Sub-total	–	777	166	943
Supervisors:				
Mr. Liu Xiaoqiang ^(v)	–	1,403	1,183	2,586
Mr. Xu Haining ^(v)	–	1,320	12	1,332
Ms. Gao Xiaoqing ^(v)	–	335	–	335
Sub-total	–	3,058	1,195	4,253
Total	–	9,961	3,701	13,662

(i) Mr. Han Zhiyong was appointed as an executive director of the Company on 17 November 2020 and as president of the Company.

(ii) Mr. Gu Jing was appointed as an executive director of the Company on 28 March 2013 and as chairman of the board and chief executive officer of the Company.

(iii) Mr. Zhou Zhifeng was appointed as a non-executive director of the Company on 23 September 2019.

(iv) Ms. Zhan Jing was appointed as a non-executive director of the Company on 17 November 2020.

- (v) These supervisors of the Company were appointed on 20 December 2022.
- (vi) The Company has abolished the board of supervisors in accordance with applicable corporate governance rules in December 2025.

There was no arrangement under which a director waived or agreed to waive any remuneration during the Relevant Periods.

9. FIVE HIGHEST PAID EMPLOYEES

The five individuals whose remunerations were the highest in the Group for the years ended 31 December 2023, 2024 and 2025 included 2, 1 and 2 directors respectively, details of whose remuneration are set out in note 8(b) above. Details of the remunerations of the remaining 3, 4, and 3 individuals who are neither directors, supervisors nor the chief executive of the Company during the years ended 31 December 2023, 2024 and 2025, respectively, are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, allowances, bonuses and benefits in kind	7,489	11,577	8,388
Share-based compensation expenses	3,046	25,138	12,843
Total	<u>10,535</u>	<u>36,715</u>	<u>21,231</u>

The number of non-director, non-supervisor and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees		
	Year ended 31 December		
	2023	2024	2025
Nil to HKD3,000,000	1	–	1
HKD3,500,001 to HKD4,000,000	1	–	–
HKD4,500,001 to HKD5,000,000	–	1	–
HKD5,500,001 to HKD6,000,000	1	–	–
HKD6,500,001 to HKD7,000,000	–	1	–
HKD7,000,001 to HKD7,500,000	–	–	1
HKD11,500,001 to HKD12,000,000	–	1	–
HKD13,000,001 to HKD13,500,000	–	–	1
HKD17,500,001 to HKD18,000,000	–	1	–
Total	<u>3</u>	<u>4</u>	<u>3</u>

During the year ended 31 December 2022, shares were granted to non-director, non-supervisor and non-chief executive highest paid employees in respect of their services to the Group, under the share-based compensation plan of the Company, further details of which are included in the disclosures in note 28 to the Historical Financial Information. The fair values of the share-based compensation, which have been recognised in the statements of profit or loss over the vesting periods, were determined as at the dates of grant and the amounts included in the Historical Financial Information for the years ended 31 December 2023, 2024 and 2025 are included in the above non-director, non-supervisor 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

Under the PRC Corporate Income Tax Law and the respective regulations, the corporate income tax for the Company and its subsidiaries is calculated at a statutory rate of 25%, on their estimated taxable profits for the year based on the existing legislations, interpretations and practices in respect thereof.

A subsidiary of the Group, Kunshan Yunyinggu Electronic Technology Co., Ltd. was granted the qualification of high and new technology enterprise ("HNTE") on 13 December 2023 and was entitled to a preferential corporate income tax rate of 15% from 13 December 2023 to 13 December 2026. This qualification is subject to review by the relevant tax authority in the PRC every three years.

Hong Kong

The subsidiaries incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 8.25% for taxable income not exceeding HKD2,000,000, and 16.5% for taxable income exceeding HKD2,000,000 on any estimated assessable profits arising in Hong Kong.

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current income tax	–	–	–
	==	==	==

A reconciliation of the income tax expense applicable to loss before tax at the statutory tax rate in PRC in which the Company is domiciled to the income tax expense at the effective tax rate is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Loss before tax	(232,105)	(308,986)	(230,331)
Tax at PRC statutory tax rate of 25%	(58,026)	(77,247)	(57,583)
Effect of preferential or different tax rate	9,148	15,340	10,147
Share-based payment not deductible for tax	3,698	21,208	14,949
Expenses not deductible for tax	181	132	89
Effect of super deduction for research and development costs	(24,217)	(12,916)	(28,650)
Utilisation of tax losses not recognised in previous periods	(16)	–	–
Tax losses and deductible temporary differences not recognised	69,232	53,483	61,048
Tax charge at the Group's effective rate	–	–	–
	==	==	==

Deferred tax assets have not been recognised in respect of the following items:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Tax losses	636,918	872,719	1,195,432
Deductible temporary differences	74,573	50,104	34,670
Total	711,491	922,823	1,230,102
	==	==	==

The Group had accumulated tax losses arising in Chinese mainland of RMB599,194,000, RMB764,131,000 and RMB974,848,000 as at 31 December 2023, 2024 and 2025, respectively, that would expire in one to ten years for offsetting against future taxable profits of the Group.

The Group had accumulated tax losses arising in Hong Kong of RMB37,724,000, RMB108,588,000 and RMB220,584,000 in aggregate as at 31 December 2023, 2024 and 2025, respectively, that would carry forward indefinitely.

Deferred tax assets have not been recognised in respect of these losses and deductible temporary differences as they have arisen in the subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits in the foreseeable future will be available against which the tax losses can be utilised.

11. DIVIDENDS

No dividend was paid or declared by the Company during the Relevant Periods.

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the losses attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares during the Relevant Periods.

No adjustment has been made to the basic loss per share amounts presented for the Relevant Periods in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue.

The calculation of basic loss per share are based on:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Loss			
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation	(232,105)	(308,986)	(230,331)
	Number of shares		
	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Shares			
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	369,069,750	370,875,898	374,919,750

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Machinery	Electronic equipment	Motor vehicles	Furniture and fixtures	Leasehold improvement	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023						
As at 1 January 2023:						
Cost	55,092	4,812	712	3,222	1,028	64,866
Accumulated depreciation	(6,732)	(1,931)	(361)	(1,084)	(530)	(10,638)
Net carrying amount	48,360	2,881	351	2,138	498	54,228
As at 1 January 2023, net of accumulated depreciation	48,360	2,881	351	2,138	498	54,228
Additions	–	466	–	3,940	–	4,406
Disposal	–	(1)	–	–	–	(1)
Depreciation	(6,542)	(1,173)	(39)	(961)	(192)	(8,907)
Exchange realignment	–	34	–	27	–	61
As at 31 December 2023, net of accumulated depreciation	41,818	2,207	312	5,144	306	49,787
As at 31 December 2023:						
Cost	55,092	5,324	712	7,198	1,028	69,354
Accumulated depreciation	(13,274)	(3,117)	(400)	(2,054)	(722)	(19,567)
Net carrying amount	41,818	2,207	312	5,144	306	49,787
31 December 2024						
As at 1 January 2024:						
Cost	55,092	5,324	712	7,198	1,028	69,354
Accumulated depreciation	(13,274)	(3,117)	(400)	(2,054)	(722)	(19,567)
Net carrying amount	41,818	2,207	312	5,144	306	49,787
As at 1 January 2024, net of accumulated depreciation	41,818	2,207	312	5,144	306	49,787
Additions	–	912	–	2,487	437	3,836
Depreciation	(6,542)	(1,232)	(114)	(1,590)	(217)	(9,695)
Exchange realignment	–	21	–	21	–	42
As at 31 December 2024, net of accumulated depreciation	35,276	1,908	198	6,062	526	43,970
As at 31 December 2024:						
Cost	55,092	6,293	712	9,737	1,465	73,299
Accumulated depreciation	(19,816)	(4,385)	(514)	(3,675)	(939)	(29,329)
Net carrying amount	35,276	1,908	198	6,062	526	43,970

	Machinery	Electronic equipment	Motor vehicles	Furniture and fixtures	Leasehold improvement	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2025						
As at 1 January 2025:						
Cost	55,092	6,293	712	9,737	1,465	73,299
Accumulated depreciation	(19,816)	(4,385)	(514)	(3,675)	(939)	(29,329)
Net carrying amount	<u>35,276</u>	<u>1,908</u>	<u>198</u>	<u>6,062</u>	<u>526</u>	<u>43,970</u>
As at 1 January 2025, net of						
accumulated depreciation	35,276	1,908	198	6,062	526	43,970
Additions	–	1,118	350	2,202	–	3,670
Disposal	–	–	–	(20)	–	(20)
Depreciation	(6,543)	(714)	(139)	(1,889)	(259)	(9,544)
Exchange realignment	–	(36)	–	(26)	–	(62)
As at 31 December 2025, net of						
accumulated depreciation	<u>28,733</u>	<u>2,276</u>	<u>409</u>	<u>6,329</u>	<u>267</u>	<u>38,014</u>
As at 31 December 2025:						
Cost	55,092	7,304	1,063	11,804	1,465	76,728
Accumulated depreciation	(26,359)	(5,028)	(654)	(5,475)	(1,198)	(38,714)
Net carrying amount	<u>28,733</u>	<u>2,276</u>	<u>409</u>	<u>6,329</u>	<u>267</u>	<u>38,014</u>

The Company

	Electronic equipment	Motor vehicles	Furniture and fixtures	Leasehold improvement	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2023					
As at 1 January 2023:					
Cost	1,105	350	180	1,028	2,663
Accumulated depreciation	(770)	(21)	(89)	(530)	(1,410)
Net carrying amount	<u>335</u>	<u>329</u>	<u>91</u>	<u>498</u>	<u>1,253</u>
As at 1 January 2023, net of					
accumulated depreciation	335	329	91	498	1,253
Additions	98	–	305	–	403
Depreciation	(145)	(83)	(64)	(192)	(484)
As at 31 December 2023, net of					
accumulated depreciation	<u>288</u>	<u>246</u>	<u>332</u>	<u>306</u>	<u>1,172</u>
As at 31 December 2023:					
Cost	1,203	350	485	1,028	3,066
Accumulated depreciation	(915)	(104)	(153)	(722)	(1,894)
Net carrying amount	<u>288</u>	<u>246</u>	<u>332</u>	<u>306</u>	<u>1,172</u>
31 December 2024					
As at 1 January 2024:					
Cost	1,203	350	485	1,028	3,066
Accumulated depreciation	(915)	(104)	(153)	(722)	(1,894)
Net carrying amount	<u>288</u>	<u>246</u>	<u>332</u>	<u>306</u>	<u>1,172</u>
As at 1 January 2024, net of					
accumulated depreciation	288	246	332	306	1,172
Additions	4	–	–	–	4
Depreciation	(114)	(83)	(82)	(191)	(470)
As at 31 December 2024, net of					
accumulated depreciation	<u>178</u>	<u>163</u>	<u>250</u>	<u>115</u>	<u>706</u>
As at 31 December 2024:					
Cost	1,207	350	485	1,028	3,070
Accumulated depreciation	(1,029)	(187)	(235)	(913)	(2,364)
Net carrying amount	<u>178</u>	<u>163</u>	<u>250</u>	<u>115</u>	<u>706</u>

	Electronic equipment	Motor vehicles	Furniture and fixtures	Leasehold improvement	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2025					
As at 1 January 2025:					
Cost	1,207	350	485	1,028	3,070
Accumulated depreciation	(1,029)	(187)	(235)	(913)	(2,364)
Net carrying amount	<u>178</u>	<u>163</u>	<u>250</u>	<u>115</u>	<u>706</u>
As at 1 January 2025, net of					
accumulated depreciation	178	163	250	115	706
Additions	33	350	13	–	396
Depreciation	(78)	(117)	(79)	(115)	(389)
As at 31 December 2025, net of					
accumulated depreciation	<u>133</u>	<u>396</u>	<u>184</u>	<u>–</u>	<u>713</u>
As at 31 December 2025:					
Cost	1,240	701	497	1,028	3,466
Accumulated depreciation	(1,107)	(305)	(313)	(1,028)	(2,753)
Net carrying amount	<u><u>133</u></u>	<u><u>396</u></u>	<u><u>184</u></u>	<u><u>–</u></u>	<u><u>713</u></u>

14. LEASES

The Group as a lessee

The Group has lease contracts for items of buildings. Leases of buildings generally have lease terms with from 24 to 73 months. Other equipment generally has lease terms of 12 months or less or is individually of low value.

(a) Right-of-use assets

The Group

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

	Buildings
	<i>RMB'000</i>
As at 1 January 2023.	6,376
Additions	3,023
Depreciation	(3,706)
As at 31 December 2023 and 1 January 2024.	<u>5,693</u>
Additions	3,251
Depreciation	(4,206)
As at 31 December 2024 and 1 January 2025.	<u>4,738</u>
Additions	2,443
Depreciation	(4,409)
As at 31 December 2025.	<u><u>2,772</u></u>

The Company

The carrying amounts of the Company's right-of-use assets and the movements during the Relevant Periods are as follows:

	Buildings
	<i>RMB'000</i>
As at 1 January 2023.	4,580
Additions	3,023
Depreciation	(2,691)
As at 31 December 2023 and 1 January 2024.	<u>4,912</u>
Additions	1,674
Depreciation	(3,158)
As at 31 December 2024 and 1 January 2025.	<u>3,428</u>
Additions	1,568
Depreciation	(3,243)
As at 31 December 2025.	<u><u>1,753</u></u>

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

The Group

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount at the beginning of the year.	6,539	5,852	4,752
New leases.	3,023	3,251	2,443
Accretion of interest recognised during the year	235	198	116
Payments.	(3,945)	(4,549)	(4,642)
Carrying amount at the end of the year	<u>5,852</u>	<u>4,752</u>	<u>2,669</u>
Analysed into:			
Current portion	3,411	3,427	2,193
Non-current portion	<u>2,441</u>	<u>1,325</u>	<u>476</u>

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

The Company

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount at the beginning of the year.	4,719	5,094	3,552
New leases.	3,023	1,674	1,568
Accretion of interest recognised during the year	190	151	80
Payments.	(2,838)	(3,367)	(3,417)
Carrying amount at the end of the year	<u>5,094</u>	<u>3,552</u>	<u>1,783</u>
Analysed into:			
Current portion	2,808	2,754	1,484
Non-current portion	<u>2,286</u>	<u>798</u>	<u>299</u>

The maturity analysis of lease liabilities is disclosed in note 36 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:**The Group**

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities.	235	198	116
Depreciation of right-of-use assets	3,706	4,206	4,409
Expense relating to short-term leases and leases of low-value assets	354	373	446
Total amount recognised in profit or loss	<u>4,295</u>	<u>4,777</u>	<u>4,971</u>

The Company

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities.	190	151	80
Depreciation of right-of-use assets	2,691	3,158	3,243
Expense relating to short-term leases and leases of low-value assets	64	18	358
Total amount recognised in profit or loss	<u>2,945</u>	<u>3,327</u>	<u>3,681</u>

(d) The total cash outflows for leases are disclosed in note 30(c) to the Historical Financial Information.

15. OTHER INTANGIBLE ASSETS

The Group

	<u>Software</u>
	<i>RMB'000</i>
31 December 2023	
At 1 January 2023, net of accumulated amortisation	8,258
Additions	779
Amortisation	(4,651)
Exchange realignment	1
At 31 December 2023, net of accumulated amortisation and impairment	<u>4,387</u>
As at 31 December 2023 and at 1 January 2024:	
Cost	14,971
Accumulated amortisation and impairment	(10,584)
Net carrying amount	<u>4,387</u>
31 December 2024	
At 1 January 2024, net of accumulated amortisation	4,387
Additions	18,532
Amortisation	(6,087)
Exchange realignment	1
At 31 December 2024, net of accumulated amortisation and impairment	<u>16,833</u>
At 31 December 2024 and at 1 January 2025:	
Cost	33,509
Accumulated amortisation and impairment	(16,676)
Net carrying amount	<u>16,833</u>
31 December 2025	
At 1 January 2025, net of accumulated amortisation	16,833
Additions	274
Amortisation	(7,119)
Exchange realignment	(2)
At 31 December 2025, net of accumulated amortisation and impairment	<u>9,986</u>
At 31 December 2025:	
Cost	33,772
Accumulated amortisation and impairment	(23,786)
Net carrying amount	<u>9,986</u>

The Company

	<u>Software</u>
	<i>RMB'000</i>
31 December 2023	
At 1 January 2023, net of accumulated amortisation	4,449
Additions	778
Amortisation	(2,800)
At 31 December 2023, net of accumulated amortisation and impairment	<u>2,427</u>
As at 31 December 2023 and at 1 January 2024:	
Cost	9,212
Accumulated amortisation and impairment	(6,785)
Net carrying amount	<u>2,427</u>
31 December 2024	
At 1 January 2024, net of accumulated amortisation	2,427
Additions	1,849
Amortisation	(2,202)
At 31 December 2024, net of accumulated amortisation and impairment	<u>2,074</u>

	<u>Software</u>
	<i>RMB'000</i>
At 31 December 2024 and at 1 January 2025:	
Cost	11,061
Accumulated amortisation and impairment	<u>(8,987)</u>
Net carrying amount	<u>2,074</u>
31 December 2025	
At 1 January 2025, net of accumulated amortisation	2,074
Amortisation	<u>(634)</u>
At 31 December 2025, net of accumulated amortisation and impairment	<u>1,440</u>
At 31 December 2025:	
Cost	11,061
Accumulated amortisation and impairment	<u>(9,621)</u>
Net carrying amount	<u>1,440</u>

16. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	<u>As at 31 December</u>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current portion			
Value-added-tax recoverable	18,853	27,374	34,943
Other receivables	1,136	872	250
Prepayments for equipment	<u>2,040</u>	<u>1,070</u>	<u>234</u>
Sub-total	<u>22,029</u>	<u>29,316</u>	<u>35,427</u>
Current portion			
Other receivables	12,516	7,167	1,946
Prepayments	49,268	75,145	31,652
Advance talent retention bonus	10,002	10,557	5,751
Prepaid listing expense	—	—	3,813
Impairment allowance	<u>(598)</u>	<u>(56)</u>	<u>(14)</u>
Sub-total	<u>71,188</u>	<u>92,813</u>	<u>43,148</u>
Total	<u>93,217</u>	<u>122,129</u>	<u>78,575</u>

The Company

	<u>As at 31 December</u>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-Current portion			
Value-added-tax recoverable	5,386	6,532	4,611
Other receivables from third parties	<u>887</u>	<u>671</u>	<u>55</u>
Sub-total	6,273	7,203	4,666
Current portion			
Other receivables from subsidiaries	855,751	932,154	720,380
Prepayments to subsidiaries	—	29,484	—
Other receivables from third parties	344	553	927
Prepayments to third parties	365	598	349
Prepaid listing expense	—	—	3,813
Impairment allowance	<u>—</u>	<u>(2)</u>	<u>(8)</u>
Sub-total	<u>856,460</u>	<u>962,787</u>	<u>725,461</u>
Total	<u>862,733</u>	<u>969,990</u>	<u>730,127</u>

As at 31 December 2023, 2024 and 2025, all remaining balances due from subsidiaries recorded in other receivables were non-trade related, while prepayments to subsidiaries were trade related. These balances were interest-free and repayable on demand.

At the end of each of the Relevant Periods, the ECLs of the financial assets included in prepayments, other receivables and other assets were measured based on the 12-month expected credit loss if they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on the lifetime expected credit loss. An impairment analysis was performed at the end of each of the Relevant Periods.

Deposits and other receivables had no historical default. Deposits and other receivables were categorised in stage 1 at the end of each of the Relevant Periods. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward-looking macroeconomic data.

The movements in the loss allowance for impairment of other receivables are as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of year	(624)	(598)	(56)
Impairment losses, net	37	545	41
Foreign exchange realignment	(11)	(3)	1
At end of year	<u>(598)</u>	<u>(56)</u>	<u>(14)</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of year	(1)	–	(2)
Impairment losses, net	1	(2)	(6)
At end of year	<u>–</u>	<u>(2)</u>	<u>(8)</u>

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Structured deposits, at fair value	67,041	31,020	–
Wealth management products, at fair value	180,420	384,421	–
Total	<u>247,461</u>	<u>415,441</u>	<u>–</u>

The structured deposits and wealth management products were issued by banks in Chinese mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Structured deposits, at fair value	<u>67,041</u>	<u>30,020</u>	<u>–</u>

18. INVENTORIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	76,522	122,489	54,213
Work in progress	234,882	164,711	146,296
Finished goods	126,955	78,183	71,799
Less: Provision for impairment	(65,154)	(43,524)	(34,425)
Total	<u>373,205</u>	<u>321,859</u>	<u>237,883</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	508	502	520
Finished goods	508	489	308
Less: Provision for impairment	(823)	(801)	(828)
Total	<u>193</u>	<u>190</u>	<u>—</u>

19. TRADE RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	68,436	106,874	293,381
Impairment, net	(3,738)	(4,213)	(976)
Net carrying amount	<u>64,698</u>	<u>102,661</u>	<u>292,405</u>

As at the end of each of the Relevant Periods, the Group had certain concentrations of credit risk as 38.3%, 45.7%, 99.8% and 93.6%, 90.8%, 99.8% of the Group's trade receivables were due from the Group's largest customers and five largest customers, respectively.

The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	4,442	20,168	26,015
Impairment, net	(2,737)	(3,088)	(165)
Net carrying amount	<u>1,705</u>	<u>17,080</u>	<u>25,850</u>

An ageing analysis of the trade receivables as at 31 December 2023, 2024 and 2025, based on the time of revenue recognition and net of loss allowance, is as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 3 months	52,984	85,236	273,960
3 to 6 months	6,507	15,256	18,445
6 to 9 months	5,035	2,169	–
9 to 12 months	172	–	–
Total	<u>64,698</u>	<u>102,661</u>	<u>292,405</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 3 months	930	14,589	20,370
3 to 6 months	486	2,491	5,480
6 to 9 months	117	–	–
9 to 12 months	172	–	–
Total	<u>1,705</u>	<u>17,080</u>	<u>25,850</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of year	(6,514)	(3,738)	(4,213)
Impairment losses, net (<i>note 6</i>)	2,777	(475)	3,237
Exchange realignment	(1)	–	–
At end of year	<u>(3,738)</u>	<u>(4,213)</u>	<u>(976)</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of year	(2,653)	(2,737)	(3,088)
Impairment losses, net	(84)	(351)	2,923
At end of year	<u>(2,737)</u>	<u>(3,088)</u>	<u>(165)</u>

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. The Group overall considers the characteristics of the shared credit risk and the ageing of the trade receivables to measure the expected credit losses. The expected credit losses of trade receivables are assessed on an individual or portfolio basis. Considering the credit risk characteristics of different customers, the Group assesses the expected credit losses of trade receivables with shared risk characteristics based on their ageing portfolio, adjusted as appropriate to reflect current and forward-looking information.

The information about the credit risk exposure on the Group's trade receivables is set out below:

The Group

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2023				
Provision on a collective basis				
Within 3 months	0.22%	53,102	118	52,984
3 to 6 months	0.85%	6,563	56	6,507
6 to 9 months	14.49%	5,888	853	5,035
9 to 12 months	39.22%	283	111	172
Provision on an individual basis – others				
	100.00%	2,600	2,600	–
Total		<u>68,436</u>	<u>3,738</u>	<u>64,698</u>
As at 31 December 2024				
Provision on a collective basis				
Within 3 months	0.72%	85,854	618	85,236
3 to 6 months	1.35%	15,465	209	15,256
6 to 9 months	16.80%	2,607	438	2,169
Over 1 year	100.00%	348	348	–
Provision on an individual basis – others				
	100.00%	2,600	2,600	–
Total		<u>106,874</u>	<u>4,213</u>	<u>102,661</u>
As at 31 December 2025				
Provision on a collective basis				
Within 3 months	0.20%	274,521	561	273,960
3 to 6 months	2.20%	18,860	415	18,445
Total		<u>293,381</u>	<u>976</u>	<u>292,405</u>

The information about the credit risk exposure on the Company's trade receivables is set out below:

The Company

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2023				
Provision on a collective basis				
Within 3 months	0.21%	932	2	930
3 to 6 months	0.82%	490	4	486
6 to 9 months	14.60%	137	20	117
9 to 12 months	39.22%	283	111	172
Provision on an individual basis				
	100.00%	2,600	2,600	–
Total		<u>4,442</u>	<u>2,737</u>	<u>1,705</u>
As at 31 December 2024				
Provision on a collective basis				
Within 3 months	0.72%	14,695	106	14,589
3 to 6 months	1.35%	2,525	34	2,491
Over 1 year	100.00%	348	348	–
Provision on an individual basis				
	100.00%	2,600	2,600	–
Total		<u>20,168</u>	<u>3,088</u>	<u>17,080</u>
As at 31 December 2025				
Provision on a collective basis				
Within 3 months	0.20%	20,411	42	20,369
3 to 6 months	2.20%	5,604	123	5,481
Total		<u>26,015</u>	<u>165</u>	<u>25,850</u>

20. DERIVATIVE FINANCIAL INSTRUMENTS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Assets			
Foreign exchange option	1,308	–	–
Currency swap	–	558	–
Total	<u>1,308</u>	<u>558</u>	<u>–</u>
Liabilities			
Currency swap	–	–	329
Total	<u>–</u>	<u>–</u>	<u>329</u>

The foreign exchange option and currency swap are not designated for hedging and are measured at fair value through profit or loss. Changes in the fair value of the foreign exchange option and currency swap amounting to RMB1,308,000, RMB558,000 and (RMB329,000) were charged to the statements of profit or loss for the years ended 31 December 2023, 2024 and 2025, respectively.

21. CASH AND CASH EQUIVALENTS, TIME DEPOSITS AND PLEDGED DEPOSITS

The Group

(a) Cash and cash equivalents

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	<u>189,741</u>	<u>104,831</u>	<u>379,743</u>

Denominated in:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
RMB	126,074	48,828	7,213
United States Dollar	63,667	55,957	372,371
Hong Kong Dollar	–	46	159
Total	<u>189,741</u>	<u>104,831</u>	<u>379,743</u>

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. Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made depending on the immediate cash requirements of the Group and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

(b) Pledged deposits

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Pledged cash balances for a foreign exchange swap	<u>7,083</u>	<u>9,194</u>	<u>1,253</u>
Total	<u>7,083</u>	<u>9,194</u>	<u>1,253</u>
Pledged deposits denominated in RMB	<u>7,083</u>	<u>9,194</u>	<u>1,253</u>

(c) Time deposits

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Short-term time deposits with original maturity of over three months and due within one year	136,821	21,916	42,550
Time deposits with original maturity of over one year	40,792	61,591	20,836
Total	<u>177,613</u>	<u>83,507</u>	<u>63,386</u>

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Denominated in:			
RMB	61,474	61,591	63,386
United States Dollar	116,139	21,916	–
Total	<u>177,613</u>	<u>83,507</u>	<u>63,386</u>

The Company*(a) Cash and cash equivalents*

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	<u>59,822</u>	<u>16,201</u>	<u>3,702</u>

Denominated in:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
RMB	57,315	3,445	1,183
United States Dollar	2,507	12,756	2,519
Total	<u>59,822</u>	<u>16,201</u>	<u>3,702</u>

(b) Time deposits

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Short-term time deposits with original maturity of over three months and due within one year	20,682	–	31,970
Time deposits with original maturity of over one year	30,745	51,301	20,836
Total	<u>51,427</u>	<u>51,301</u>	<u>52,806</u>
Time deposits denominated in RMB	<u>51,427</u>	<u>51,301</u>	<u>52,806</u>

22. TRADE PAYABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-Current portion			
Trade payables	1,077	–	–
Current portion			
Trade payables	48,492	34,171	57,158
Total	49,569	34,171	57,158

An ageing analysis of the trade payables of the Group as at 31 December 2023, 2024 and 2025, based on the time of purchase, is as follows:

Trade payables

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	48,492	34,171	57,158
1 to 2 years	1,077	–	–
Total	49,569	34,171	57,158

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 180 days after the acceptance of invoices.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current portion			
Trade payables to subsidiaries	107,155	129,436	146,510
Trade payables to third parties	1,067	1,412	1,456
Subtotal	108,222	130,848	147,966
Total	108,222	130,848	147,966

An ageing analysis of the trade payables of the Company as at 31 December 2023, 2024 and 2025, based on the time of purchase, is as follows:

Trade payables

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	108,222	130,848	147,966

As at 31 December 2023, 2024 and 2025, all the remaining balances due to subsidiaries recorded in trade payables were trade related, non-interest-bearing, unsecured and had no fixed terms of settlement.

23. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Payroll and welfare payable	26,956	35,099	42,745
Other tax payables	714	616	845
Other payables	173	66	1,813
Sales rebate to customers	4,049	3,388	4,728
Payables for expense	1,836	1,052	1,426
Payables for listing expense	—	—	14,145
Total	<u>33,728</u>	<u>40,221</u>	<u>65,702</u>

Other payables in current portion are non-interest-bearing and the terms of repayment is within 12 months.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Payroll and welfare payable	5,767	10,511	8,100
Other tax payables	294	265	276
Other payables	6	201	385
Payables for listing expense	—	—	14,145
Total	<u>6,067</u>	<u>10,977</u>	<u>22,906</u>

24. CONTRACT LIABILITIES

The Group

	As at 1 January	As at 31 December		
	2023	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Advance payments from customers	<u>21,337</u>	<u>7,039</u>	<u>4,655</u>	<u>20,217</u>

The Company

	As at 1 January	As at 31 December		
	2023	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Advance payments from customers	<u>4,550</u>	<u>4,550</u>	<u>4,550</u>	<u>8,416</u>

Contract liabilities represented advances received to deliver products. The increase in contract liabilities in the year 2025 was mainly due to the increase in several large short-term advances received from customers in relation to the sales of products at the end of the year. The decrease in contract liabilities from 2023 to 2024 was mainly due to the fulfilment of the performance obligations of delivering goods.

25. INTEREST-BEARING BANK LOANS

The Group

	As at 31 December 2023		
	Weighted average interest rate (%)	Maturity	RMB'000
Bank loans – secured	2.80	2024	<u>30,026</u>

As at 31 December 2024			
	Weighted average interest rate (%)	Maturity	RMB'000
Bank loans – unsecured	0.78-0.90	2025	90,000
Bank loans – secured.	2.65-2.75	2025	60,815
Total			<u>150,815</u>

As at 31 December 2025			
	Weighted average interest rate (%)	Maturity	RMB'000
Bank loans – unsecured	1.58-2.20	2026	<u>140,000</u>

The Company

As at 31 December 2023			
	Weighted average interest rate (%)	Maturity	RMB'000
Bank loans – secured.	2.80	2024	<u>30,026</u>

As at 31 December 2024			
	Weighted average interest rate (%)	Maturity	RMB'000
Bank loans – unsecured	0.78	2025	<u>20,000</u>
Bank loans – secured.	2.65-2.75	2025	60,815
Total			<u>80,815</u>

As at 31 December 2025			
	Weighted average interest rate (%)	Maturity	RMB'000
Bank loans – unsecured	1.58-2.20	2026	<u>60,000</u>

The carrying amounts of borrowings are denominated in RMB.

As of 31 December 2023, the Group and the Company's outstanding borrowings were jointly guaranteed by its subsidiary Kunshan Yunyinggu Electronic Technology Co., Ltd. and Mr. Gu Jing, with the aggregate guaranteed amount of RMB30,026,000.

As of 31 December 2024, the Group and the Company's outstanding borrowings were secured by a pledge of patents and guaranteed by Mr. Gu Jing, with the aggregate guaranteed amount of RMB60,815,000.

26. PROVISION

The Group

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Warranties	<u>5,083</u>	<u>2,311</u>	<u>451</u>
Less: Current Portion.	<u>4,168</u>	<u>2,041</u>	<u>134</u>
Non-current portion.	<u>915</u>	<u>270</u>	<u>317</u>

(a) Warranties

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of the year	7,312	5,083	2,311
Additional provision/(reverse).	3,165	(2,326)	(1,860)
Amounts utilised during the year	(5,394)	(446)	–
At the end of the year	<u>5,083</u>	<u>2,311</u>	<u>451</u>
Less: Current portion	<u>4,168</u>	<u>2,041</u>	<u>134</u>
Non-current portion	<u>915</u>	<u>270</u>	<u>317</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Warranties	1,168	405	437
Less: Current portion	<u>253</u>	<u>135</u>	<u>120</u>
Non-current portion	<u>915</u>	<u>270</u>	<u>317</u>

(a) Warranties

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of the year	3,575	1,168	405
Additional provision/(reverse).	1,176	(763)	32
Amounts utilised during the year	(3,583)	–	–
At the end of the year	<u>1,168</u>	<u>405</u>	<u>437</u>
Less: Current portion	<u>253</u>	<u>135</u>	<u>120</u>
Non-current portion	<u>915</u>	<u>270</u>	<u>317</u>

27. SHARE CAPITAL**The Group and the Company**

A summary of movements in the Company's share capital is as follows:

	Notes	Numbers of ordinary shares	Share capital RMB'000
As at 1 January 2023 and 31 December 2023, and 1 January 2024		369,069,750	369,070
Issue of shares	(a)	<u>5,850,000</u>	<u>5,850</u>
As at 31 December 2024 and 2025		<u>374,919,750</u>	<u>374,920</u>

Note:

- (a) In August 2024, the Company issued 5,850,000 shares in total with par value of RMB1.00 each to Xiangfeng Phase II (Xiamen) Equity Investment Partnership Enterprise (Limited Partnership) and Chengdu Ceyuan Guangyi Electronic Information Equity Investment Fund Partnership Enterprise (Limited Partnership). The total proceeds were received in 2024, with approximately RMB5,850,000 and RMB124,150,000 credited to the Company's share capital and capital reserves, respectively.

28. SHARE-BASED PAYMENT

The Group recognised equity-settled share-based compensation expenses of RMB14,793,000, RMB84,831,000 and RMB59,794,000 during the years ended 31 December 2023, 2024 and 2025, respectively.

(a) Share Option Plan

To improve the incentive mechanism of the Group, further enhance the work enthusiasm and creativity of the participants thereto, promote the continued growth of the performance of the Group, and bring economic benefits to the participants while enhancing the value of the Group, so as to realize the common development of the participants and the Group, in 2018, a share incentive scheme (the "Share Option Plan"), which was then supplemented in 2019, was approved by the Shareholders.

Pursuant to the Share Option Plan, each grant of Share Awards needs to meet service requirements from the date of grant to the later of (1) the date of successful IPO of the Company (the "Lock-up Period") and (2) the "Service Period", for most eligible participants of the Share Option Plan, one-third of the Share Awards shall be released on the date of grant, one-third shall be released at the first anniversary of the date of grant, and the remaining one-third shall be released at the second anniversary of the date of grant, upon meeting certain individual performance targets. Once the Service Period meets, the share options exercised to shares which also require to meet the Lock-up Period. After taking into consideration of the best estimation of the IPO, the management determined the vesting period of the relevant Share Option Plan based on the above service requirements. As such, the share-based payment expenses are amortized during the vesting period.

On 24 December 2021, pursuant to the agreement by the Company and the participants, these options were replaced by restricted shares of the Company, further details of which are set out in note 28(b) to the Historical Financial Information. The replacement of the Share Option Plan did not give rise to incremental fair value, and thus no additional share-based payment expenses have been incurred.

(b) Share Incentive Plan

On 30 September 2019, a share incentive scheme (the "Share Incentive Plan"), which was then supplemented in 2020, 2021 and 2022, was approved by the general meeting of shareholders of the Company. Each grant of shares needs to meet service requirements from the date of grant to the later of (1) the date of successful IPO of the Company and (2) five-year period from the date of the entry. After taking into consideration of the best estimation of the listing date, the management determined the vesting period of the relevant shares based on the above performance conditions and service requirements. As such, the share-based payment expenses are amortised during the vesting period.

Details of granted shares under the Share Incentive Plan are as follows:

Date of grant	Subscription price per capital/share*	Fair value per share*	Number of shares granted*
20 November 2020	1.00-5.02	3.09-6.22	11,403,172
20 January 2021	7.52	10.75	232,651
24 December 2021	1.62-13.17	6.52-17.22	21,533,359
31 May 2022	0.15-13.17	7.54-20.48	1,036,223
23 December 2022	3.61	22.22	2,274,750

* All numbers of shares of the Company and subscription price per capital/share in this note have been adjusted retrospectively as if the Company's conversion into joint stock limited company in December 2022.

The fair value of the shares granted was measured as the market value at the grant date. With the exception of the shares granted on 23 December 2022, whose fair value was determined based on the investors' recent capital injection prices, the fair values of other shares were determined by a third-party valuer using Black-Scholes Model based on investors' recent capital injection price. The difference between the fair value of the shares granted and the subscription price was recorded in the share-based payment reserve within equity with the corresponding "share-based payment expenses" in profit or loss. The following table lists the inputs to the model used:

	As at 20 November 2020	As at 20 January 2021	As at 24 December 2021	As at 31 May 2022
Expected volatility (%)	53.41	51.78	53.96	55.82
Risk-free interest rate (%)	3.19	3.24	2.80	2.66

Set out below are details of the movements of the outstanding restricted shares granted under the Share Incentive Plan throughout the Relevant Periods.

	As at 31 December		
	2023	2024	2025
At the beginning of the year	34,702,436	34,570,319	34,570,319
Forfeited during the year	(132,117)	—	—
At the end of the year	34,570,319	34,570,319	34,570,319

The weighted average remaining contractual lives for the outstanding restricted shares granted were 2 years, 1 year and 0.3 year as at 31 December 2023, 2024 and 2025, respectively.

29. RESERVES

The Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of changes in equity in the Historical Financial Information.

(a) Capital reserve

The capital reserve of the Group represents the premium in issuing capitals.

The Company

The amounts of the Company's reserves and the movements therein for the Relevant Periods are presented as follows:

	Share capital	Paid in capital	Capital reserve	Share-based payment reserve	Accumulated loss	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023 . . .	369,070	—	783,742	162,006	27,437	1,342,255
Loss for the year	—	—	—	—	(243,772)	(243,772)
Total comprehensive loss for the year . . .	—	—	—	—	(243,772)	(243,772)
Share-based payments . . .	—	—	—	14,793	—	14,793
Other	—	—	(567)	—	—	(567)
At 31 December 2023 and 1 January 2024 . .	369,070	—	783,175	176,799	(216,335)	1,112,709
Loss for the year	—	—	—	—	(125,051)	(125,051)
Total comprehensive loss for the year . . .	—	—	—	—	(125,051)	(125,051)
Issue of new shares	5,850	—	124,150	—	—	130,000
Share-based payments . . .	—	—	—	84,831	—	84,831
At 31 December 2024 and 1 January 2025 . .	374,920	—	907,325	261,630	(341,386)	1,202,489
Loss for the year	—	—	—	—	(136,247)	(136,247)
Total comprehensive loss for the year . . .	—	—	—	—	(136,247)	(136,247)
Share-based payments . . .	—	—	—	59,794	—	59,794
At 31 December 2025 . . .	374,920	—	907,325	321,424	(477,633)	1,126,036

30. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2023, 2024 and 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB3,023,000, RMB3,251,000 and RMB2,443,000, respectively, in respect of lease arrangements for buildings.

(b) Changes in liabilities arising from financing activities

	Payables for listing expense	Interest-bearing bank loans	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	—	15,370	6,539	21,909
Changes from financing cash flows . . .	—	14,017	(3,945)	10,072
New leases	—	—	3,023	3,023
Interest expense	—	639	235	874
At 31 December 2023 and 1 January 2024	—	30,026	5,852	35,878
Changes from financing cash flows . . .	—	117,134	(4,549)	112,585

	Payables for listing expense	Interest-bearing bank loans	Lease liabilities	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
New leases	–	–	3,251	3,251
Interest expense	–	3,655	198	3,853
At 31 December 2024 and 1 January 2025	–	150,815	4,752	155,567
Changes from financing cash flows . .	(1,680)	(12,230)	(4,642)	(18,552)
Changes from operating cash flows . .	(12,648)	–	–	(12,648)
New leases	–	–	2,443	2,443
Increase for listing expense	28,473	–	–	28,473
Interest expense	–	1,415	116	1,531
At 31 December 2025	<u>14,145</u>	<u>140,000</u>	<u>2,669</u>	<u>156,814</u>

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within operating activities	354	373	446
Within financing activities	3,945	4,549	4,642
Total	<u>4,299</u>	<u>4,922</u>	<u>5,088</u>

31. CONTINGENT LIABILITIES

As of the end of each of the Relevant Periods, the Group did not have any material contingent liabilities.

32. COMMITMENTS

The Group had the following contractual commitments as at 31 December 2023, 2024 and 2025:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Contracted, but not provided for:			
Furniture and fixtures	<u>1,380</u>	–	–

33. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in the Historical Financial Information, the Group had the following transactions with related parties during the Relevant Periods:

(a) Compensation of key management personnel of the Group:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Fee			
Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans)	10,233	9,884	6,986
Share-based compensation expenses	(1,351)	20,697	11,660
Total compensation paid to key management personnel	<u>8,882</u>	<u>30,581</u>	<u>18,646</u>

Further details of directors' and the supervisors' emoluments are included in note 8 to the Historical Financial Information.

(b) Redemption rights of the Pre-IPO Investors granted by the obliged shareholders (the "Obliged Shareholders Redemption Right")

The Company has not provided any form of guarantee in connection with any potential failure of the obliged shareholders to fulfill their obligations relating to the Obligated Shareholders Redemption Right. Accordingly, no financial liability regarding the Obligated Shareholders Redemption Right was recorded during the Relevant Periods.

34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at 31 December 2023, 2024 and 2025 are as follows:

As at 31 December 2023

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	–	64,698	64,698
Financial assets included in prepayments, other receivables and other assets	–	13,054	13,054
Financial assets at fair value through profit or loss	247,461	–	247,461
Derivative financial instruments	1,308	–	1,308
Time deposits	–	177,613	177,613
Pledged deposits	–	7,083	7,083
Cash and cash equivalents	–	189,741	189,741
Total	<u>248,769</u>	<u>452,189</u>	<u>700,958</u>

Financial liabilities

	Financial liabilities at amortised cost
	<i>RMB'000</i>
Trade payables	49,569
Financial liabilities included in other payables and accruals	6,058
Interest-bearing bank loans	30,026
Total	<u>85,653</u>

As at 31 December 2024

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	–	102,661	102,661
Financial assets included in prepayments, other receivables and other assets	–	7,983	7,983
Financial assets at fair value through profit or loss	415,441	–	415,441
Derivative financial instruments	558	–	558
Time deposits	–	83,507	83,507
Pledged deposits	–	9,194	9,194
Cash and cash equivalents	–	104,831	104,831
Total	<u>415,999</u>	<u>308,176</u>	<u>724,175</u>

Financial liabilities

	Financial liabilities at amortised cost
	<i>RMB'000</i>
Trade payables	34,171
Financial liabilities included in other payables and accruals	4,506
Interest-bearing bank loans	150,815
Total	<u>189,492</u>

As at 31 December 2025

Financial assets

	Financial assets at amortised cost	Total
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	292,405	292,405
Financial assets included in prepayments, other receivables and other assets	2,182	2,182
Time deposits	63,386	63,386
Pledged deposits	1,253	1,253
Cash and cash equivalents	379,743	379,743
Total	<u>738,969</u>	<u>738,969</u>

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost
	<i>RMB'000</i>	<i>RMB'000</i>
Derivative financial instruments	329	–
Trade payables	–	57,158
Financial liabilities included in other payables and accruals	–	22,112
Interest-bearing bank loans	–	140,000
Total	<u>329</u>	<u>219,270</u>

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Time deposits – non-current			
Carrying amounts	40,792	61,591	20,836
Fair values	<u>40,845</u>	<u>63,608</u>	<u>20,966</u>

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, the current portion of time deposit, trade receivables, trade payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's corporate finance team is responsible for determining the policies and procedures for the fair value management of financial instruments. The corporate finance team reports directly to the chief financial officer and the board of directors. At the end of each reporting period, the corporate finance team analysed the movements in the values of financial instruments and determined the major inputs applied in the valuation. The valuation was reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The Group invests in represent structured deposit issued by banks in Chinese mainland. The Group has estimated the fair value of these investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

Derivative financial instruments, which represent foreign exchange option and currency swap, are measured using valuation techniques similar to forward pricing models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

The fair values of the non-current portion of time deposits have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	
	RMB'000	RMB'000	RMB'000	
Structured deposits, at fair value	–	67,041	–	67,041
Wealth management products, at fair value	180,420	–	–	180,420
Derivative financial instruments	–	1,308	–	1,308
Total	<u>180,420</u>	<u>68,349</u>	<u>–</u>	<u>248,769</u>

As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	
	RMB'000	RMB'000	RMB'000	
Structured deposits, at fair value	–	31,020	–	31,020
Wealth management products, at fair value	384,421	–	–	384,421
Derivative financial instruments	–	558	–	558
Total	<u>384,421</u>	<u>31,578</u>	<u>–</u>	<u>415,999</u>

Liabilities measured at fair value:

As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	
	RMB'000	RMB'000	RMB'000	
Derivative financial instruments	–	329	–	329

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise interest-bearing bank loans and cash and deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The directors meet periodically to analyse and formulate measures to manage the Group's exposure to these risks. Generally, the Group introduces conservative strategies on its risk management. The directors review and agree policies for managing each of these risks and they are summarised below:

(a) Foreign currency risk

The Group is exposed to transactional exchange rate risk. Such risks arise from transactions conducted by operating entities in a currency other than its functional currency.

The following table shows the sensitivity analysis of exchange rate risk, reflecting the impact of reasonable and possible changes in foreign currency USD/RMB exchange rate on net loss before tax under the assumption that other variables remain unchanged:

	Increase/(decrease) in USD/RMB rate	Increase/(decrease) in loss before tax
	%	RMB'000
As at 31 December 2023		
If the USD strengthens against the RMB	10	17,001
If the USD weakens against the RMB	(10)	(17,001)
As at 31 December 2024		
If the USD strengthens against the RMB	10	10,248
If the USD weakens against the RMB	(10)	(10,248)
As at 31 December 2025		
If the USD strengthens against the RMB	10	48,462
If the USD weakens against the RMB	(10)	(48,462)

(b) Credit risk

The Group trades only with recognised and creditworthy third 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.

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 reporting period. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

	12-month ECLs		Lifetime ECLs		Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	
Trade receivables*	–	–	–	68,436	68,436
Financial assets included in prepayments, other receivables and other assets**	13,652	–	–	–	13,652
Time deposits	177,613	–	–	–	177,613
Pledged deposits					
– Not yet past due	7,083	–	–	–	7,083
Cash and cash equivalents					
– Not yet past due	189,741	–	–	–	189,741
Total	<u>388,089</u>	<u>–</u>	<u>–</u>	<u>68,436</u>	<u>456,525</u>

As at 31 December 2024

	12-month ECLs		Lifetime ECLs		Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	
Trade receivables*	–	–	–	106,874	106,874
Financial assets included in prepayments, other receivables and other assets**	8,039	–	–	–	8,039
Time deposits	83,507	–	–	–	83,507
Pledged deposits					
– Not yet past due	9,194	–	–	–	9,194
Cash and cash equivalents					
– Not yet past due	104,831	–	–	–	104,831
Total	<u>205,571</u>	<u>–</u>	<u>–</u>	<u>106,874</u>	<u>312,445</u>

As at 31 December 2025

	12-month ECLs		Lifetime ECLs		Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	
Trade receivables*	–	–	–	293,381	293,381
Financial assets included in prepayments, other receivables and other assets**	2,196	–	–	–	2,196
Time deposits	63,386	–	–	–	63,386
Pledged deposits	1,253	–	–	–	1,253
– Not yet past due	–	–	–	–	–
Cash and cash equivalents	379,743	–	–	–	379,743
– Not yet past due	–	–	–	–	–
Total	<u>446,578</u>	<u>–</u>	<u>–</u>	<u>293,381</u>	<u>739,959</u>

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19 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”.

Further quantitative data in respect of the Group’s exposure to credit risk arising from trade receivables are disclosed in note 19 to the Historical Financial Information.

(c) Liquidity risk

The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank loans, and other available sources of financing.

The maturity profile of the Group’s financial liabilities as at the end of the each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

Group

	Year ended 31 December 2023			
	Within one year or on demand	In the second year	In the third to fifth year	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities	3,549	2,098	371	6,018
Interest-bearing bank loans	30,772	–	–	30,772
Trade payables	49,569	–	–	49,569
Other payables and accruals	6,058	–	–	6,058
Total	<u>89,948</u>	<u>2,098</u>	<u>371</u>	<u>92,417</u>

	Year ended 31 December 2024			
	Within one year or on demand	In the second year	In the third to fifth year	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities	3,508	1,274	67	4,849
Interest-bearing bank loans	150,815	–	–	150,815
Trade payables	34,171	–	–	34,171
Other payables and accruals	4,506	–	–	4,506
Total	<u>193,000</u>	<u>1,274</u>	<u>67</u>	<u>194,341</u>

	Year ended 31 December 2025		
	Within one year or on demand	In the second year	Total
	RMB'000	RMB'000	RMB'000
Lease liabilities	2,232	480	2,712
Interest-bearing bank loans	141,118	–	141,118
Trade payables	57,158	–	57,158
Derivative financial instruments	329	–	329
Other payables and accruals	22,112	–	22,112
Total	<u>222,949</u>	<u>480</u>	<u>223,429</u>

(d) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new capitals.

The Group monitors capital using a gearing ratio, which is debt divided by total assets. Debt includes interest-bearing bank loans and lease liabilities. The gearing ratios as at the end of the Relevant Periods are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest-bearing bank loans	30,026	150,815	140,000
Lease liabilities	5,852	4,752	2,669
Debt	<u>35,878</u>	<u>155,567</u>	<u>142,669</u>
Total asset	<u>1,214,193</u>	<u>1,225,721</u>	<u>1,104,017</u>
Gearing ratio	<u>3%</u>	<u>13%</u>	<u>13%</u>

37. EVENTS AFTER THE RELEVANT PERIODS

There are no significant events subsequent to 31 December 2025.

38. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the subsidiaries of the Group in respect of any period subsequent to 31 December 2025.

The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this prospectus, and is included herein for information purposes only. The unaudited pro forma financial information should be read in conjunction with "Financial Information" and the Accountants' Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company has been prepared in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants to illustrate the effect of the Global Offering on our consolidated net tangible assets attributable to owners of the Company as at 31 December 2025 as if the Global Offering had taken place on 31 December 2025.

The unaudited pro forma statement of adjusted consolidated net tangible assets attributable to owners of the Company has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group as at 31 December 2025 or any future dates following the Global Offering.

	Consolidated net tangible assets attributable to owners of the Company as at 31 December 2025	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets	Unaudited pro forma adjusted net tangible assets attributable to owners of the Company per share	
	<i>RMB'000</i> <i>(Note 1)</i>	<i>RMB'000</i> <i>(Note 2)</i>	<i>RMB'000</i>	<i>RMB</i> <i>(Note 3)</i>	<i>HK\$</i> <i>(Note 4)</i>
Based on an Offer					
Price of HK\$20.81 per share	807,505	896,813	1,704,318	3.98	4.56

Notes:

- (1) The consolidated net tangible assets attributable to owners of the Company as at 31 December 2025 is extracted from the Accountants' Report, which is based on the audited consolidated total equity of the Company as at 31 December 2025 of approximately RMB817.5 million. The amount of audited consolidated net tangible assets attributable to the owners of the Company as at 31 December 2025 exclude other intangible assets of RMB10.0 million.
- (2) The estimated net proceeds from the Global Offering are based on the Offer Price of HK\$20.81 per share, after deduction of the underwriting fees and other related expenses payable by the Company (excluding RMB24,660,000 which have been charged to profit or loss during the Track Record Period) and does not take into account of any shares which may be issued upon the exercise of the Over-allotment Option. The estimated net proceeds from the Global Offering are converted from Hong Kong dollars into Renminbi at an exchange rate of HK\$1.0 to RMB0.8747.
- (3) The unaudited pro forma adjusted consolidated net tangible assets per share is calculated based on total 427,778,950 shares in issue assuming the Global Offering had been completed on 31 December 2025, representing 374,919,750 shares in issue and 52,859,200 shares to be issued pursuant to the Global Offering.
- (4) For the purpose of this unaudited pro forma statement of adjusted consolidated net tangible assets, the balances stated in Renminbi are converted into Hong Kong dollars at an exchange rate of HK\$1.0 to RMB0.8747. No representation is made that the Hong Kong dollar amounts have been, could have been or may be converted to Renminbi, or vice versa, at that rate or any other rates or at all.
- (5) No adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to 31 December 2025.

REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION



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

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Viewtrix Technology Co., Ltd

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Viewtrix Technology Co., Ltd (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets for the year ended 31 December 2025, and related notes as set out on pages II-1 of the prospectus dated 18 May 2026 issued by the Company (the "Unaudited Pro Forma Financial Information"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group's financial position as at 31 December 2025 as if the transaction had taken place at 31 December 2025. As part of this process, information about the Group's financial position, has been extracted by the Directors from the Group's financial statements for the year ended 31 December 2025, on which an accountants' report has been published.

Directors' responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline ("AG") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Certified Public Accountants
Hong Kong

18 May 2026

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

This Appendix is mainly providing investors with an overview on the Articles of Association of our Company. The following information is only a summary, not covering all the information that may be material to investors.

SHARES AND REGISTERED CAPITAL

The issuance of the shares of our Company shall be conducted in the principle of openness, fairness and justness, and each share of the same class shall be entitled to equal rights. Upon the Listing, the Articles of Association will take effect, under which the Company will no longer have a weighted voting rights structure and all Class A Ordinary Shares will be converted and re-designated as Shares without any weighted voting rights on an one-to-one basis. Accordingly, each of the then issued Shares of the Company will entitle its holder to one vote at the Company's general meetings. For shares issued at the same time and within the same class, it shall be issued in the same conditions and price; and subscribers shall pay the same price for each share they subscribe. The overseas listed shares issued by our Company may be deposited in accordance with applicable laws of Hong Kong and the general practice of securities registration and depository.

INCREASE/DECREASE, REPURCHASE AND TRANSFER OF SHARES

Increase/Decrease of Shares

According to the needs for operation and development of our Company, and subject to applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules, and requirements by relevant regulatory authorities upon respective resolution by a Shareholders' meeting, our Company may increase its registered capital by any of the following means:

- (1) offering of shares to non-specific targets;
- (2) offering of shares to specific targets;
- (3) distribution of bonus shares to existing Shareholders;
- (4) converting the reserved funds into share capital;
- (5) other means stipulated by applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules or stipulated by or recognized by the relevant regulatory authorities.

To reduce its registered capital, our Company shall proceed it in compliance with the PRC Company Law, Listing Rules, other relevant applicable laws, administrative regulations, departmental rules, normative documents and the Articles of Association.

Repurchase of Shares

In any of the following circumstances, our Company may repurchase its issued shares in accordance with the PRC Company Law, Listing Rules, other relevant applicable laws, administrative regulations, departmental rules, normative documents and the Articles of Association and subject to the registration or filing with the relevant regulatory authorities:

- (1) reducing the registered capital of our Company;
- (2) merging with another company holding shares of our Company;
- (3) using shares for stock incentive plans and employee stock plans;

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

- (4) acquiring the shares of Shareholders who vote against any resolution adopted at the Shareholders' meeting on the merger or demerger of our Company and request our Company to acquire their shares;
- (5) using shares for converting corporate bonds into shares issued by our Company;
- (6) as required for our Company to maintain corporate value and Shareholders' interests;
- (7) other circumstances approved by applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and regulatory authorities.

Any repurchase under circumstances (3), (5) or (6) above, subject to the requirements of Listing Rules and the regulatory rules and guidelines of the Hong Kong Stock Exchange, shall be conducted through open and centralized trading.

A resolution of a Shareholders' meeting is required for repurchasing shares under circumstances (1) or (2) above. In accordance with the provisions of the Articles of Association or the authorization of the Shareholders' meeting, repurchase of shares under circumstances (3), (5) or (6) above may be resolved by a resolution of a meeting of the Board with a quorum of more than two-thirds of Directors, unless otherwise provided by Listing Rules. In compliance with Listing Rules, the shares acquired under the above circumstance (1), shall be de-registered within 10 days from the date of repurchase; the shares acquired under the above circumstances (2) or (4), shall be transferred or de-registered within six months; and the shares acquired under the above circumstances (3), (5) or (6), shall be transferred or de-registered within three years, and the shares held in total by our Company shall not exceed 10% of total shares issued by our Company. Where applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and securities regulatory authorities where our Company's shares are listed provide otherwise regarding the relevant matters involved in the aforementioned share repurchase, those provisions shall prevail.

Where our Company acquires its own shares, it shall fulfill its information disclosure obligations in accordance with relevant laws, regulations, Listing Rules and the relevant provisions of the CSRC and the Hong Kong Stock Exchange.

Transfer of Shares

Unless otherwise required by applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association, the fully paid shares of our Company may be transferred freely. The transfer of overseas listed shares shall be registered with the local Hong Kong share registrar entrusted by our Company.

Shares issued by our Company prior to the public offering shall not be transferred within one year from the date our Company's shares are listed and traded on the Hong Kong Stock Exchange.

The Directors, general manager and other senior management of our Company shall report their shareholding in our Company and changes thereof to our Company, and during their tenure determined at the time of taking office, the shares transferred each year shall not exceed 25% of the total number of Company shares held by them; our Company shares held by them shall not be transferred within one year from the date when the shares of our Company are listed and traded. If applicable laws, administrative regulations, departmental rules, normative documents and the Listing Rules provide otherwise, such rules shall apply in the principle of strictness. Within half a year from departure from our Company, the aforesaid persons shall not transfer our Company shares held by them. Where the regulations of securities of the place where our company's shares are listed provide otherwise regarding the transfer restrictions on overseas-listed shares, such provisions shall prevail.

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

All transfers of overseas listed shares shall adopt the written transfer instrument in general or common format or any other form acceptable to the Board (including the standard transfer format or transfer form prescribed by Hong Kong Stock Exchange from time to time); the written transfer documents may only be manually signed with signatures, or (if the transferor or the transferee is a corporation) stamped with valid seals. If the transferor or transferee of the shares of our Company is a recognised clearing house or its nominee as defined by the relevant regulations in force from time to time under the laws of Hong Kong, the written transfer documents may be signed by hand or machine printing. All transfer documents must be placed at the legal address of our Company, the address of the transfer office or such other place as the Board may designate from time to time. If our Company refuses to register the transfer of shares, our Company shall, within two months from the date of the formal application for transfer, provide the transferor and transferee with a notice of refusal to register the transfer of the shares.

Directors, senior management and Shareholders holding more than 5% of our Company's shares who sell shares or other securities of equity nature of our Company held by them within six months after purchase of the same, or purchase such shares or securities again within six months after sale of the same, shall have the profits gained returned to our Company, and the Board shall reclaim such profits. However, this does not apply under circumstances where securities companies hold more than 5% of the shares due to underwriting and purchasing remaining shares after sale, or other circumstances stipulated by securities regulatory authorities of the place where our Company's shares are listed.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

Shareholders

Shareholders of our Company are persons who lawfully hold shares of our Company and whose names are entered in the register of Shareholders, unless there is evidence to the contrary. Shareholders enjoy rights and assume obligations according to the class of shares they hold; each share of the same class shall bear the same rights and obligations.

The Shareholders of our Company shall be entitled to the following rights:

- (1) receiving dividends and other form of interest distribution in proportion to their shareholdings;
- (2) requiring, convening, chairing, attending by person or by proxy a Shareholders' meeting pursuant to the laws, and exercising the speaking right, inquiry right and voting right at the meeting;
- (3) supervising, presenting suggestions on or making inquiries about the business operation of our Company;
- (4) transferring, gifting or pledging the shares held by them, in accordance with applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association;
- (5) accessing and replicating the Articles of Association, the register of Shareholders, minutes of Shareholders' meeting, resolutions of Board and publicly disclosed financial and accounting reports;
- (6) participating in the distribution of residual assets of our Company in proportion to their shareholdings, upon termination or liquidation of our Company;

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

- (7) for Shareholders who vote against any resolution adopted at the Shareholders' meeting on the merger or demerger of our Company, requesting our Company to acquire its shares;
- (8) any other rights stipulated by applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules or the Articles of Association.

In the event that any resolution by the Shareholders' meeting or the Board meeting violates applicable laws and administrative regulations, the Shareholders may request people's court to invalidate such resolution. In the event that the convening procedures or voting means of the Shareholders' meeting or the Board meeting violate the laws, administrative regulations or the Articles of Association, or any resolution violates the Articles of Association, Shareholders may request people's court to withdraw such resolution within 60 days from the date of resolution, unless there are only minor defects in the convening procedures or voting means of the Shareholders' meeting or the Board meeting, which do not have a material impact on the resolutions.

The Shareholders of our Company shall undertake the following obligations:

- (1) abiding by applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association;
- (2) making payment according to the number of shares subscribed for and the manners of subscription;
- (3) not withdrawing the shares, unless otherwise stipulated by applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association;
- (4) not abusing Shareholder's rights to harm the interests of our Company or other Shareholders; not abusing the independent legal person status of our Company and the limited liability of Shareholders to harm the interests of our Company's creditors;
- (5) any other obligations stipulated by applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association.

Any Shareholder who abuses Shareholder's rights causing losses to our Company or other Shareholders shall be liable for compensation pursuant to the laws. Any Shareholder who abuses the independent legal person status of our Company and the limited liability of Shareholders to evade debts and severely infringe upon the interests of our Company's creditors shall be held jointly and severally liable for our Company's debts.

The controlling Shareholder or actual controller of our Company shall not utilise its connected relationship against the interests of our Company, or else, shall compensate our Company for any loss incurred.

General Rules for Shareholders' Meetings

The Shareholders' meeting is the organ of authority of our Company, and shall duly exercise following functions and powers:

- (1) to elect and remove any Director (not including employee representative(s)), and to determine the remuneration of the relevant Directors;
- (2) to review and approve the reports of the Board;

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

- (3) to review and approve our Company's profit distribution plans and loss recovery plans;
- (4) to resolve on our Company's increase/decrease of registered capital;
- (5) to resolve on our Company's issuance of bonds or any class of shares, warrants and other similar securities as well as the listing;
- (6) to resolve on our Company's merger, division, spin-off, dissolution, liquidation or change of its corporate form;
- (7) to modify the Articles of Association;
- (8) to decide on the engagement or dismissal of the accounting firm and the audit fee of the accounting firm;
- (9) to review and approve the motions proposed by Shareholder(s) individually or jointly holding at least 1% voting shares of our Company;
- (10) to review and approve the relevant transactions and guarantee matters required to be resolved by the Shareholders' meeting as specifically provided in the Articles of Association;
- (11) to review and approve transactions between our Company and its connected persons that meet the requirements for approval by the Shareholders' meeting under Listing Rules;
- (12) to review and approve our Company's purchase or disposals of material assets accumulated within one year in the amount exceeding 30% of latest audited total assets of our Company;
- (13) to review and approve the change in the use of raised proceeds;
- (14) to review and approve the stock incentive plans and employee stock plans;
- (15) to adopt resolutions on certain acquisition of our Company's own shares by itself due to the circumstances as specifically provided in the Articles of Association;
- (16) other matters to be decided by Shareholders' meeting under applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association.

There are two types of Shareholders' meetings: annual Shareholders' meeting and extraordinary Shareholders' meeting. The annual Shareholders' meeting shall be convened once a year, and shall be held within six months from the end of last accounting year.

The extraordinary Shareholders' meeting shall be convened when necessary. The extraordinary Shareholders' meeting shall be convened within two months from the date of occurrence of any of the following events:

- (1) the number of Directors is less than two-thirds of the quorum required by the PRC Company Law, or less than two-thirds of the quorum required by the Articles of Association;
- (2) the outstanding losses of our Company account for one-third of our Company's total share capital;
- (3) Shareholder(s) individually or jointly holding at least 10% shares of our Company send(s) a written request for meeting;

- (4) the Board deems necessary;
- (5) the Audit Committee proposes to convene the meeting;
- (6) more than two independent non-executive Directors propose to convene the meeting;
- (7) other circumstances under applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules, or the Articles of Association.

The motions proposed by the convener shall be included in the agenda of the Shareholders' meeting under circumstances (3), (4), (5) or (6) above.

Convening of Shareholders' Meetings

Independent Non-Executive Directors may propose to convene an extraordinary Shareholders' meeting. In accordance with applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association, the Board shall provide written feedback on whether to agree or disagree with the proposal to convene such extraordinary Shareholders' meeting within 10 days after receiving the proposal. In the event the Board agrees to convene an extraordinary Shareholders' meeting, the Board shall issue an extraordinary Shareholders' meeting notice within five days of making its resolutions. In the event that the Board declines to convene an extraordinary Shareholders' meeting, the Board shall specify the reasons and make an announcement.

The Audit Committee may propose in writing to convene an extraordinary Shareholders' meeting. In accordance with applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association, the Board shall provide written feedback on whether to agree or disagree with the proposal to convene such extraordinary Shareholders' meeting within 10 days after receiving the proposal. In the event the Board agrees to convene an extraordinary Shareholders' meeting, the Board shall issue an extraordinary Shareholders' meeting notice within five days of making its resolutions, and any changes to the original proposal in such notice shall be agreed upon by the Audit Committee. In the event that the Board declines to convene an extraordinary Shareholders' meeting or fails to respond within 10 days, it shall be deemed to be unable or to fail to fulfill its duty to convene a Shareholders' meeting and then the Audit Committee may convene and preside over the meeting on its own.

Shareholder(s) individually or jointly holding 10% or more of shares may request in writing to convene an extraordinary Shareholders' meeting to the Board, and specify the subject of the meeting. In accordance with applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules, the Articles of Association and the relevant rules of procedure for the meeting, the Board shall provide written feedback on whether to agree or disagree with the request to convene such extraordinary Shareholders' meeting within 10 days after receiving the request. In the event the Board agrees to convene an extraordinary Shareholders' meeting, the Board shall issue an extraordinary Shareholders' meeting notice within five days of making its resolutions, and any changes to the original request in such notice shall be agreed upon by the requesting Shareholder(s). In the event that the Board declines to convene an extraordinary Shareholders' meeting or fails to respond in writing within 10 days after receiving the request, Shareholder(s) individually or jointly holding 10% or more of shares may request in writing to convene an extraordinary Shareholders' meeting to the Audit Committee. In the event the Audit Committee agrees to convene an extraordinary Shareholders' meeting, the Audit Committee shall issue an extraordinary Shareholders' meeting notice within five days of receiving such request, and any changes to the original request in such notice shall be agreed upon by the requesting Shareholder(s). In the event that the Audit Committee fails to issue the notice within the time limit, it shall be deemed to fail to convene and chair a Shareholders' meeting, and then the Shareholder(s) individually or collectively holding 10% or more of shares for at least 90 consecutive days may convene and chair the meeting on its/their own.

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

In the event of the Audit Committee or the Shareholder(s) convening and holding a Shareholders' meeting on its/their own, the necessary expenses incurred for such meeting shall be borne by our Company.

Notice of Shareholders' Meetings

To hold an annual Shareholders' meeting, the convener shall notify all Shareholders by announcement 21 days in advance. To hold an extraordinary Shareholders' meeting, the convener shall notify all Shareholders by announcement 10 business days or 15 days (whichever is longer) in advance. If applicable laws, administrative regulations, departmental rules, normative documents, the Listing Rules and the Articles of Association provide otherwise, such rules shall apply. The period shall exclude the date on which the meeting is convened.

The notice of Shareholders' meeting shall be made in writing (including paper documents or electronic documents that meet the requirements of the relevant regulatory rules of the place where our Company's securities are listed) and include the following:

- (1) the time, place and duration of meeting;
- (2) convening method of the meeting;
- (3) matters and proposals submitted to the meeting for review;
- (4) if any Director, general manager or other senior management has a material interest in the matter to be discussed at the meeting, the nature and degree of interest shall be disclosed; if the implications of the matter to be discussed on such Director, general manager or other senior management in their capacity as Shareholders are different from the implications on other Shareholders, such difference shall be explained;
- (5) meeting materials necessary for Shareholder's voting;
- (6) a conspicuous statement: all Shareholders have the right to attend the Shareholders' meeting and may appoint proxies in writing to attend the meeting and participate in the voting, and a Shareholder proxy need not be a Shareholder of our Company;
- (7) time and address for lodging proxy forms;
- (8) record date for determining Shareholders' entitlement to attend the Shareholders' meeting;
- (9) the convener and chairman of the meeting, the proposer of an extraordinary Shareholders' meeting and the proposer's written proposal;
- (10) name and telephone number of the permanent contact person for meeting affairs;
- (11) time and voting procedures for voting online or by other means;
- (12) the notice and supplementary notice of Shareholders' meeting shall contain information as required by Listing Rules and the Articles of Association and shall fully, completely and accurately disclose the specific contents of all proposals and all information or explanations necessary for the Shareholders to make reasonable judgment on the proposed matters. Where the opinions of independent non-executive Directors are necessary for matters to be discussed, the opinions and reasons given by independent non-executive Directors shall be disclosed simultaneously when the Shareholders' meeting notice or supplementary notice is issued.

Proposals at Shareholders' Meetings

When our Company convenes a Shareholders' meeting, the Shareholder(s) individually or jointly holding 1% or more of shares of our Company are entitled to put forward new proposals to our Company and submit them in writing to the convener ten days in advance, and the convener of the Shareholders' meeting shall issue a supplemental notice of Shareholders' meeting, announcing the contents of the new proposals, within two days after receiving such proposals, and include the matters in the new proposals that fall within the scope of authorities of the Shareholders' meeting in the agenda of the meeting and submit the same to the Shareholders' meeting for deliberation.

Proxy at Shareholders' Meetings

A Shareholder may appoint a proxy in writing, and the appointing Shareholder or his/her attorney proxy shall sign a proxy form in writing; if the appointing Shareholder is a corporate entity, such appointment shall be signed by its duly authorised representative.

The power of attorney issued by any Shareholder for appointing a proxy to attend the Shareholders' meeting shall include the instructions to vote for, vote against or abstain from each matter to be discussed as listed in the agenda of the Shareholders' meeting. Such power of attorney shall specify whether the proxy may vote at his/her own discretion in absence of instructions from the Shareholder. If it is not specified, it shall be deemed that the proxy is entitled to vote at his/her own discretion.

Where the appointing Shareholder dies, loses the capacity to act, withdraws the power of attorney, withdraws the authorization to sign the power of attorney or where the relevant shares have been assigned before voting, the vote made by the proxy so appointed shall be still valid, as long as our Company did not receive a notice in writing of such events before meeting.

Resolutions of Shareholders' Meetings

There are two kinds of resolutions made at Shareholders' meeting, namely: ordinary resolutions and special resolutions. Ordinary resolutions shall be approved by more than half of voting rights held by the Shareholders (including proxies) attending the Shareholders' meeting. Special resolutions shall be approved by above two-thirds of the voting rights held by Shareholders (including proxies) attending the Shareholders' meeting.

A Shareholder or proxy shall exercise its voting rights pertaining to the voting shares held by it when voting at Shareholders' meeting, and each share shall have one vote. When voting on shares, Shareholders (including their proxies) with two or more voting rights are not required to cast all their votes in favor or against a proposal. However, there is no voting rights attached to the shares held by our Company, and such portion of shares shall not be included in the total number of shares with voting rights at Shareholders' meeting.

When the matters of connected transactions (as defined in Listing Rules) are reviewed at Shareholders' meeting, connected Shareholders or their close associates (as defined in Listing Rules) shall not vote, and the number of voting shares held by them shall not be included in the total number of valid votes. The announcement on resolution of Shareholders' meeting shall fully disclose the voting results of non connected Shareholders. Before the Shareholders' meeting reviews connected transactions, our Company shall determine the scope of connected Shareholders in accordance with relevant laws, regulations, and normative documents. Connected Shareholders or their proxies may attend the Shareholders' meeting and express their views to the attending Shareholders in accordance with the meeting procedures.

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

If any Shareholder is required to abstain from voting in respect of a certain motion, or any Shareholder is restricted to vote for or against a certain motion in accordance with applicable laws, administrative regulations, departmental rules, Listing Rules, the Articles of Association and relevant rules of procedure for the meeting, such Shareholder shall abstain from voting or vote pursuant to such requirement and restriction. The votes of such Shareholder or its proxy shall not be counted in the event that such requirement or restriction is violated.

The following matters shall be approved by ordinary resolutions at the Shareholders' meeting:

- (1) the work report of the Board;
- (2) the profit distribution plan and plan for covering losses formulated by the Board;
- (3) the election and removal of members of the Board (not being employee representative(s)) and their remunerations and the method of payment thereof;
- (4) the engagement or dismissal of the accounting firm and the audit fee of the accounting firm;
- (5) the relevant transactions and guarantee matters required to be resolved by the Shareholders' meeting as specifically provided in the Articles of Association;
- (6) connected transactions between our Company and its connected persons that meet the requirements for approval by the Shareholders' meeting under the Listing Rules;
- (7) change in the use of raised proceeds;
- (8) other matters to be decided by the Shareholders' meeting other than those required to be approved by a special resolution under applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association.

The following matters shall be approved by special resolutions at the Shareholders' meeting:

- (1) the increase or decrease of share capital of our Company;
- (2) the issuance of any class of shares, warrants and other similar securities as well as the listing of our Company;
- (3) the division, spin-off, merger, or the change of corporate form of our Company;
- (4) the termination, dissolution or liquidation of our Company (including voluntary liquidation);
- (5) the amendment to the Articles of Association;
- (6) the purchase, disposals of material assets or provision of guarantees accumulated within one year in the amount exceeding 30% of latest audited total assets of our Company;
- (7) the equity stock incentive plans and employee stock plans;
- (8) resolutions on certain acquisition of our Company's own shares by itself due to the circumstances as specifically provided in the Articles of Association;
- (9) any other matters to be approved by extraordinary resolutions as required by applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association as well as other matters that are determined by the ordinary resolutions of the Shareholders' meeting to have a significant impact on our Company and require to be approved by special resolutions.

DIRECTORS AND THE BOARD OF DIRECTORS

Directors

The Directors of our Company shall be natural persons.

Directors shall be elected or replaced at Shareholders' meeting, for a tenure of three years. Upon the expiration of his tenure, a Director may be re-elected and serve consecutive terms.

The tenure of a Director shall be from the date of appointment to the expiry of tenure of the current Board. If a Director's tenure expires but an alternate Director is not elected in time, or the resignation of a director during the tenure causes the number of board members to be less than the quorum, then before the alternate Director holding office, the original Director shall still perform the duties as Director, in accordance with applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association.

A Director may propose resignation before expiry of tenure, by filing a resignation report in writing to the Board. The Board will disclose the relevant information within the time limit specified by applicable laws, administrative regulations, departmental rules, normative documents, and Listing Rules. Directors shall not evade their responsibilities through resignation or other means. If the resignation of a Director causes the number of board members to be less than the quorum, then before the alternate Director holds office, the original Director shall still perform the duties as Director under applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association. Otherwise, a Director's resignation shall be effective from the time such resignation report is delivered to the Board.

Chairman

The Board shall have one Chairman, who shall be elected by more than half of Directors with a tenure of three years, and may be re-elected and serve consecutive terms.

The Chairman of the Board shall exercise the following powers and functions:

- (1) leading the Board and ensuring the effective operation of the Board;
- (2) presiding over Shareholders' meetings, convening and presiding over Board meetings, formulating and approving the agenda for each Board meeting, taking into account any matters proposed to be added to the agenda by other Directors where appropriate, and ensuring that all Directors at the Board meeting are properly informed of such matters;
- (3) supervising and inspecting the implementation of resolutions of the Board;
- (4) signing the securities issued by our Company;
- (5) ensuring that Directors receive adequate information in a timely manner and that such information is accurate, clear, complete and reliable;
- (6) ensuring that appropriate measures are taken to maintain effective liaison with Shareholders and ensuring that Shareholders' opinions can be conveyed to the entire Board;
- (7) ensuring that good corporate governance practices and procedures are formulated by our Company;

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

- (8) encouraging dissenting Directors to express their concerned matters, providing adequate time to discuss these matters, and ensuring that the resolutions of the Board can fairly reflect the consensus of the Board;
- (9) examining and approving other matters beyond the scope of authorities of the Shareholders' meeting, the Board and the general manager prescribed by laws, regulations or the Articles of Association; and
- (10) other duties granted by the Board.

Where the Chairman is incapable of performing or fails to perform his/her duties, such duties shall be performed by a Director jointly elected by a majority of Directors.

Board

Our Company sets up the Board, composed of 7 Directors. Directors of our Company shall be divided into executive Directors, non-executive Directors and independent non-executive Directors. The number of independent non-executive Directors shall account for at least one-third of the total number of Directors and shall be no less than three.

The Board shall be responsible to the Shareholders' meetings and exercise the following functions and powers:

- (1) convening the Shareholders' meeting, submitting proposals and motions to the Shareholders' meetings, proposing to the Shareholders' meetings for approval of relevant matters, and submitting work reports to the Shareholders' meetings;
- (2) implementing resolutions of the Shareholders' meetings;
- (3) determining the operating plans and investment schemes of our Company;
- (4) formulating the profit distribution plan and loss makeup plan of our Company;
- (5) formulating our Company's plans for increase or decrease of the registered capital, issuance of shares, corporate bonds or other securities, or listing plans;
- (6) contemplating the plans for major acquisitions, share repurchase, merger, division, dissolution or change of form of our Company;
- (7) deciding, to the extent authorized by the Shareholders' meeting, our Company's external investment, acquisition and sale of assets, mortgage of assets, external guarantee, entrusted management of wealth, connected transactions, external donations and other matters;
- (8) deciding on the setup of internal management bodies of our Company;
- (9) deciding on the appointment or dismissal of our Company's general manager, other senior officers and company secretary, and deciding on their remuneration, reward and punishment; deciding on the appointment or dismissal of the president, vice president, chief financial officer, and other senior officers according to the nomination by the general manager, and deciding on their remuneration, reward and punishment;
- (10) formulating the fundamental management systems of our Company;
- (11) formulating the stock incentive plans and employee stock plans;

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

- (12) formulating the modification plan of the Articles of Association;
- (13) managing the information disclosure of our Company;
- (14) proposing to the Shareholders' meeting the engagement or replacement of the accounting firm which provides audit services to our Company;
- (15) hearing the work reports by the general manager and other senior officers of our Company and inspecting the work performed by the general manager and other senior officers;
- (16) under the authorization of the Articles of Association or the Shareholders' meeting, resolving on certain acquisition of our Company's own shares by itself due to the circumstances as specifically provided in the Articles of Association;
- (17) agree to the appointment or dismissal of the directors and/or general managers of our Company's wholly-owned and/or controlled subsidiaries by themselves;
- (18) determining the issuance of shares within a three-year period not exceeding 50% of the Company's issued share capital, excluding shares issued through contributions of non-monetary property;
- (19) determining the provision of financial assistance for the acquisition of the Company's shares by any person, provided that the aggregate amount of such financial assistance shall not exceed 10% of the total issued share capital of the Company; and
- (20) any other functions and powers granted by applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules, the Articles of Association or the Shareholders' meeting.

Upon the consent of more than half of the Board, the Chairman may be authorized to exercise certain functions and powers of the Board when it is not in session, which shall be determined by the Board resolutions. However, major matters of our Company shall be decided collectively by the Board. The statutory functions and powers that should be exercised by the Board shall not be delegated to the Chairman, the general manager or others.

The Board shall explain to Shareholders' meeting about the non-standard audit opinions issued by the CPA firm against the financial statements of our Company.

The Board may hold two kinds of meetings, namely: regular meetings and interim meetings. The Board shall hold at least four regular meetings per year, approximately once every quarter, convened by the Chairman. The Chairman shall hold at least one meeting annually with the independent non-executive Directors without the presence of other Directors. The notice and relevant documents for the regular meeting shall be delivered to all Directors at least fourteen days prior to the date of regular meetings (excluding the day on which the meeting is held) for the purpose of enabling all Directors to attend the meeting.

The notice of interim meeting shall be sent to all Directors five days prior to the date of interim meetings by fax, e-mail, or other means. In an emergency requiring the Board to hold an interim meeting as soon as possible, the notice of meeting may be given by telephone or other oral means, provided that the convener shall make explanations at the meeting. With the consent of all Directors of our Company, the notification time limit specified in the preceding paragraph may be waived.

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

A meeting of the Board may not be held without more than half of Directors being present. To determine whether a quorum of meeting exists, any Director who or whose close associates (as defined in Listing Rules) has an interest in or has a connection with any matter to be resolved at the meeting, or is required to abstain from voting according to Listing Rules shall not be counted.

Every Director may cast one vote. A motion at the meeting of the Board may be passed as resolution by a simple majority of all Directors unless otherwise required by the Articles of Association, and any Director who or whose close associates (as defined in Listing Rules) has an interest in or has a connection with any matter to be resolved at the meeting, or is required to abstain from voting according to the Listing Rules shall abstain from voting, nor shall they exercise voting rights on behalf of other Directors.

Where there is a tie of votes cast both for and against a resolution, the Chairman shall have the right to cast one more vote.

Directors shall attend Board meetings in person or actively participate in Board meetings through electronic means. A Director who is unable to attend a meeting for any reason shall appoint another Director to attend a Board meeting on its behalf in writing, and the appointed Director shall issue the power of attorney to the Board. The appointed Director shall exercise the rights as Director within the scope of authorisation. The failure of a Director to attend a Board meeting in person or by proxy shall be deemed as waiving his/her voting rights at such meeting.

The Board shall establish an Audit Committee to exercise the powers and functions of Supervisory Committee as prescribed by the Company Law.

The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosures, supervising and evaluating internal and external audit performances, and overseeing internal controls. The following matters shall be approved by a majority of all members of the Audit Committee and submitted to the Board for reviewing:

- (1) the disclosure of financial accounting reports, financial information contained in periodic reports, and internal control evaluation reports;
- (2) the engagement or dismissal of the accounting firm engaged to conduct audit services for the listed company;
- (3) the appointment or dismissal of the Chief Financial Officer of the listed company;
- (4) the amendments to accounting policies or accounting estimates, or corrections of material accounting errors, other than changes due to alterations in accounting standards; and
- (5) other matters stipulated by laws, administrative regulations, the regulations of securities of the place where our company's shares are listed, or the Articles of Association.

General Manager and Other Senior Management

Our Company shall have one general manager who shall be appointed or dismissed by the Board. Our Company shall have one president, one chief financial officer and several vice presidents, who shall be nominated by the general manager and appointed or dismissed by the Board. Our Company's senior management is composed of general manager, president, chief financial officer and vice president.

The term of office of the general manager shall be three years and the general manager may be reappointed and serve consecutive terms upon the expiration of the term.

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

The general manager shall be responsible to the Board, and exercises the following functions and powers:

- (1) take charge of the production, operation and management of our Company, organize the implementation of Board resolutions and report to the Board;
- (2) organize the implementation of the annual operation plan and investment plan of our Company;
- (3) contemplate the internal management bodies setup plan of our Company;
- (4) contemplate the fundamental management system of our Company;
- (5) formulate the specific rules and regulations of our Company;
- (6) propose to the Board the appointment or dismissal of other senior managements;
- (7) appoint or dismiss a manager other than those who should be appointed or dismissed by the Board;
- (8) other duties authorized by the Articles of Association or the Board.

The general manager shall attend Board meetings.

The senior management shall faithfully perform his/her duties and safeguard the maximum interest of our Company and all Shareholders. If the senior management fails to faithfully perform their duties or violate their integrity obligations, causing damage to the interest of our Company and the public Shareholders, they shall bear compensation liability in accordance with the law.

Eligibility and Obligations of Directors and Senior Management

Any of the following persons shall not act as Director, general manager or other senior management of our Company:

- (1) who has no or limited civil capacity;
- (2) who was sentenced for corruption, bribery, embezzlement or misappropriation of properties or destruction of the order of socialist market-oriented economy, and the execution of such sentence has expired for no more than five years; or who was deprived of political rights due to any crime, and the execution of such deprivation has expired for no more than five years, and for those who have been declared on probation, the probation period has expired for no more than two years;
- (3) who acted as director, factory manager, manager of a company or enterprise in bankruptcy liquidation, and was personally liable for the bankruptcy of such a company or enterprise, and a three-year period has not elapsed since the completion of bankruptcy liquidation of such company or enterprise;
- (4) who acted as the legal representative of a company or enterprise whose business license was revoked or which was ordered to close down due to violation of law and who is personally liable, and a three-year period has not elapsed since the revocation of the business license or the closure of such company or enterprise;
- (5) who has a significant amount of due and outstanding debts and was listed as dishonest person subjected to enforcement by the people's court;

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

- (6) who has been barred from the securities market by the CSRC for a certain period of time and such period has not expired yet;
- (7) who has been publicly censured or declared unfit by the securities regulatory authorities of the place where our Company's shares are listed to serve as directors or senior management of a listed company, and whose prohibition period remains unexpired;
- (8) any other circumstances stipulated by applicable laws, administrative regulations, departmental rules, normative documents and Listing Rules.

The Directors shall comply with applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association and assume the duty of loyalty to our Company. Such obligations include:

- (1) shall not accept any bribery or other illegal income by using his or her powers and position;
- (2) shall not embezzle our Company's property or misappropriate our Company's funds;
- (3) shall not open accounts in his/her own name or in the names of others to deposit funds or assets of our Company;
- (4) shall not lend our Company's funds to others or pledge Company's properties to others in violation of the Articles of Association and without the approval of the Shareholders' meeting or the Board;
- (5) shall not accept commission for transactions between our Company and others as personal gains;
- (6) shall not take advantage of duty to seek business opportunities for themselves or others that would have been directed to our Company, except for those that our Company may not take the advantage of as resolved by the Board or the Shareholders' meeting or as stipulated by applicable laws, administrative regulations and the Articles of Association;
- (7) shall not engage in business similar to those of our Company for themselves or others, without the approval of the Board or the Shareholders' meeting in accordance with the Articles of Association;
- (8) shall not conclude any contract directly or indirectly with our Company without the approval of the Board or the Shareholders' meeting in accordance with the Articles of Association; these provisions shall apply to the close relatives of Directors or enterprises directly or indirectly owned by their close relatives, as well as connected persons with other connection with Directors where they conclude contracts or conduct transactions with our Company;
- (9) shall not disclose any confidential information involving our Company without authorisation;
- (10) shall not impair the interests of our Company through connected relationship;
- (11) other loyalty obligations in accordance with applicable laws, administrative regulations, departmental rule, normative documents, Listing Rules and the Articles of Association.

The senior management assume the aforementioned duty of loyalty.

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

The Directors shall comply with applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association and assume the duty of diligence to our Company. Such obligations include:

- (1) shall exercise the powers granted by our Company carefully, faithfully, and diligently so that the business carried out by our Company is in compliance with applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and economic policies of the state, and such business activities are within the business scope specified in our Company's business license;
- (2) shall treat all Shareholders equally;
- (3) shall stay informed with the business and operation of our Company timely;
- (4) shall sign the written confirmation opinions on our Company's regular reports, and ensure that the information disclosed by our Company is true, accurate, and complete;
- (5) shall provide relevant information and materials to the Audit Committee truthfully and shall not hinder the Audit Committee or the members of Audit Committee from performing their duty;
- (6) other diligence obligations in accordance with applicable laws, administrative regulations, departmental rules, normative documents, Listing Rules and the Articles of Association.

The senior management assume the aforementioned obligations in items (4), (5) and (6).

FINANCIAL ACCOUNTING POLICY

Our Company formulates the financial and accounting system according to applicable laws, administrative regulations, departmental rules, normative documents and Listing Rules.

The Board shall submit the financial reports prepared by our Company as required by applicable laws, administrative regulations, departmental rules, normative documents of local governments and authorities as well as the Listing Rules to Shareholders at each annual Shareholders' meeting. Our Company shall not establish other accounting books other than those required by laws. Our Company's assets shall not be deposited into any account opened in the name of any individual person.

The financial report shall be made available for Shareholders' inspection 20 days prior to the annual Shareholders' meeting. The foregoing financial report shall include the Board of Director's report, the balance sheet (including various documents as required to be attached by PRC or other applicable laws, administrative regulations, departmental rules, normative documents and the Listing Rules) and the profit and loss statement (income statement) or income and expenditure statement (cash flow statement) or a financial summary report approved by the Hong Kong Stock Exchange (provided that there will be no violation of applicable PRC laws, administrative regulations, departmental rules or normative documents).

Our Company shall publish the financial reports at international or Hong Kong accounting standards twice each accounting year, that is, publish the annual report within four months from the end of each accounting year, and publish the interim report within three months from the end of the first six months of each accounting year. Our Company shall publish performance announcements twice each accounting year, namely, publish the annual performance announcement within three months from the end of each accounting year, and publish the interim performance announcement within two months from the end of the first six months of each accounting year. Our Company shall prepare the above-mentioned annual report and interim report in accordance with applicable laws,

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

administrative regulations, departmental rules and the Listing Rules, and report, disclose and/or submit the annual report and interim report and other documents to Shareholders. If the relevant laws, administrative regulations, securities regulatory authorities of the place where our Company's shares are listed, or the Hong Kong Stock Exchange provide otherwise, such provisions shall prevail.

PROFITS DISTRIBUTION

To distribute after-tax profits of current year, our Company shall allocate 10% of profits for the statutory reserves of our Company. If the cumulative amount of statutory reserves exceeds 50% of the registered capital of our Company, no further allocation is required. If the statutory reserves are insufficient to make up previous losses, then our Company shall firstly make up previous losses with current profits, before any allocation is made to the statutory reserves in accordance with the preceding sentence.

After allocation is made to the statutory reserves from after-tax profits, our Company may also draw discretionary reserves from after-tax profits, subject to the resolution of the Shareholder's meeting.

The remaining after-tax profits after loss makeup and allocation to reserves shall be distributed to Shareholders in proportion to their shareholding percentages, except for those that are not distributed in proportion to the shareholding percentages as stipulated in the Articles of Association.

If the Shareholder's meeting breaches the foregoing provisions and distributes profits to Shareholders before losses are made up and the statutory reserves are drawn, then Shareholders shall refund the distributed profits to our Company in violation of the foregoing provisions.

The shares held by our Company per se shall not participate in the profit distribution.

The reserves of our Company are used to make up losses, expand production and operation, or increase the registered capital of our Company. To make up for our Company's losses using reserves, the discretionary reserves and statutory reserves should be used first; if it is still unable to make up for it, the capital reserves can be used in accordance with relevant provisions.

When the statutory reserves are converted into registered capital, the remaining amount of said reserves shall not be less than 25% of the registered capital of our Company before such conversion.

After the Shareholders' meeting of the Company has resolved on the profit distribution, the Board shall complete the distribution of dividends (or shares) within six months from the date of the resolutions of the Shareholders' meeting.

The amounts paid by Shareholders for shares before our Company's calls for payments may incur interest, but Shareholders may not receive dividends upon the amounts prepaid for shares.

Our Company shall appoint a collection agent for the holders of overseas listed shares, who shall receive the dividends and other payables of our Company in respect of overseas listed shares, on behalf of said Shareholders.

The collection agent appointed by our Company shall meet the requirements of laws of Hong Kong and the relevant regulations of Hong Kong Stock Exchange.

The collection agent appointed by our Company for the holders of overseas shares listed in Hong Kong Stock Exchange shall be a trust company registered under the Trustee Ordinance of Hong Kong.

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

Subject to the relevant laws and Listing Rules, our Company may confiscate any dividend unclaimed, provided that such power shall not be exercised before expiration of its applicable limitation period.

Our Company also has the power to terminate the delivery of a dividend warrant by post to an holder of offshore listed shares; provided that our Company may exercise such power only if the cash on such dividend warrant is not withdrawn consecutively two times or more. However, our Company may also exercise this power if the dividend warrant has been returned undelivered to the recipient on the first attempt.

Our Company has the right to issue warrants to bearer holders. No new warrant shall be issued to replace a lost warrant unless it is reasonably assured that the original warrant has been lost. Our Company shall have the power to sell the shares of offshore listed Shareholders who have been unable to contact in such manner as the Board may think appropriate, provided, however, that:

- (1) dividends are distributed onto such shares at least three times within 12 years, but such dividends are unclaimed in such period; and
- (2) upon expiration of the 12-year period, our Company shall publish a public announcement on one or more newspapers in Hong Kong, specifying the intention to sell such shares, and shall notify Hong Kong Stock Exchange of such intention.

ENGAGEMENT OF ACCOUNTING FIRM

Our Company shall engage an independent accounting firm in compliance with relevant laws and regulations, to conduct accounting statement auditing, net asset verification and other related consulting services. The engagement period is one year and can be renewed.

The accounting firm engaged by our Company is entitled to following rights:

- (1) to access the books of accounts, records, or vouchers of our Company at any time, and require the Directors, general manager, or other senior management of our Company to provide related information and explanations;
- (2) to require our Company to take all reasonable measures to obtain from its subsidiaries all information and notes required for said accounting firm to perform its duties;
- (3) to attend Shareholders' meeting, receive the notice of meeting, or other information related to the meeting accessible to any Shareholder, and make a speech at any Shareholders' meeting in respect of any matter involving its role as the accounting firm of our Company.

If any position of the accounting firm is vacant, the Board may appoint an accounting firm to fill up such vacancy before the convening of the Shareholders' meeting. Any other accounting firm which has been engaged by our Company may continue to act during the period when such a vacancy exists.

The Shareholders' meeting may, by means of an ordinary resolution, dismiss any accounting firm prior to the expiration of its term of office, notwithstanding the terms in the contract between the accounting firm and our Company, but without prejudice to such accounting firm's right, if any, to claim damages from our Company in respect of such dismissal.

The remuneration of the accounting firm shall be decided by an ordinary resolution of the Shareholders' meeting. The engagement, dismissal or removal of an accounting firm shall be decided by the Shareholders' meeting. The Board shall not engage an accounting firm prior to the decision by the Shareholders' meeting.

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

Our Company shall send a 15-day prior notice to the accounting firm, in order to dismiss or not to reappoint the accounting firm, and the said accounting firm is entitled to give opinions when the Shareholders' meeting votes on the dismissal of the same. The accounting firm, in order to resign, shall make representations whether our Company has any improper affairs to the Shareholders' meeting.

MERGER AND DIVISION OF OUR COMPANY

The merger of our Company may take two forms: merger by absorption or merger by new establishment.

If our Company merges with a company in which it holds more than ninety percent of the shares, the merger does not require a resolution of the shareholders' meeting of the merged company, but other shareholders must be notified and have the right to request our Company to purchase their shares at a reasonable price.

If the consideration paid by our Company for the merger does not exceed ten percent of our Company's net assets, a resolution of the Shareholders' meeting is not required, unless otherwise provided by the Articles of Association and the regulations of the securities exchange and securities regulatory authorities where our Company's shares are listed.

Mergers conducted in accordance with the preceding two paragraphs without a resolution of the Shareholders' meeting must be approved by a resolution of the Board.

In a merger of our Company, all parties to the merger shall sign the merger agreement and shall prepare their respective balance sheets and inventory lists of assets. Our Company shall notify its creditors within 10 days from the date of passing the merger resolution and to make a public announcement in newspaper or on the National Enterprise Credit Information Publicity System within 30 days from the date of passing the merger resolution. Upon the merger, the creditors' rights and the indebtedness of each merging party shall be assumed by the surviving entity or the newly established company resulting from the merger.

Where our Company is to be divided, its assets shall be divided accordingly. In the event of the division of our Company, the parties to such division shall prepare a balance sheet and a list of assets. Our Company shall notify its creditors within 10 days from the date of the resolution on such division and shall make a public announcement in newspaper or on the National Enterprise Credit Information Publicity System within 30 days from the date of the resolution on such division. The company resulting from the division shall be jointly and severally liable for the pre-division debts of our Company, unless provided otherwise in a written agreement pertaining to the payment of debts between our Company and its creditors prior to the division.

Where our Company undergoes a merger or division, changes in the particulars of our Company shall be registered with the company registration authorities in accordance with the laws. Where our Company is dissolved, cancellation of its registration shall be conducted in accordance with the laws. Where a new company is established, it shall be registered in accordance with the laws.

DISSOLUTION AND LIQUIDATION OF OUR COMPANY

Our Company shall be dissolved upon the occurrence of any of the following events:

- (1) expiry of the term of the business or the occurrence of other events of dissolution as stated in the Articles of Association;
- (2) a resolution for dissolution is passed by a Shareholders' meeting;

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

- (3) dissolution is necessary due to a merger or division of our Company;
- (4) our Company is revoked of business license, ordered to close or canceled according to law;
- (5) serious difficulties arise in the operation and management of our Company and its continued existence would cause material loss to the interests of the Shareholders and such difficulties cannot be resolved through other means, in which case Shareholders holding at least 10% of all Shareholders' voting rights may petition a people's court to dissolve our Company.

Where our Company is dissolved in accordance with the provisions of items (1), (2), (4) and (5) above, it shall be liquidated. The Directors shall be the obligors of our Company's liquidation and shall form a liquidation committee to carry out the liquidation within 15 days from the date on which the cause of dissolution arises. The members of the liquidation committee shall be Directors or other persons appointed by a Shareholders' meeting. If a liquidation committee is not established within the time period or a liquidation is not carried out after the establishment of the liquidation committee, the interested parties may apply to the people's court to appoint relevant personnel to establish a liquidation committee to proceed with the liquidation.

The liquidation committee shall exercise the following functions and powers during the period of liquidation:

- (1) to dispose of the property of our Company, and to prepare a balance sheet and a list of properties;
- (2) to inform creditors by notice and public announcement;
- (3) to handle unfinished business of our Company relating to the liquidation;
- (4) to pay up all outstanding taxes and tax arising during the liquidation process;
- (5) to clear up claims and debts;
- (6) to distribute the residual properties of our Company after the full settlement of debts;
- (7) to represent our Company in civil litigations.

The liquidation committee shall notify the creditors within 10 days after its establishment, and publish announcements in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. Creditors shall, within 30 days from the date of receiving the notice; or for creditors who do not receive the notice, within 45 days from the date of the public announcement, declare their claims to the liquidation committee.

The creditor shall provide a description and supporting evidence of the matters relating to their claims when declaring their claims. The liquidation committee shall register the creditors' claims.

The liquidation committee shall not make any debt settlement during the period of declaration of claims.

A liquidation plan shall be formulated by the liquidation committee after the stocktaking of our Company's assets has been carried out and the balance sheet and a inventory of assets have been formulated, and shall be submitted to the Shareholders' meeting or people's court for confirmation.

APPENDIX III SUMMARY OF THE ARTICLES OF ASSOCIATION

After payment of liquidation expenses, staff wages, social insurance expenses and statutory compensation, payment of outstanding taxes, and payment of our Company's debts, the residual assets of our Company shall be distributed to the Shareholders of our Company according to the proportion of their shareholdings.

During the liquidation period, our Company shall continue to exist but shall not carry out business activities unrelated to the liquidation. Before our Company's debts have been fully repaid in accordance with the provisions of the preceding paragraph, no assets of our Company shall be distributed to its Shareholders.

Where the liquidation committee, having examined our Company's assets and having prepared a balance sheet and an inventory of assets, discovers that our Company's assets are insufficient to pay its debts in full, it shall immediately apply to the people's court for a declaration of bankruptcy liquidation. After the people's court has accepted the bankrupt liquidation, the liquidation committee shall turn over any matters regarding the liquidation to the bankruptcy administrator designated by the people's court.

Following the completion of liquidation, the liquidation committee shall formulate a report on liquidation, which shall be submitted to the Shareholders' meeting or the people's court for confirmation. The liquidation committee shall also submit the aforesaid documents to the company registration authority and apply for cancellation of registration of our Company.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

Under one of the following circumstances, our Company shall amend the Articles of Association:

- (1) when the Articles of Association contradicts the newly implemented amendments of PRC Company Law or the relevant applicable laws, administrative regulations, departmental rules, normative documents and Listing Rules;
- (2) due to any change, when the information of our Company is inconsistent with the matters set forth in the Articles of Association;
- (3) when the Shareholders' meeting has made a resolution to amend the Articles of Association.

In the event that the amendment to the Articles of Association adopted by the Shareholders' meeting needs to be approved by the competent authority, our Company shall seek approval from relevant authority and if it involves company registration matters, change registration shall be handled in accordance with the law. The Board shall follow such resolution by the Shareholders' meeting and the approval opinions of relevant authority when amending the Articles of Association.

In the event that an amendment to the Articles of Association qualifies as required disclosure under applicable laws, administrative regulations, departmental rules, normative documents and Listing Rules, such amendment should be publicly announced.

FURTHER INFORMATION ABOUT THE COMPANY**Incorporation**

The Company was established as a limited liability company under the laws of the PRC on February 24, 2011 and was converted into a joint stock company with limited liability on August 16, 2023.

The Company has established a place of business at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. The Company has been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance and the Companies (Non-Hong Kong Companies) Regulation (Chapter 622J of the Laws of Hong Kong) on July 7, 2025, with Ms. Chu Cheuk Ting appointed as the Hong Kong authorized representative of the Company for acceptance of the service of process and any notices required to be served on the Company in Hong Kong.

As the Company was incorporated in the PRC, its operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and the Articles of Association is set out in “Regulatory Overview” and “Appendix III — Summary of the Articles of Association” in this Prospectus, respectively.

Changes in the Share Capital of the Company

Save as disclosed in the section headed “History, Development and Corporate Structure — Major Shareholding Changes of the Company” in this Prospectus, there has been no alteration in the Company’s share capital within two years immediately preceding the date of this Prospectus.

Changes in the Share Capital of the Subsidiaries

A summary of the corporate information and the particulars of the Company’s subsidiaries are set out in note 1 to the Accountants’ Report in Appendix I to this Prospectus.

There had been no other alterations of share capital of the Company’s subsidiaries within the two years preceding the date of this Prospectus.

Resolutions of the Shareholders

Pursuant to the resolutions passed at a duly convened general meeting of the Shareholders on June 12, 2025, it was resolved, among others, and the following was approved:

- (i) the issue by the Company of H Shares with a nominal value of RMB1.00 each and such H Shares be listed on the Hong Kong Stock Exchange;
- (ii) the number of H Shares to be issued pursuant to the Global Offering, and the grant to the Underwriters (or their representatives) of the Over-allotment Option of not more than 25% of the number of H Shares issued pursuant to the Global Offering;
- (iii) subject to our obtaining the formal written authorization from the relevant Shareholders and the completion of filing procedure with the CSRC, conditional upon the completion of the Global Offering, 374,919,750 Unlisted Shares held by existing Shareholders will be converted into H Shares on a one-for-one basis;
- (iv) subject to the completion of the Global Offering, the Articles of Association have been approved and adopted, which shall become effective on the Listing Date, and the Board has been authorized to amend the Articles of Association to the extent necessary in accordance with any comments from the relevant regulatory authorities;

- (v) authorization of the Board or its authorized individuals to handle all matters relating to, among other things, the Global Offering, the issue and listing of H Shares on the Stock Exchange;
- (vi) the granting of a general mandate to the Board to (i) allot and issue Shares, and (ii) sell and/or transfer Shares out of treasury that are held as treasury shares, at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which the Shareholders pass a resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes as the Board in their absolute discretion deem fit, provided that, the number of Shares to be issued, or to be sold and/or transferred out of treasury that are held as treasury shares shall not exceed 20% of the number of Shares in issue as of the Listing Date; and
- (vii) the granting of a general mandate to the Board to repurchase Shares issued on the Stock Exchange with an aggregate number of not exceeding 10% of the number of the total issued H Shares as of the Listing Date.

Explanatory Statement on Repurchase of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this Prospectus concerning the repurchase of our own securities.

Reasons for repurchase

The Board considered that the repurchase of the Shares would be beneficial to and in the best interests of the Company and its Shareholders as a whole. It can strengthen the investors' confidence in the Company and promote a positive effect on maintaining the Company's reputation in the capital market. Such repurchases will only be made when the Board believes that such repurchases will benefit the Company and its Shareholder as a whole.

Exercise of the general mandate to repurchase Shares

Subject to the passing of the special resolution approving the grant of the general mandate to repurchase Shares at annual general meetings, the Board will be granted general mandate to repurchase Shares until the end of the relevant period. The general mandate to repurchase Shares would expire on the earlier of:

- (a) the conclusion of the next annual general meeting of the Company of which time it shall lapse unless, by special resolutions passed at that meeting, the authority is renewed, either conditionally or subject to conditions;
- (b) the revocation or variation of the mandate under the resolution by a special resolution at the next general meeting of the Company; or
- (c) the revocation or variation of the mandate under the resolution by a special resolution at any general meeting of the Company.

Furthermore, we need to complete registration and approval procedures with relevant government authorities for the actual grant of the repurchase mandate to the Board, as applicable. The exercise in full of the general mandate to repurchase H Shares would result in a maximum of 10% of the H Shares in issue as of the Listing Date being repurchased by the Company during the relevant period.

Source of funds

In repurchasing its Shares, the Company intends to apply funds from the Company's internal resources (which may include surplus funds and retained profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

The Company is empowered by its Articles of Association to repurchase its Shares. Any shares to be repurchased will be cancelled or kept as treasury shares if allowed by the Articles of Association and applicable laws and regulations. Any repurchases by the Company may only be made out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares made for such purpose. The Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Suspension of repurchase

A listed company shall not repurchase its shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), until the date of the results announcement, the company may not repurchase its shares on the Stock Exchange unless there are exceptional circumstances.

Close associates and core connected persons

None of the Directors or, to the best of their knowledge having made all reasonable inquiries, any of their close associates have a present intention, in the event the general mandate to repurchase Shares is approved, to sell any Shares to our Company.

No core connected person of our Company has notified our Company that they have a present intention to sell Shares to our Company, or have undertaken to do so, if the general mandate to repurchase Shares is approved.

A listed company shall not knowingly purchase its shares on the Stock Exchange from a core connected person (namely a director, chief executive or substantial shareholder of the company or any of its subsidiaries, or a close associate of any of them), and a core connected person shall not knowingly sell their interest in shares of the company to it.

Status of repurchased Shares

In accordance with the Articles of Association, the Listing Rules and any other applicable laws and regulations, following a repurchase of the H Shares, the Company may cancel any repurchased Shares and/or hold them as treasury shares subject to, among others, market conditions and its capital management needs at the relevant time of the repurchases, which may change due to evolving circumstances.

Takeover implications

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Save as disclosed in this section headed "Statutory and General Information" in Appendix IV to this Prospectus, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the general mandate to repurchase Shares.

General

To the best knowledge of the Directors, neither the explanatory statement contained herein nor the proposed share repurchase has unusual features.

If the general mandate to repurchase Shares were to be carried out in full at any time, there may be a material and adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recent published audited accounts). However, the Directors do not propose to exercise the general mandate to repurchase Shares to such an extent as would have a material and adverse effect on our working capital or gearing position.

The Directors will exercise the general mandate to repurchase Shares in accordance with the Listing Rules and the applicable laws in the PRC.

FURTHER INFORMATION ABOUT THE BUSINESS**Summary of Material Contracts**

The Group has entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this Prospectus that is or may be material:

- (a) a cornerstone investment agreement dated May 14, 2026 entered into among the Company, Digital Vista GD Investment LP, China International Capital Corporation Hong Kong Securities Limited, CITIC Securities (Hong Kong) Limited, CLSA Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of HK\$350,000,000;
- (b) a cornerstone investment agreement dated May 14, 2026 entered into among the Company, SpreadCom Limited, China International Capital Corporation Hong Kong Securities Limited, CITIC Securities (Hong Kong) Limited, CLSA Limited and GF Securities (Hong Kong) Brokerage Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of HK\$39,000,000; and
- (c) the Hong Kong Underwriting Agreement.



Intellectual Property

As at the Latest Practicable Date, the following intellectual property rights were material to the Group's business:

Trademarks

As at the Latest Practicable Date, the Group had registered the following trademarks which are material to its business:

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
1. . . .		9	The Company	Chinese Mainland	15492231A	December 27, 2035
2. . . .		9	The Company	Chinese Mainland	20499460	August 20, 2027
3. . . .		9	The Company	Chinese Mainland	20499418	August 20, 2027
4. . . .		9	The Company	Chinese Mainland	20499187	August 20, 2027
5. . . .		9	The Company	Chinese Mainland	20499275A	September 20, 2027
6. . . .		9	The Company	Chinese Mainland	20806793	September 20, 2027
7. . . .		9	The Company	Hong Kong	306901966	May 15, 2035
8. . . .		9	The Company	Chinese Mainland	85670211	December 6, 2035
9. . . .		9	The Company	Hong Kong	306906051	May 20, 2035
10. . .		9	The Company	Hong Kong	306901948	May 15, 2035
11. . .		9	The Company	Chinese Mainland	20499407	October 27, 2028
12. . .		28	The Company	Chinese Mainland	68786113	June 20, 2033
13. . .		35	The Company	Chinese Mainland	68791879	June 20, 2033
14. . .		42	The Company	Chinese Mainland	68802540	June 20, 2033
15. . .		12	The Company	Chinese Mainland	68791898	June 20, 2033
16. . .		38	The Company	Chinese Mainland	68788251	June 20, 2033
17. . .		38	Viewtrix Kunshan	Chinese Mainland	68786079	June 20, 2033
18. . .		28	Viewtrix Kunshan	Chinese Mainland	68802562	June 20, 2033
19. . .		12	Viewtrix Kunshan	Chinese Mainland	68798621	June 20, 2033
20. . .		9	Viewtrix Kunshan	Chinese Mainland	68801747	September 6, 2033

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
21. . .		9	The Company	Hong Kong	306901957	May 15, 2035
22. . .		9	The Company	Hong Kong	306901975	May 15, 2035

Domain Names

As at the Latest Practicable Date, the Group had registered the following domain names which are material to its business:

No.	Domain Name	Registered Owner	Expiry Date
1. . .	www.viewtrixtech.com	the Company	April 20, 2034

Patents

As at the Latest Practicable Date, the Group had registered the following patents which are material to its business:

No.	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Effective Date	Expiry Date
1. . .	Subpixel arrangement of a display and presentation method thereof (顯示器的子像素排列及其呈現方法)	Invention	The Company	Chinese Mainland	ZL201110215027.9	July 29, 2011	July 29, 2031
2. . .	Field sequential color display (場序彩色顯示器)	Invention	The Company	Chinese Mainland	ZL201280074629.X	July 20, 2012	July 20, 2032
3. . .	Display device and method for manufacturing and driving the same (顯示設備以及用於製造和驅動該顯示設備的方法)	Invention	The Company and Viewtrix Kunshan	Chinese Mainland	ZL201380061814.X	January 5, 2013	January 5, 2033
4. . .	Subpixel arrangement of a display and rendering method thereof (顯示器的子像素排列及其渲染方法)	Invention	The Company	Chinese Mainland	ZL201380004439.5	January 17, 2013	January 17, 2033
5. . .	Driving method and driver IC for LCD panel (一種用於LCD面板的驅動方法及其驅動IC)	Invention	The Company	Chinese Mainland	ZL201310350309.9	August 12, 2013	August 12, 2033

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

No.	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Effective Date	Expiry Date
6. . .	Method and apparatus for subpixel rendering (用於子像素渲染的方法和裝置)	Invention	The Company	Chinese Mainland	ZL201380074384.5	September 12, 2013	September 12, 2033
7. . .	Display subpixel layout and rendering method (顯示器子像素排佈及其渲染方法)	Invention	The Company	Chinese Mainland	ZL201380059977.4	November 4, 2013	November 4, 2033
8. . .	Display device, display method and corresponding readable medium (顯示裝置、顯示方法及對應可讀介質)	Invention	The Company	Chinese Mainland	ZL201810240452.5	November 4, 2013	November 4, 2033
9. . .	Arrangement method of multiple LEDs and LED screen (多個LED的排佈方法及LED屏幕)	Invention	The Company	Chinese Mainland	ZL201310582642.2	November 19, 2013	November 19, 2033
10. .	Driving method and driver IC for LCD panel (一種用於LCD面板的驅動方法及其驅動IC)	Invention	The Company	Chinese Mainland	ZL201310590652.0	November 20, 2013	November 20, 2033
11. .	Display subpixel layout and driving circuit thereof (顯示器子像素排佈及其驅動電路)	Invention	The Company	Chinese Mainland	ZL201580000097.9	March 17, 2015	March 17, 2035
12. .	Method and system for determining gray-level mapping correlation in a display panel (用於確定顯示面板中灰度映射相關性的方法及系統)	Invention	The Company	Chinese Mainland	ZL201980095557.9	April 17, 2019	April 17, 2039
13. .	Method and system for determining overdrive mapping correlation in a display panel (用於確定顯示面板中的過驅動映射相關性的方法及系統)	Invention	The Company	Chinese Mainland	ZL201980095248.1	April 1, 2019	April 1, 2039

No.	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Effective Date	Expiry Date
14.	Subpixel arrangement of a display and presentation method thereof (顯示器的子像素排列及其呈現方法)	Invention	Viewtrix Kunshan	Chinese Mainland	ZL201510400644.4	July 29, 2011	July 29, 2031
15.	Method and apparatus for subpixel rendering (用於子像素渲染的方法和裝置)	Invention	Viewtrix Kunshan	Chinese Mainland	ZL201711058824.4	September 12, 2013	September 12, 2033
16.	Display subpixel layout and driving circuit thereof (顯示器子像素排佈及其驅動電路)	Invention	Viewtrix Kunshan	Chinese Mainland	ZL201710952063.0	March 17, 2015	March 17, 2035
17.	Region-based display data processing and transmission (基於區域的顯示數據處理和傳輸)	Invention	Viewtrix Kunshan	Chinese Mainland	ZL201680091341.1	December 1, 2016	December 1, 2036
18.	Distributed driving of a display panel (顯示面板的分佈式驅動)	Invention	Viewtrix Kunshan	Chinese Mainland	ZL201680002830.5	December 21, 2016	December 21, 2036
19.	Asynchronous control of display refresh and light emission (異步控制顯示更新和發光)	Invention	Viewtrix Kunshan	Chinese Mainland	ZL201780053621.8	January 8, 2017	January 8, 2037
20.	Distributed driving of a display panel (顯示面板的分佈式驅動)	Invention	The Company and Viewtrix Kunshan	Chinese Mainland	ZL201780073682.0	April 6, 2017	April 6, 2037
21.	Distributed driving of a liquid crystal display (LCD) panel (液晶顯示器(LCD)面板的分佈式驅動)	Invention	Viewtrix Kunshan	Chinese Mainland	ZL201780073681.6	November 28, 2017	November 28, 2037
22.	Pixel circuit for light-emitting elements (用於發光元件的像素電路)	Invention	Viewtrix Kunshan	Chinese Mainland	ZL201910465020.9	May 30, 2019	May 30, 2039

No.	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Effective Date	Expiry Date
23.	Method for calibrating the correlation between voltage and grayscale values in a display panel (校正顯示面板電壓和灰度值之間的相關性的方法)	Invention	Viewtrix Kunshan	Chinese Mainland	ZL202010026285.1	January 8, 2020	January 8, 2040
24.	Apparatus and method for reordering pixel data (用於像素數據重新排序的裝置和方法)	Invention	The Company	Chinese Mainland	ZL201680078872.7	October 25, 2016	October 25, 2036
25.	Method and system for estimating and compensating aging of light-emitting elements in a display panel (用於估計和補償顯示面板中的發光元件老化的方法和系統)	Invention	The Company	Chinese Mainland	ZL201980096268.0	May 9, 2019	May 9, 2039
26.	Display subpixel layout and rendering method (顯示子像素排佈及其渲染方法)	Invention	Viewtrix Kunshan	Chinese Mainland	ZL202010045178.3	January 13, 2020	January 13, 2040
27.	Method and system for displaying compensation data for uneven brightness compensation in compression and decompression (壓縮和解壓縮顯示補償亮度不均的補償數據的方法和系統)	Invention	The Company	Chinese Mainland	ZL202080069168.1	March 11, 2020	March 11, 2040
28.	Pixel circuit for light-emitting devices (用於發光元件的像素電路)	Invention	Viewtrix Kunshan	Chinese Mainland	ZL202180026348.6	March 16, 2021	March 16, 2041

Copyrights

As at the Latest Practicable Date, the Group had registered the following copyrights which are material to its business:

No.	Copyright Name	Registrant	Registration Number	Registration Date
1. . .	Viewtrix full HD color diffusion matrix display algorithm software V1.0 (雲英谷全高清色彩彌散矩陣顯示算法軟件V1.0)	The Company	2014SR022649	February 26, 2014
2. . .	Viewtrix full HD color diffusion matrix display algorithm software V2.0 (雲英谷全高清色彩彌散矩陣顯示算法軟件V2.0)	The Company	2015SR218596	November 11, 2015
3. . .	Viewtrix full HD color diffusion matrix display algorithm software V3.0 (雲英谷全高清色彩彌散矩陣顯示算法軟件V3.0)	The Company	2015SR218584	November 11, 2015
4. . .	Viewtrix RWGWBW subpixel rendering algorithm software V1.0 (雲英谷RWGWBW子像素渲染算法軟件V1.0)	The Company	2017SR034811	February 8, 2017
5. . .	Viewtrix UHD USIT screen control and color adjustment software V1.0 (雲英谷UHD USIT 屏幕控制及色彩調節軟件V1.0)	The Company	2017SR040979	February 13, 2017
6. . .	Viewtrix TV LINE-OD effect analysis software V1.0 (雲英谷TV LINE-OD效果分析軟件V1.0)	The Company	2018SR802556	October 9, 2018
7. . .	Viewtrix BV3 8K subpixel rendering algorithm software V1.0 (雲英谷BV3 8K子像素渲染算法軟件V1.0)	Viewtrix Kunshan	2021SR0732234	May 20, 2021
8. . .	Viewtrix multifunctional platform software for AMOLED screens supporting multiple resolutions V1.0 (適用於多種分辨率的雲英谷AMOLED屏幕多功能平台軟件V1.0)	Viewtrix Kunshan	2021SR0732326	May 20, 2021
9. . .	Viewtrix VR high frame rate subpixel rendering algorithm software V1.0 (雲英谷VR高幀率子像素渲染算法軟件V1.0)	Viewtrix Kunshan	2021SR0732327	May 20, 2021

No.	Copyright Name	Registrant	Registration Number	Registration Date
10.	Viewtrix RU-corner edge processing software for AMOLED screens supporting multiple resolutions V1.0 (雲英谷適用於多種分辨率AMOLED屏幕RU角邊緣處理軟件V1.0)	Viewtrix Kunshan	2021SR0755444	May 25, 2021
11.	Viewtrix 8K television screen control and color adjustment software V1.0 (雲英谷8K電視屏幕控制和色彩調節軟件V1.0)	Viewtrix Kunshan	2021SR0755454	May 25, 2021
12.	Compensation software for local brightness nonuniformity in AMOLED screens supporting multiple resolutions V1.0 (適用於多種分辨率AMOLED屏幕局部亮度不均修正補償軟件V1.0)	Viewtrix Kunshan	2021SR0755455	May 25, 2021
13.	Viewtrix TV LINE-OD calibration software V1.0 (雲英谷TV LINE-OD調校軟件V1.0)	Viewtrix Kunshan	2021SR0755457	May 25, 2021
14.	Viewtrix AMOLED DeburnIn debugging software V1.0 (雲英谷AMOLED DeburnIn調試軟件V1.0)	Viewtrix Kunshan	2021SR0755458	May 25, 2021
15.	Viewtrix AMOLED vector color management software V1.0 (雲英谷AMOLED Vector Color Manager軟件V1.0)	Viewtrix Kunshan	2021SR0755459	May 25, 2021
16.	Viewtrix AMOLED display technology image processing and optimization system V1.0 (雲英谷AMOLED顯示技術圖像處理與優化系統V1.0)	Viewtrix Chengdu	2025SR2230059	November 19, 2025
17.	Viewtrix AMOLED local brightness compensation and correction software V1.0 (雲英谷AMOLED局部亮度補償與修正軟件V1.0)	Viewtrix Chengdu	2025SR2230046	November 19, 2025

No.	Copyright Name	Registrant	Registration Number	Registration Date
18...	Viewtrix VR high frame rate image rendering and optimization platform V1.0 (雲英谷VR高幀率圖像渲染與優化平台V1.0)	Viewtrix Chengdu	2025SR2230034	November 19, 2025
19...	Viewtrix AMOLED color calibration and adjustment software V1.0 (雲英谷AMOLED色彩校正與調節軟件V1.0)	Viewtrix Chengdu	2025SR2239940	November 20, 2025
20...	Viewtrix AMOLED gamut expansion and precise adjustment software V1.0 (雲英谷AMOLED色域擴展與精確調節軟件V1.0)	Viewtrix Chengdu	2025SR2255404	November 21, 2025
21...	Viewtrix TV LINE-OD color calibration and display optimization software V1.0 (雲英谷TV LINE-OD色彩校準與顯示優化軟件V1.0)	Viewtrix Chengdu	2025SR2259144	November 24, 2025
22...	Viewtrix intelligent debugging software for multi-resolution AMOLED screens V1.0 (雲英谷適用於多分辨率AMOLED屏幕的智能調試軟件V1.0)	Viewtrix Chengdu	2025SR2259134	November 24, 2025
23...	Viewtrix multi-resolution screen display adaptation and image optimization system V1.02 (雲英谷多分辨率屏幕顯示適配與圖像優化系統V1.02)	Viewtrix Chengdu	2025SR2255405	November 21, 2025

DISCLOSURE OF INTERESTS

Disclosure of Interests of Directors and Chief Executive in the Company and Its Associated Corporations

Save as disclosed in the section headed “Substantial Shareholders”, immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised), so far as the Directors are aware, none of the Directors and chief executive has any interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or (ii) which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Disclosure of Interests of Substantial Shareholders

As of the Latest Practicable Date, the Company's subsidiaries were all wholly owned by the Company and the Directors are not aware of any persons who would, immediately following the completion of the Global Offering, be directly or indirectly interested in 10% or more of the issued voting Shares of the other members of the Group (other than the Company).

FURTHER INFORMATION ABOUT DIRECTORS**Particulars of the Service Contracts**

Each of the Directors has entered into a service contract with the Company. The principal particulars of these service contracts comprise (a) the term of the service; (b) termination provisions; and (c) dispute resolution provision. The service contracts may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed in this section headed "Statutory and General Information" in Appendix IV to this Prospectus, none of the Directors has or is proposed to have entered into any service contract with any member of the Group (excluding contracts expiring or determinable by any member of the Group within one year without payment of compensation other than statutory compensation).

Remuneration of Directors

For details of the remuneration of Directors, see "Directors and Senior Management — Remuneration" and note 8 in "Appendix I — Accountants' Report" in this Prospectus.

Agency Fees or Commissions Received

The Underwriters will receive an underwriting commission in connection with the Underwriting Agreements, as detailed in "Underwriting — Underwriting Arrangements and Expenses — Commissions and Expenses." Save in connection with the Underwriting Agreements, no commissions, discounts, brokerages or other special terms have been granted by the Group to any person (including the Directors, promoters and experts referred to in "— Other Information — Qualifications and Consents of Experts" below) in connection with the issue or sale of any capital or security of the Company or any member of the Group within the two years immediately preceding the date of this Prospectus.

Within the two years immediately preceding the date of this Prospectus, no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of the Company.

Disclaimers

- (a) None of the Directors nor any of the experts referred to in "Other Information — Qualifications and Consents of Experts" below has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this Prospectus, acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (b) Save in connection with the Underwriting Agreements, none of the Directors nor any of the experts referred to in "Other Information — Qualifications and Consents of Experts" below, is materially interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Group.

- (c) No cash, securities or other benefit has been paid, allotted or given within the two years preceding the date of this Prospectus to any promoter of the Company nor is any such cash, securities or benefit intended to be paid, allotted or given on the basis of the Global Offering or related transactions as mentioned.
- (d) So far as is known to the Directors, none of the Directors or their associates or any Shareholders who are expected to be interested in 5% or more of the issued share capital of the Company has any interest in the five largest customers or the five largest suppliers of the Group in each year during the Track Record Period.

SHARE INCENTIVE SCHEME

Pre-IPO Share Incentive Scheme

The following is a summary of the principal terms of the Pre-IPO Share Incentive Scheme.

The terms of the Pre-IPO Share Incentive Scheme are not subject to the provisions of Chapter 17 of the Hong Kong Listing Rules as they do not involve any grant of Awards (as defined below) or issuance of new Shares by the Company after the Listing. The Pre-IPO Share Incentive Scheme, which includes the Share Option Plan and Share Incentive Plan referred in Appendix I, has been terminated. No further shares will be granted under such plans after listing.

Purpose

The purpose of the Share Incentive Scheme is, among other things, (i) to uphold the Company's core values of "growth and sharing" and establish a robust value distribution system that both motivates and regulates employees, and (ii) to share with employees the benefits derived from the development of Company and strengthen cohesion.

Administration

The Board is responsible for the formulation, amendment, and interpretation of the Share Incentive Scheme. The date on which the Awards are granted shall be determined by the Board.

Participants

Persons eligible to participate in the Share Incentive Scheme are employees of the Group who make contribution to the Group's development (each a "**Participant**").

Awards

Under the Pre-IPO Share Incentive Scheme, eligible participants have been granted a right to subscribe for equity interests/shares (the "**Awards**") of our employee shareholding platforms, Yisheng No. 1, Yisheng No. 2, Yisheng No. 3, Yisheng Hong Kong No. 1 and Yisheng Hong Kong No. 2. See "History, Development and Corporate Structure — Employee Shareholding Platforms."

Source and number of Shares

The Shares underlying the Awards granted under the Pre-IPO Share Incentive Scheme are held by the employee shareholding platforms. Upon the grant of Awards, the Participants shall hold equity interests/shares in the employee shareholding platforms to reflect their respective Awards.

As of the Latest Practicable Date, the number of Shares underlying the Awards granted under the Pre-IPO Share Incentive Scheme were 36,480,155 Shares consisting of 23,843,783 Shares through Yisheng No. 1 and 12,636,372 Shares through Yisheng No. 2, representing approximately 9.73% of our total issued Shares immediately before the completion of the Global Offering and 8.53% of our total issued Shares immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised).

Lock-up and vesting

Subject to applicable laws and regulations, the Shares underlying the Awards granted under the Pre-IPO Share Incentive Scheme are vested in tranches of 20% in each of the five vesting periods that occur on the first day following the 12-month anniversary of the execution of the participant's employment contract up to the first day following the 60-month anniversary of the execution of the participant's employment contract.

Personal Awards

Under the Pre-IPO Share Incentive Scheme, prior to the Listing, the Participants shall not make any arrangements in relation to the equity interests/shares underlying the Awards (the "**Incentive Interests**") with any third party, including but are not limited to the following, without the consent of the manager of respective employee shareholding platforms:

- (i) entering into arrangement(s) for transfer of the Incentive Interests;
- (ii) entrusting the management of the Incentive Interests;
- (iii) using the Incentive Interests for debts guarantee; and/or
- (iv) entering into other arrangement(s) involving the disposal of the Incentive Interests.

Obligations of the Participants

Under the Pre-IPO Share Incentive Scheme, the Participants shall transfer all the Awards held by him/her that have not been vested to the person(s) designated by the management of the employee shareholding platform(s). The consideration of such transfer shall be determined based on the initial acquisition cost paid by the Participant, plus interest at the rate of 6% per annum if the Participant violates its obligations under the Pre-IPO Share Incentive Scheme.

Details of the Awards granted

As of the Latest Practicable Date, we had granted Awards representing all the 36,480,155 Shares under the Pre-IPO Share Incentive Scheme to 125 Participants, representing 8.53% of the total issued Shares immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised).

Details of the Shares under the Pre-IPO Share Incentive Scheme granted to the directors of the Company or our subsidiaries, who are connected persons of the Company, as of the Latest Practicable Date are set out below:

Participant	Position in the Group	Number of Shares underlying the Awards	Approximate percentage of Shares underlying the Awards granted immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised)
Dr. Gu Jing	Executive Director	1,909,836	0.45%
Ms. Zhan Jing	Non-executive Director	55,790	0.01%
Mr. Han Zhiyong	Executive Director	3,014,526	0.70%
Other employees of the Group ⁽¹⁾	/	34,514,529	8.07%

Note:

- (1) Representing an aggregate of 122 Participants, with no single Participant being granted Awards with the underlying Shares representing more than 1.0% of our Company's total issued Shares immediately after the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

OTHER INFORMATION

Estate Duty

The Directors have been advised that no material liability for estate duty is likely to fall on the Group.

Litigation

As of the Latest Practicable Date, the Company was not engaged in any outstanding litigation or arbitration which may have material adverse effect on the Global Offering and, so far as the Directors are aware, no material litigation or claim was pending or threatened by or against the Company.

Joint Sponsors

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. For further details, see "Underwriting – Joint Sponsors' Independence."

Pursuant to the engagement letters entered into between the Company and the Joint Sponsors, the aggregate fee payable by us to the Joint Sponsors in respect of their services as sponsors in connection with the Listing on the Stock Exchange is USD1.10 million.

Compliance Advisor

The Company has appointed Gram Capital Limited as the compliance advisor upon the Listing in compliance with Rule 3A.19 of the Listing Rules.

Preliminary Expenses

As of the Latest Practicable Date, the Company has not incurred any material preliminary expenses.

Promoters

All of the promoters of the Company are the then Shareholders as at December 20, 2022 immediately before our conversion into a joint stock company with limited liability. Within the two years immediately preceding the date of this Prospectus, no cash, securities, or other benefit has been paid, allotted or given, or has been proposed to be paid, allotted or given, to any of the promoters in connection with the Global Offering or the related transactions described in this Prospectus.

Qualifications and Consents of Experts

The qualifications of the experts which have given opinions or advice which are contained in, or referred to in, this Prospectus are as follows:

Name of Expert	Qualifications
China International Capital Corporation Hong Kong Securities Limited	A licensed corporation under the SFO to conduct 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) of the regulated activities under the SFO
CITIC Securities (Hong Kong) Limited	A licensed corporation under the SFO to conduct Type 4 (advising on securities) and Type 6 (advising on Corporate Finance) of the regulated activities as defined under the SFO
Ernst & Young	Certified Public Accountants under the Professional Accountants Ordinance (Cap. 50) and Registered Public Interest Entity Auditor under the Financial Reporting Council Ordinance (Cap. 588)
Fangda Partners	Legal advisor to the Company as to PRC law
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

Each of the experts listed above has given and has not withdrawn their respective written consents to the issue of this Prospectus with the inclusion of their reports and/or letters (as the case may be) and the references to their names included in the form and context in which they are respective included.

Binding Effect

This Prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

Bilingual Prospectus

The English language and Chinese language versions of this Prospectus are being published separately, in reliance upon the exemption provided in Section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

- (a) save as disclosed in the section headed “History, Development and Corporate Structure” and in this section headed “Statutory and General Information” in Appendix IV to this Prospectus, within the two years preceding the date of this Prospectus, no share or loan capital of the Company or any of its subsidiary has been issued or has been agreed to be issued fully or partly paid either for cash or for a consideration other than cash;

- (b) no share or loan capital of the Company or any of its subsidiary is under option or is agreed conditionally or unconditionally to be put under option;
- (c) no founder, management or deferred shares of the Company or any of its subsidiary have been issued or have been agreed to be issued;
- (d) none of the equity and debt securities of the Company or its subsidiary is presently listed or dealt in on any other stock exchange nor is any listing or permission to deal being or proposed to be sought;
- (e) the Company has no outstanding convertible debt securities or debentures;
- (f) none of the experts listed under “— Qualifications and Consents of Experts”:
 - (i) is interested beneficially or non-beneficially in any shares in any member of the Group;
or
 - (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group save in connection with the Underwriting Agreements;
- (g) the English text of this Prospectus shall prevail over their respective Chinese text;
- (h) there has not been any interruption in the business of the Group which may have or has had a significant effect on the financial position of the Group in the 12 months preceding the date of this Prospectus; and
- (i) the Company currently is a joint stock company with limited liability and is subject to the PRC Company Law.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this Prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of each of the material contracts referred to in “Appendix IV — Statutory and General Information — Further Information about the Business — Summary of Material Contracts”; and
- (b) the written consents referred to in “Appendix IV — Statutory and General Information — Other Information — Qualifications and Consents of Experts.”

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at www.hkexnews.hk and the Company’s website at www.viewtrixtech.com during a period of 14 days from the date of this Prospectus:

- (a) the Articles of Association;
- (b) the Accountants’ Report and the report on the unaudited pro forma financial information prepared by Ernst & Young, the texts of which are set out in “Appendix I — Accountants’ Report” and “Appendix II — Unaudited Pro Forma Financial Information”, respectively;
- (c) the audited consolidated financial statements of the Group for the years ended December 31, 2023, 2024 and 2025;
- (d) the legal opinion from Fangda Partners, the Company’s PRC Legal Advisor, in respect of, among other things, the general matters and property interests of the Group under the PRC laws;
- (e) the industry report prepared by Frost & Sullivan referred to in the section headed “Industry Overview” in this Prospectus;
- (f) the PRC Company Law, the PRC Securities Law, the Overseas Listing Trial Measures and the Guidelines for the Articles of Association of Listed Companies issued by the CSRC together with their unofficial English translations;
- (g) the service contracts between each of the Directors and the Company referred to in “Appendix IV — Statutory and General Information — Further Information about Directors — Particulars of the Service Contracts”;
- (h) each of the material contracts referred to in “Appendix IV — Statutory and General Information — Further Information about the Business — Summary of Material Contracts”; and
- (i) the written consents referred to in “Appendix IV — Statutory and General Information — Other Information — Qualifications and Consents of Experts.”



雲英谷科技股份有限公司
VIEWTRIX TECHNOLOGY CO., LTD