THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Black Sesame International Holding Limited, you should at once hand this circular and the form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

Black Sesame International Holding Limited
黑芝麻智能國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2533)

MAJOR TRANSACTION
ACQUISITION OF 60% EQUITY INTEREST IN THE TARGET COMPANY THROUGH EQUITY TRANSFER AND CAPITAL INCREASE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

A letter from the Board is set out on pages 8 to 39 of this circular. A notice convening the EGM of Black Sesame International Holding Limited to be held at 30/F, Building A, Zhongxing Times · Digital Trade Port, No. 79 Xudong Street, Hongshan District, Wuhan City, Hubei Province, China on Wednesday, June 17, 2026 at 10:00 a.m. is set out on pages EGM-1 to EGM-4 of this circular. A form of proxy for use at the EGM is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.blacksesame.com).

Whether or not Shareholders are able to attend the EGM in person, they are encouraged to complete and sign the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for holding the meeting (i.e. not later than 10:00 a.m. on Monday, June 15, 2026) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjourned meeting should you so wish. If Shareholders attend and vote at the EGM in person, the form of proxy completed and returned by such Shareholder will be revoked. For the avoidance of doubt and for the purpose of the Listing Rules, holders of treasury shares, if any, shall abstain from voting at the EGM.

References to time and dates in this circular are to Hong Kong time and dates.

* *For identification purposes only*

June 2, 2026

Page

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

"Acquisition"	the acquisition of 60% equity interest in the Target Company by the Group pursuant to the Equity Transfer and the Capital Increase
"Agreements"	collectively, the Equity Transfer Agreement, the Capital Increase Agreement and the Management Agreement
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Black Sesame Wuhan"	Black Sesame Technologies Co., Ltd. (黑芝麻智能科技有限公司), a limited company incorporated under the laws of the PRC on February 8, 2021, an indirect wholly-owned subsidiary of the Company
"Board"	the board of Directors
"Capital Increase"	the subscription for the newly increased registered capital in the Target Company of RMB20,218,838 (representing 40.4377% of the total enlarged equity interest of the Target Company following the Capital Increase) by the SPV at the price of RMB20,218,838 under the Capital Increase Agreement
"Capital Increase Agreement"	the capital increase agreement entered into among the SPV, the Management Shareholders, the Existing Shareholders, the Employees Partnerships and the Target Company on December 31, 2025 in relation to the Capital Increase
"Company", "our Company", "we" or "us"	Black Sesame International Holding Limited, an exempted company incorporated under the laws of Cayman Islands with limited liability on July 15, 2016, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 2533)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company

"Extraordinary General Meeting" or "EGM"	the extraordinary general meeting of the Company to be held at 30/F, Building A, Zhongxing Times · Digital Trade Port, No. 79 Xudong Street, Hongshan District, Wuhan City, Hubei Province, China on Wednesday, June 17, 2026 at 10:00 a.m. for the purpose of considering and, if thought fit, approving the Agreements and the transactions contemplated thereunder
"Employees Partnership A" or "Zhuhai Yihui"	Zhuhai Yihui Technology Partnership Enterprise (Limited Partnership) (珠海億匯科技合夥企業(有限合夥))
"Employees Partnership B" or "Zhuhai Yiju"	Zhuhai Yiju Technology Partnership Enterprise (Limited Partnership) (珠海億聚科技合夥企業(有限合夥))
"Employees Partnership C" or "Zhuhai Zhiju"	Zhuhai Zhiju Technology Partnership Enterprise (Limited Partnership) (珠海智聚科技合夥企業(有限合夥))
"Employees Partnerships"	collectively, Employees Partnership A, Employees Partnership B and Employees Partnership C
"Enlarged Group"	the Group as enlarged by the Target Group upon completion of the Acquisition
"Equity Transfer"	the acquisition of 32.8435% equity interest in the Target Company (representing 19.5623% of the enlarged total equity interest of the Target Company following the Capital Increase) by the Purchasers from the Vendors pursuant to the Equity Transfer Agreement
"Equity Transfer Agreement"	the equity transfer agreement entered into among Black Sesame Wuhan, the Vendors, the Management Shareholders and the Target Company on December 31, 2025 in relation to the Equity Transfer
"Existing Shareholders"	collectively, Cai Zhenhua (蔡振華), Yu Zhenhui (余振輝), Yan Zhi (嚴智), Xiao Zhenliang (肖振亮) and Yang Shaojun (楊少軍)
"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the PRC

"Hong Kong Underwriting Agreement"	has the meaning ascribed to it in the Prospectus
"IFRS"	IFRS Accounting Standards
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Takeovers Code) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)
"Independent Valuer"	the independent professional valuer, AVISTA Asset Appraisal (Beijing) Co., Ltd.
"Latest Practicable Date"	May 28, 2026
"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
"Management Agreement"	the management agreement (and its schedules) entered into between the Company, the Management Shareholders, the Employees Partnerships and the Target Company on December 31, 2025 in relation to the management of the businesses of the Target Company (including matters such as the Performance Commitment)
"Management Shareholders"	Chen Feng (陳峰), Wu Lang (吳浪) and Shan Jun (單軍), who are the shareholders and also the directors and/or management of the Target Company as at the Latest Practicable Date
"Performance Commitment"	has the meaning ascribed thereto under the paragraph headed "3. The Agreements — The Management Agreement — Performance commitment" in the letter from the Board of this circular
"Post-IPO Share Plan"	the post-IPO share plan approved by the Shareholders on July 26, 2024 as amended, supplemented or otherwise modified from time to time

"PRC" or "China"	the People's Republic of China, which, for the purpose of this circular and for geographical reference only, references to "China" and the "PRC" do not apply to Hong Kong, Macau Special Administrative Region and Taiwan Region, except where the context indicates or requires otherwise
"Pre-IPO Share Plan"	the pre-IPO share plan approved by the Company on September 7, 2016 as amended from time to time
"Prospectus"	the prospectus of the Company dated July 31, 2024
"Purchasers"	collectively, Black Sesame Wuhan and the SPV
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Equity"	32.8435% of the equity interest in the Target Company held by the Vendors as at the Latest Practicable Date
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)
"Shareholder(s)"	shareholder(s) of the Company
"SPV"	the special purpose vehicle established by Black Sesame Wuhan for the Equity Transfer and the Capital Increase, namely Black Sesame Technologies (Zhuhai) Co., Ltd. (黑芝麻智能科技(珠海)有限公司), a limited liability company incorporated under the laws of the PRC on December 15, 2025, an indirect wholly-owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Equity"	40.4377% of the equity interest in the Target Company following the Capital Increase to be subscribed by the SPV pursuant to the Capital Increase Agreement
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong, as amended, supplemented or otherwise modified from time to time

"Target Company"	Zhuhai Eeasy Technology Co., Ltd. (珠海億智電子科技有限公司), a limited liability company incorporated in the PRC on July 22, 2016
"Target Group"	Target Company and its subsidiaries
"treasury shares"	has the meaning ascribed to it in the Listing Rules
"Valuation Date"	June 30, 2025
"Valuation Report"	the valuation report with Valuation Date of June 30, 2025, prepared by the Independent Valuer in relation to the Target Company for the purpose of the Acquisition
"Vendor A" or "Chongqing Jichuang"	Chongqing Jichuang Yuyuan Equity Investment Fund Partnership (Limited Partnership)* (重慶極創渝源股權投資基金合夥企業(有限合夥))
"Vendor B" or "Intel Products"	Intel Products (Chengdu) Co., Ltd.* (英特爾產品(成都)有限公司)
"Vendor C" or "Hengqin Lingjun"	Zhuhai Hengqin Lingjun Investment Partnership Enterprise (Limited Partnership)* (珠海橫琴靈雋投資合夥企業(有限合夥))
"Vendor D" or "Guangdong Wenrun Zhenxin No. 2"	Guangdong Wenrun Zhenxin No. 2 Equity Investment Partnership (Limited Partnership)* (廣東溫潤振信貳號股權投資合夥企業(有限合夥))
"Vendor E" or "Jiangsu Datai"	Jiangsu Datai Yueda Big Data Venture Capital Fund (Limited Partnership)* (江蘇達泰悅達大數據創業投資基金(有限合夥))
"Vendor F" or "Li Lijun"	Li Lijun (李立軍)
"Vendor G" or "Jiaxing Jiayong"	Jiaxing Jiayong Investment Partnership Enterprise (Limited Partnership)* (嘉興嘉湧投資合夥企業(有限合夥))
"Vendor H" or "Chengdu Maiqiu"	Chengdu Maiqiu Venture Capital Partnership Enterprise (Limited Partnership)* (成都麥秋創業投資合夥企業(有限合夥))
"Vendor I" or "Ningbo Yaji"	Ningbo Yaji Enterprise Consulting Center (Limited Partnership)* (寧波雅集企業諮詢中心(有限合夥))

"Vendor J" or "Jiangsu Shengyu"	Jiangsu Shengyu Artificial Intelligence Entrepreneurship Investment Partnership Enterprise (Limited Partnership)* (江蘇盛宇人工智能創業投資合夥企業(有限合夥))
"Vendor K" or "Wenrun Growth No. 1"	Wenrun Growth No. 1 (Zhuhai) Equity Investment Fund Partnership (Limited Partnership)* (溫潤成長壹號(珠海)股權投資基金合夥企業(有限合夥))
"Vendor L" or "Zhuhai Science and Technology"	Zhuhai Sci Tech Innovation and High Tech Venture Capital Fund Partnership Enterprise (Limited Partnership)* (珠海科創高科創業投資基金合夥企業(有限合夥))
"Vendor M" or "Sanqi Lexin"	Sanqi Lexin (Guangzhou) Industrial Investment Partnership (Limited Partnership)* (三七樂心(廣州)產業投資合夥企業(有限合夥))
"Vendor N" or "Suzhou Hengtong"	Suzhou Hengtong Datai Big Data Industry Fund Partnership Enterprise (Limited Partnership)* (蘇州亨通達泰大數據產業基金合夥企業(有限合夥))
"Vendor O" or "Nantong Tongzhou"	Nantong Tongzhou District Dongdu Electronic Technology Co., Ltd* (南通市通州區東渡電子科技有限公司)
"Vendor P" or "Shanghai Datai"	Shanghai Datai Venture Capital Management Co., Ltd.* (上海達泰創業投資管理有限公司)
"Vendor Q" or "Jiaxing Yueyi"	Jiaxing Yueyi Equity Investment Partnership Enterprise (Limited Partnership)* (嘉興岳益股權投資合夥企業(有限合夥))
"Vendor R" or "Zhuhai Port Kerui No. 3"	Zhuhai Port Kerui No. 3 Venture Capital Fund Partnership Enterprise (Limited Partnership)* (珠海港灣科睿三號創業投資基金合夥企業(有限合夥))
"Vendor S" or "Zhuhai Port Datai"	Zhuhai Port Datai Equity Investment Partnership Enterprise (Limited Partnership)* (珠海港灣達泰股權投資合夥企業(有限合夥))
"Vendor T" or "Hengqin Qichuang"	Zhuhai Hengqin Qichuang Shared Investment Partnership Enterprise (Limited Partnership)* (珠海橫琴齊創共享投資合夥企業(有限合夥))
"Vendor U" or "Zhuhai Fukunyi"	Zhuhai Fukunyi Management Consulting Co., Ltd.* (珠海富昆億管理諮詢有限公司)

"Vendors"	collectively, Vendor A, Vendor B, Vendor C, Vendor D, Vendor E, Vendor F, Vendor G, Vendor H, Vendor I, Vendor J, Vendor K, Vendor L, Vendor M, Vendor N, Vendor O, Vendor P, Vendor Q, Vendor R, Vendor S, Vendor T, and Vendor U
"%"	per cent

Black Sesame International Holding Limited
黑芝麻智能國際控股有限公司*
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2533)

Directors:
Executive Directors
Mr. SHAN Jizhang *(Chairman of the Board)*
Mr. ZENG Daibing

Non-executive Directors
Mr. LIU Weihong
Dr. YANG Lei

Independent Non-executive Directors
Prof. LI Qingyuan
Prof. LONG Wenmao
Prof. XU Ming

Registered Office:
P.O. Box 31119 Grand Pavilion
Hibiscus Way
802 West Bay Road Grand Cayman
KY1-1205 Cayman Islands

Head Office and Principal Place of Business in the PRC:
30/F, Building A
Zhongxing Times · Digital Trade Port
No. 79 Xudong Street
Hongshan District, Wuhan City
Hubei Province
China

Principal Place of Business in Hong Kong:
Room 1901, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

June 2, 2026

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION ACQUISITION OF 60% EQUITY INTEREST IN THE TARGET COMPANY THROUGH EQUITY TRANSFER AND CAPITAL INCREASE

* *For identification purposes only*

1. INTRODUCTION

References are made to the announcements of the Company dated December 31, 2025 and January 27, 2026 in relation to the Acquisition.

The purpose of this circular is to provide you with, among other things, (i) further information on the Agreements and the transactions contemplated thereunder; and (ii) the notice of EGM.

2. THE ACQUISITION OF 60% EQUITY INTEREST IN THE TARGET COMPANY THROUGH EQUITY TRANSFER AND CAPITAL INCREASE

On December 31, 2025 (after trading hours), Black Sesame Wuhan (an indirectly wholly-owned subsidiary of the Company), the Vendors, the Management Shareholders and the Target Company entered into the Equity Transfer Agreement, pursuant to which the Purchasers agreed to purchase, and the Vendors agreed to sell, an aggregate of 32.8435% equity interest in the Target Company (representing 19.5623% of the enlarged total equity interest of the Target Company following the Capital Increase), at a total consideration of RMB457,800,000, and the Purchasers shall pay the corresponding unpaid registered capital of RMB133,088 to the Target Company.

On December 31, 2025 (after trading hours), the SPV (an indirectly wholly-owned subsidiary of the Company), the Management Shareholders, the Existing Shareholders, the Employees Partnerships and the Target Company entered into the Capital Increase Agreement, pursuant to which the SPV subscribed for the newly increased registered capital in the Target Company of RMB20,218,838 (representing 40.4377% of the total enlarged equity interest of the Target Company following the Capital Increase) at the price of RMB20,218,838.

The completion of the Equity Transfer and the Capital Increase is inter-conditional. Upon the completion of the Equity Transfer and the Capital Increase, the Company will indirectly own 60% equity interest in the Target Company through the SPV and the Target Company will become a non-wholly-owned subsidiary of the Company, and its financial results will be consolidated into the Group's consolidated financial statements.

In connection with the Equity Transfer and the Capital Increase, on December 31, 2025 (after trading hours), the Company, the Management Shareholders, the Employees Partnerships and the Target Company entered into the Management Agreement in relation to the management of the businesses of the Target Company (including matters such as the Performance Commitment). For details of the Performance Commitment (including revenue and net profit indicators), together with the related compensation and incentive mechanisms, please refer to the section headed "5. Performance Commitment and Relevant Mechanisms" below.

3. THE AGREEMENTS

The Equity Transfer Agreement

A summary of the principal terms of the Equity Transfer Agreement is set out below:

Date

December 31, 2025

Parties

(i) Black Sesame Wuhan;

(ii) the Vendors;

(iii) the Management Shareholders; and

(iv) the Target Company

All the above parties agreed that the SPV shall act as the transferee for the Equity Transfer and acquire all the Sale Equity. Before completion of the Equity Transfer, Black Sesame Wuhan shall procure the SPV to deliver a declaration of accession to the Equity Transfer Agreement to the other parties, pursuant to which the SPV would (a) accede to the Equity Transfer Agreement and become a party thereto, and (b) hold all the Sale Equity upon completion of the Equity Transfer.

Subject matter

Pursuant to the Equity Transfer Agreement, the Purchasers conditionally agreed to purchase, and the Vendors conditionally agreed to sell, an aggregate of 32.8435% equity interest in the Target Company (representing 19.5623% of the enlarged total equity interest of the Target Company following the Capital Increase).

Consideration and payment

The total consideration for the Equity Transfer is RMB457,800,000, and the Purchasers shall pay the corresponding unpaid registered capital of RMB133,088 to the Target Company. Details of the equity interests in the Target Company to be transferred by each Vendor to the Purchasers and the respective sale consideration are set out below:

No.	Name of Vendor	Registered Capital Corresponding to the Equity Interests to Be Sold *(RMB'0,000)*	Shareholding Percentage [Note 1] *(%)*	Investment Amount *(RMB)*	Investment Round	Sale Consideration *(RMB)*
1	Chongqing Jichuang	256.53070	8.6139	35,000,000	Angel Round	35,000,000
				5,000,000	Pre-A Round	5,000,000
				700,000	Series B+	700,000
				2,000,000	Series B2	2,000,000
	Sub-total			**42,700,000**		**42,700,000**
2	Intel Products	138.62160	4.6547	60,000,000	Pre-A Round	60,000,000
3	Hengqin Lingjun	115.36350	3.8737	70,000,000	Series A	70,000,000
4	Guangdong Wenrun Zhenxin No. 2	66.01180	2.2166	49,600,000	Series B2	49,600,000
5	Jiangsu Datai	55.17110	1.8526	8,000,000	Angel Round	8,000,000
6	Li Lijun	53.23530	1.7875	40,000,000	Series B	40,000,000
7	Jiaxing Jiayong	39.92650	1.3407	30,000,000	Series B+	30,000,000
8	Chengdu Maiqiu	39.92650	1.3407	30,000,000	Series B+	30,000,000
9	Ningbo Yaji	32.96100	1.1068	20,000,000	Series A	20,000,000
10	Jiangsu Shengyu	26.61770	0.8938	20,000,000	Series B+	20,000,000
11	Wenrun Growth No. 1	26.61770	0.8938	20,000,000	Series B2	20,000,000
12	Zhuhai Science and Technology	24.72070	0.8301	15,000,000	Series A	15,000,000
13	Sanqi Lexin	19.96320	0.6703	15,000,000	Series B2	15,000,000
14	Suzhou Hengtong	19.79225	0.6646	5,000,000	Series A	5,000,000
				5,000,000	Pre-A Round	5,000,000
	Sub-total			**10,000,000**		**10,000,000**
15	Nantong Tongzhou	13.79280	0.4631	2,000,000	Angel Round	2,000,000
16	Shanghai Datai	13.30880	0.4469	10,000,000 [Note 2]	Series B2	0 (nil consideration) [Note 2]
17	Jiaxing Yueyi	13.30880	0.4469	10,000,000	Series B+	10,000,000
18	Zhuhai Port Kerui No. 3	13.15840	0.4418	9,886,993	Series B	9,886,993
19	Zhuhai Port Datai	8.24025	0.2767	5,000,000	Series A	5,000,000
20	Hengqin Qichuang	0.53240	0.0179	400,000	Series B2	400,000
21	Zhuhai Fukunyi	0.31520	0.0106	100,000	Series A	100,000
				113,007	Series B	113,007
	Sub-total			**213,007**		**213,007**

Notes:

1. The shareholding percentages set out in the above table reflect the shareholding structure prior to the Capital Increase.

2. As of the Latest Practicable Date, Shanghai Datai has not yet paid up its investment amount. Accordingly, after arm's length negotiation, the parties agreed that Shanghai Datai shall sell its 0.4469% equity interest in the Target Company to the Purchasers for nil consideration, and the Purchasers shall assume the paid-in obligations corresponding to such equity interest (i.e. RMB133,088).

The Purchasers shall make payment of the aforementioned consideration to the Vendors in a lump sum within 30 business days after the date on which the conditions precedent have been fulfilled (or waived) and the relevant necessary registration and the approval procedures of the Stock Exchange (if any) have been completed.

The Purchasers propose to satisfy the payment of the consideration by using internal resources and/or bank financing of the Group.

For details of the basis of determination of the consideration for the Equity Transfer, please refer to the section headed "4. Basis of Determination of Consideration".

Conditions precedent

The Equity Transfer is conditional upon the satisfaction or waiver (where applicable) of the conditions precedent, including, among others:

(i) all consents and approvals (if any) required for the execution, delivery or performance of the Equity Transfer Agreement by the Vendors and the consummation of the transactions contemplated thereunder have been obtained and maintained in full force and effect;

(ii) resolutions of the board of directors and shareholders of the Target Company approving the Equity Transfer Agreement and the Equity Transfer have been passed;

(iii) parties to the Equity Transfer Agreement have successfully completed the signing of the documents relevant to the Equity Transfer, including but not limited to the Equity Transfer Agreement, the new articles of association of the Target Company and all other industrial and commercial registration materials related to the Equity Transfer;

(iv) the existing shareholders of the Target Company have waived their pre-emptive rights and other similar rights in relation to the Equity Transfer;

(v) the Target Company has completed the industrial and commercial registration and filings in respect of the Equity Transfer and the Capital Increase, and according to the shareholding structure of the Target Company as recorded in the industrial and commercial registration, the Purchasers have acquired a controlling interest (i.e. an equity interest of 51% or more) in the Target Company. Furthermore, the parties agree that such industrial and commercial registration of changes shall only be carried out after the completion of the matters described in paragraphs (vi) and (ix) below;

(vi) the Target Company has completed the rectification of each of the issues identified by the Purchasers during the due diligence of the Target Company and obtained the written approval of the Purchasers, or has formulated a rectification plan which is satisfactory to the Purchasers and confirmed in writing by the Purchasers;

(vii) other customary conditions;

(viii) the Target Company and the Vendors have issued to Black Sesame Wuhan a letter of confirmation for closing confirming all of the above conditions precedent have been satisfied (or waived by the Purchasers); and

(ix) Black Sesame Wuhan has completed all reasonable and necessary procedures for the Equity Transfer, including but not limited to obtaining the approval from the Shareholders as well as reporting to and approvals of the Stock Exchange (if required), and completion of the financing for the Equity Transfer. For the avoidance of doubt, upon completion of the aforementioned procedures and financing by Black Sesame Wuhan, a written confirmation shall be issued by Black Sesame Wuhan to the Target Company and the Vendors.

Save for the above condition (ix), Black Sesame Wuhan may at any time waive the conditions above by notice in writing.

As at the Latest Practicable Date, the above conditions (i), (ii), (iii), (iv) and (vi) have been satisfied, and none of the remaining conditions have been waived.

Closing

Closing shall occur on the date when the Target Company has completed the registration or filing of the change of market entity with the competent market supervision and regulatory authority, provided that, the completion of the Equity Transfer and the Capital Increase is inter-conditional and will occur at the same time.

Termination

The Equity Transfer Agreement may be terminated:

(i) by mutual consent of all the parties under the Equity Transfer Agreement;

(ii) by Black Sesame Wuhan, if any of the Vendors fails to perform his/her/its obligations under the Equity Transfer Agreement (for whatever reason) and still fails to take remedial measures within a reasonable period specified in writing by the Purchasers after receiving written reminders by the Purchasers, thereby constituting a repudiatory breach of contract. For the avoidance of doubt, a repudiatory breach of contract includes, but is not limited to, (a) any default that prevents the Purchasers from acquiring all the Sale Equity; (b) any default that prevents the Purchasers from acquiring a controlling stake in the Target Company; and (c) any default that is proven to cause economic losses (including direct or indirect economic losses) to the Target Company in excess of 5% of its audited total assets of the previous year;

(iii) by the Vendors, if the Purchasers fail to pay the consideration for the Equity Transfer on time as stipulated in the Equity Transfer Agreement, and the payment is overdue by 30 days or more;

(iv) by any of the parties, if any of the conditions precedent fail to be satisfied (or waived by Black Sesame Wuhan) by March 31, 2026[*Note*], unless otherwise agreed in writing by the parties; or

(v) by any of the parties, if the reasons preventing the Purchasers from legally and lawfully paying the entire consideration for the Equity Transfer within the time limit as required by the Equity Transfer Agreement have not been eliminated by March 31, 2026 [*Note*].

Note: For the avoidance of doubt, the parties have agreed that, as additional time is required to prepare and finalise certain information in this circular and the publishment of this circular has accordingly been delayed, the date of "March 31, 2026" referred to in paragraphs (iv) and (v) above shall be extended to "June 30, 2026".

The Capital Increase Agreement

A summary of the principal terms of the Capital Increase Agreement is set out below:

Date

December 31, 2025

Parties

(i) the SPV;

(ii) the Management Shareholders;

(iii) the Existing Shareholders;

(iv) the Employees Partnerships; and

(v) the Target Company

Subject matter

Pursuant to the Capital Increase Agreement, it has been conditionally agreed that the SPV will subscribe for the newly increased registered capital in the Target Company of RMB20,218,838 (representing 40.4377% of the total enlarged equity interest of the Target Company following the Capital Increase) at the price of RMB20,218,838.

Upon the completion of the Equity Transfer and the Capital Increase, the Company will indirectly own 60% equity interest in the Target Company through the SPV.

Consideration and payment

The consideration for the Capital Increase is RMB20,218,838. The SPV shall make payment of the aforementioned consideration to the Target Company within 15 working days after the conditions precedent have been fulfilled (or waived by the SPV).

The SPV proposes to satisfy the payment of the consideration by using internal resources and/or bank financing of the Group.

For details of the basis of determination of the consideration for the Capital Increase, please refer to the section headed "4. Basis of Determination of Consideration".

Conditions precedent

The Capital Increase is conditional upon the satisfaction (or waiver by the SPV) of the conditions precedent, including, among others:

(i) the transaction documents relating to the Capital Increase have been legally and validly signed by all parties, and all parties have signed the new articles of association of the Target Company effective upon the completion of the Capital Increase or the contents of the new articles of association have been confirmed by the SPV;

(ii) the Target Company has completed the rectification of the issues identified by the SPV during the due diligence of the Target Company and obtained the written approval of the SPV, or has formulated a rectification plan which is satisfactory to the SPV and confirmed in writing by the SPV;

(iii) the shareholders' meeting of the Target Company has resolved to approve the Capital Increase by the SPV in monetary form pursuant to the requirements of the Capital Increase Agreement to acquire the Subscription Equity;

(iv) the SPV has completed the industrial and commercial registration of changes in respect of the Equity Transfer and the Capital Increase; and

(v) other customary conditions.

The SPV may at any time waive the conditions above by notice in writing.

As at the Latest Practicable Date, the above conditions (i), (ii) and (iii) have been satisfied, and none of the remaining conditions have been waived.

Closing

Closing shall occur on the date when the payment of the consideration for the Capital Increase and the Target Company's business registration have been completed, provided that, the completion of the Equity Transfer and the Capital Increase is inter-conditional and will occur at the same time.

Termination

The Capital Increase Agreement may be terminated by mutual consent of all the parties under the Capital Increase Agreement.

The SPV has the right to terminate the agreement if:

(i) any of the conditions precedent fail to be satisfied (or waived by the SPV) within 45 days[Note] after the signing of the Capital Increase Agreement; or

Note: For the avoidance of doubt, the parties have agreed that, as additional time is required to prepare and finalise certain information and the publishment of this circular has accordingly been delayed, the 45-day period referred to in paragraph (i) above shall be extended to six months.

(ii) the Target Company, the Management Shareholders, the Existing Shareholders or the Employees Partnerships fail to perform their obligations under the Capital Increase Agreement (for whatever reason) and still fail to do so within the period specified in writing by the SPV after receiving written reminders by the SPV, resulting in the Company's inability to subscribe for all the Subscription Equity.

The Management Agreement

A summary of the principal terms of the Management Agreement is set out below:

Date

December 31, 2025

Parties

(i) the Company;

(ii) the Management Shareholders;

(iii) the Employees Partnerships; and

(iv) the Target Company

Performance commitment

As an important part of the Acquisition, the Management Shareholders have made legally binding three-year Performance Commitment to the Company (including the three financial years ending December 31, 2026, 2027, and 2028 (the "**Performance Commitment Period**")) and established clear mechanisms closely linked to the performance achievement. Details of which are set out in the section headed "5. Performance Commitment and Relevant Mechanisms".

Lock-up

Without the prior written consent of the Company, (i) the Management Shareholders and the Employees Partnerships shall not transfer their shares in the Target Company; and (ii) each of the Management Shareholders, being the general partner of each of the Employees Partnerships, shall ensure that the Employees Partnerships do not transfer their shares in the Target Company. If the Company consents to the transfer of shares in the Target Company by the Management Shareholders or the Employees Partnerships, the Company shall have a pre-emptive right to purchase all or part of the shares on the same terms as the other purchasers.

4. BASIS OF DETERMINATION OF CONSIDERATION

The Acquisition comprises (i) the Equity Transfer and (ii) the Capital Increase, which are inter-conditional upon each other. The consideration was determined after arm's length negotiations among the parties on normal commercial terms, taking into account the business conditions, financial position and future prospects of the Target Group, as well as the appraised value of approximately RMB800.87 million prepared by the Independent Valuer (further details of which are set out in the section headed "6. Valuation of the Target Company"). In aggregate, the total consideration of approximately RMB478 million implies an equity value of the Target Company of approximately RMB797 million on a 100% basis, which is broadly in line with such appraised value.

Consideration for the Equity Transfer

In respect of the Equity Transfer, the consideration was determined after arm's length negotiations with reference to the original investment cost of each vendor. Given that the Target Company underwent multiple rounds of financing between 2018 and 2022, resulting in significant variations in entry valuations among different investors, and that its current valuation has adjusted downward from the higher valuation levels in previous financing rounds due to external factors, the parties agreed to adopt the original investment cost of each vendor as the basis for determining the consideration so as to ensure the commercial feasibility of the transaction.

Consideration for the Capital Increase

In respect of the Capital Increase, the Company will inject RMB20,218,838 into the Target Company by subscribing for the newly increased registered capital at a price of RMB1 for every RMB1 of registered capital. Such arrangement represents a relatively low-priced capital injection, which helps safeguard the Company's interests and bring the overall consideration to a reasonable level, thereby aligning the implied valuation of the Target Company under the Acquisition with the appraised value.

5. PERFORMANCE COMMITMENT AND RELEVANT MECHANISMS

Performance Commitment Indicators

The Management Shareholders commit that the Target Group shall achieve the following financial indicators (after special audit adjustments):

(i) Tax-inclusive operating revenue of the Target Group (the "**Revenue Indicator A**"): not less than RMB300 million for the year ending December 31, 2026, not less than RMB400 million for the year ending December 31, 2027, not less than RMB500 million for the year ending December 31, 2028, and the aggregate for the above three financial years shall be not less than RMB1.2 billion; and

(ii) Adjusted net profit of the Target Group[Note]: not less than RMB5 million for the year ending December 31, 2026, not less than RMB35 million for the year ending December 31, 2027, not less than RMB50 million for the year ending December 31, 2028, and the aggregate for the above three financial years shall be not less than RMB90 million.

Note: "Adjusted net profit" refers to the net profit attributable to owners of the parent, after excluding the impact of the following items: (a) expenses related to share-based compensation arising from the implementation of employee equity incentive schemes; and (b) gains or losses from fair value changes arising from changes in or valuation adjustments of preferred shares in connection with the Acquisition and subsequent financings.

The aforesaid performance indicators have been determined after arm's length negotiations with reference to (i) the historical financial performance and revenue growth trend of the Target Group, (ii) its expected business expansion plan and order pipeline during the Performance Commitment Period, (iii) the growth trajectory of the industry, and (iv) the Company's internal financial projections based on commercial feasibility and anticipated synergies.

In particular, the tax-inclusive operating revenue indicators have been determined with reference to the historical growth of the Target Group and comparable listed companies in the same industry. The Target Group recorded a compound annual growth rate ("**CAGR**") of approximately 39% for the three years ended December 31, 2025, while the revenue targets under the Performance Commitment Period imply a CAGR of approximately 40.6%. Such growth rate is moderately higher than the historical level and is at the upper end of the range observed among comparable companies in the on-device AI chip sector (approximately 27% to 44%), and is considered reasonable in light of the Target Group's early stage of development.

In respect of the adjusted net profit indicators, the Company has taken into account the Target Group's loss reduction trend and expected transition to profitability. The Target Group's losses have narrowed for the three years ended December 31, 2025, and it is expected to achieve breakeven following completion of the Acquisition and thereafter record gradual profit growth, taking into account anticipated business synergies and product iteration. The profit targets are considered to be consistent with the profit ramp-up trajectory observed among comparable companies in the same industry.

Such performance indicators are intended to reflect a balanced assessment of achievability and growth potential of the Target Group, taking into account its current development stage and expected transition from loss-making to profitability.

Compensation Mechanism

In respect of the Performance Commitment, the parties have agreed on a mechanism to address underperformance of the Target Group:

If in any financial year during the Performance Commitment Period,

(a) the actual tax-inclusive operating revenue of the Target Group is less than 70% of the Revenue Indicator A of the financial year (i.e. less than RMB210 million for the year ending December 31, 2026, less than RMB280 million for the year ending December 31, 2027, less than RMB350 million for the year ending December 31, 2028), or

(b) the actual adjusted net profit of the Target Group is less than the following indicators: a negative adjusted net profit for the year ending December 31, 2026, less than RMB14 million for the year ending December 31, 2027, or less than RMB20 million for the year ending December 31, 2028;

then the Company has the right to require the Management Shareholders to transfer an aggregate of 20% equity interest directly and indirectly held by them in the Target Company (subject to the registered capital after the completion of the Capital Increase, corresponding to the registered capital of RMB10 million) to the designated person of the Company at the total price of RMB1 or the minimum consideration permitted by law (whichever is lower) according to their respective shareholding ratio.

The threshold levels and the compensation ratio have been determined with reference to the Company's exposure to performance uncertainty under the Acquisition, the expected value contribution of the Target Group upon achievement of the Performance Commitment, and market practice for similar performance commitment arrangements involving equity-based adjustments. In particular, the compensation ratio reflects the control and risk allocation structure under the Acquisition, pursuant to which the Company will hold 60% of the equity interests in the Target Company upon completion and will be entitled, in the event that the performance targets are not met, to acquire an aggregate of 20% equity interest from the Management Shareholders at a nominal consideration, thereby increasing its shareholding to 80%. Such arrangement enables the Company to obtain enhanced control in circumstances of material underperformance, facilitating effective risk control and value recovery, while the Management Shareholders and the employee shareholding platform will retain a portion of equity interests to maintain ongoing incentive alignment. Accordingly, the agreed threshold levels and compensation ratio are considered to provide a quantifiable and enforceable downside protection mechanism for the Company while preserving incentives for continued performance improvement.

Notwithstanding that the compensation mechanism only involves the transfer of additional equity interests in the Target Company, such arrangement is considered effective in safeguarding the Company's interests. In particular, upon the occurrence of a compensation event, the Company's equity ratio in the Target

Company will increase, thereby strengthening the Company's control over the Target Company and enabling the Company to exercise greater influence over its operations, management and strategic direction. This would allow the Company to implement necessary operational, financial or restructuring measures to mitigate losses, enhance operational efficiency and facilitate value recovery. As such, the compensation mechanism provides a practical means for the Company to protect and potentially recover the value of its investment in the Target Company in the event of adverse performance.

Exemption Conditions

The Company may waive its right to require the Management Shareholders to transfer 20% equity interest in the Target Company if the Target Group has not fully achieved the performance commitment indicators for each financial year upon the expiry of the Performance Commitment Period but the following conditions are satisfied at the same time:

(i) the aggregate tax-inclusive operating revenue actually realized by the Target Group for the three financial years during the Performance Commitment Period exceeds the aggregate amount of 70% of the Revenue Indicator A for each financial year, i.e. RMB840 million; and

(ii) the total adjusted net profit actually realized by the Target Group in the three financial years during the Performance Commitment Period is more than RMB34 million.

Subject to the satisfaction of the above conditions, the parties shall, on the basis of the principles of good faith, enter into friendly negotiations on matters including the extension of the Performance Commitment Period, and shall enter into a separate written supplemental agreement to re-determine the performance commitment during the extended period.

Incentive and Reward Mechanism - Equity Interest in the Target Company as Awards

To fully motivate the Management Shareholders to create excess performance, other than the compensation mechanism, the parties have agreed to adopt an incentive and reward mechanism to align the interests of the Management Shareholders with the long-term development of the Target Group.

Based on the Target Group's fulfilment of the financial performance indicators (as described below) for each financial year during the Performance Commitment Period and on an aggregate basis over the entire Performance Commitment Period, the Company will transfer no more than 3% equity interest in the Target Company for each financial year (subject to the registered capital after the completion of the Capital Increase, corresponding to the registered capital of RMB1.5 million) and an aggregate of no more than 9% equity interest in the Target Company over the entire Performance Commitment Period (subject to the registered capital after the completion of the Capital Increase, corresponding to the registered capital of RMB4.5 million) to the Management Shareholders as performance rewards.

Relevant financial performance indicators (after special audit adjustments) (with the tax-inclusive operating revenue indicator for the year ending December 31, 2028 set at a level slightly higher than the Revenue Indicator A mentioned above) are set out below:

(i) Tax-inclusive operating revenue of the Target Group (the "**Revenue Indicator B**"): not less than RMB300 million for the year ending December 31, 2026, not less than RMB400 million for the year ending December 31, 2027, not less than RMB550 million for the year ending December 31, 2028, and not less than RMB1.25 billion in aggregate for the above three financial years; and

(ii) Adjusted net profit of the Target Group[Note] (the "**Adjusted Net Profit Indicator**"): not less than RMB5 million for the year ending December 31, 2026, not less than RMB35 million for the year ending December 31, 2027, not less than RMB50 million for the year ending December 31, 2028, and not less than RMB90 million in aggregate for the above three financial years.

Note: "Adjusted net profit" refers to the net profit attributable to owners of the parent, after excluding the impact of the following items: (a) expenses related to share-based compensation arising from the implementation of employee equity incentive schemes; and (b) gains or losses from fair value changes arising from changes in or valuation adjustments of preferred shares in connection with the Acquisition and subsequent financings.

According to the fulfillment of the financial indicators of the Target Group in different financial years, the Management Shareholders shall be entitled to the corresponding number of awarded equity, with specific details as follows:

	Fulfilment level	**Awarded equity ratio**
1.	Revenue Indicator B is not achieved	0%
2.	Revenue Indicator B is achieved, but Adjusted Net Profit Indicator is not achieved	1.5%
3.	Both Revenue Indicator B and Adjusted Net Profit Indicator are achieved	3%

Cumulative Top-up Mechanism

After the completion of the Performance Commitment Period, if the aggregate awarded equity obtained by the Management Shareholders based on the fulfillment of the financial indicators is less than 9% equity interest in the Target Company after the completion of the Acquisition, the awarded equity ratio shall be reconfirmed based on the cumulative indicators for the entire Performance Commitment Period (i.e., the cumulative amounts of Revenue Indicator B and Adjusted Net Profit Indicator over the three financial years of the Performance Commitment Period), and the Management Shareholders may obtain the supplementary awarded equity to reach 9% equity interest in the Target Company if the cumulative indicators for the three financial years are met.

The incentive percentages have been determined with reference to the need to provide sufficient motivation for the Management Shareholders to deliver sustainable growth of the Target Company, while ensuring that the Company retains control over the Target Company following the grant of incentives. In particular, the cumulative cap for equity-based incentives is set at 9%, which is consistent with the commonly adopted upper limit of approximately 10% of issued share capital under equity incentive frameworks in domestic and international capital markets, and is considered to be within a reasonable range. Assuming full grant of such incentives, the Company will continue to maintain a controlling interest in the Target Company. The incentive arrangement is further structured on a phased basis over the Performance Commitment Period, with tiered performance conditions linked to revenue and profit targets, such that rewards are granted progressively based on performance outcomes. Such structure is designed to align the interests of the Management Shareholders with both revenue growth and profitability, while ensuring that the Company's controlling position will not be diluted and that incentives remain effective and sustainable.

Incentive and Reward Mechanism – Shares of the Company as Awards

In addition to the equity-based incentive arrangements at the level of the Target Company, the Company has agreed that, based on the level of annual performance achieved by the Target Group, and in accordance with the Post-IPO Share Plan, share awards (in the form of rights to subscribe for Shares of the Company) will be granted to the Management Shareholders, with a view to further aligning their interests with the long-term performance of the Enlarged Group as a whole and incentivizing the Management Shareholders to contribute to the sustainable growth of the Enlarged Group.

Such share awards shall be granted only if both the tax-inclusive operating revenue and adjusted net profit for the relevant year have reached not less than 90% of the corresponding Revenue Indicator B and Adjusted Net Profit Indicator.

Where the revenue achievement rate exceeds the adjusted net profit achievement rate, the adjusted net profit achievement rate shall be adopted as the basis for determining the award amount. Where the revenue achievement rate is lower than the adjusted net profit achievement rate, the revenue achievement rate and the adjusted net profit achievement rate shall be assessed separately for the purpose of determining the award amount.

Calculation of Award Amount and Number of Shares

The number of share awards to be granted shall be determined with reference to the level of performance achieved and the prevailing share price of the Company, according to the following formula:

Award Amount = (Actual revenue – Revenue base) × 5% × 70% + (Actual adjusted net profit – Adjusted net profit base) × 5% × 30%

Where:

(i) Revenue base = the Revenue Indicator B for the relevant year× 90%;

(ii) Adjusted net profit base = the Adjusted Net Profit Indicator for the relevant year× 90%;

(iii) Weighting: revenue 70%, adjusted net profit 30%; and

(iv) Award coefficient for the excess portion: 5%.

Number of Share Awards = Award Amount for that year ÷ Share price

Where: the share price shall be determined based on the closing price of the Company's shares on the Stock Exchange on December 31 of the relevant assessment year; if such day is not a trading day, the closing price on the most recent trading day shall be adopted.

For illustrative purposes, applying the above formula and based on the closing price of the Company's Shares as at December 31, 2025 (being HK$19.28), the estimated award amounts and the corresponding number of Shares are set out in the table below:

Performance Achievement Rate	**Year**	**Award Amount** *(RMB'0,000)*	**Corresponding Number of Shares** *(10,000 shares)*
100%	2026	106	6.07
	2027	145	8.34
	2028	200	11.48
120%	2026	317	18.22
	2027	436	25.02
	2028	600	34.45
150%	2026	635	36.44
	2027	872	50.05
	2028	1,200	68.91

The parameters, including the percentage applied to excess performance and the relative weighting between revenue and profit, have been determined taking into account (i) the Target Group's development stage, which places relatively greater emphasis on revenue growth while maintaining profitability discipline, and (ii) the need to establish a transparent and measurable linkage between performance and reward. In particular, the additional share-based incentive will only be granted where the achievement rates of both the revenue and adjusted net profit indicators reach at least 90%, ensuring that incentives are conditional upon overall performance being broadly in line with expectations. Revenue and adjusted net profit are assigned weightings of 70% and 30%, respectively, reflecting a primary focus on scale expansion at the current stage of development while maintaining appropriate profitability discipline. Incentives for excess performance are determined based on a fixed rate linked to actual outperformance, and the number of share awards is calculated with reference to the prevailing market price of the Company's shares, thereby enhancing transparency and aligning the incentives with market-based valuation.

Such share-based incentive arrangement complements the equity incentive mechanism at the Target Company level by providing additional upside incentives linked to the overall value of the Enlarged Group, thereby encouraging the Management Shareholders to deliver sustained operational performance beyond the minimum performance commitments and to enhance the long-term value of the

Enlarged Group. Taking into account the above, the Directors are of the view that the incentive and reward mechanism is fair and reasonable, and in the interest of the Company.

6. VALUATION OF THE TARGET COMPANY

The Company has engaged the Independent Valuer to conduct an independent valuation of the 100% equity interest in the Target Company as at the Valuation Date (the "**Valuation**"). According to the Valuation Report, the appraised value of the 100% equity interest in the Target Company as at the Valuation Date is approximately RMB800.87 million.

In arriving at this valuation, the Independent Valuer considered the Income Approach, the Asset-Based Approach and the Market Approach, and ultimately adopted the Market Approach as the valuation method for determining the enterprise value of the Target Company. The Independent Valuer is of the view that the price multiples of the comparable companies are derived from market consensus, and therefore the valuation result obtained using the Market Approach can reflect the market's expectations for the industry in which the Target Company operates. Currently, publicly listed companies with a nature and business similar to those of the Target Company can be identified from publicly available information in the domestic capital market. Thus, the necessary prerequisites for applying the Market Approach are satisfied, and the Listed Company Comparison Method under the Market Approach is deemed appropriate for the Valuation.

The reasons for not selecting the Asset-Based Approach for the Valuation are as follows: The Asset-Based Approach assumes that the assets and liabilities of the Target Company are separable and can be sold individually. This valuation method is more suitable for industries where assets are highly liquid, such as real estate development and financial institutions. Furthermore, the Asset-Based Approach measures enterprise value from the perspective of the replacement of the enterprise's current assets. It does not consider the incremental value generated by the enterprise's implicit advantages or its future development prospects, and thus cannot reflect the enterprise's overall earning capacity and the market's judgment of the enterprise's value. Therefore, the Asset-Based Approach is not appropriate for the Valuation.

The primary reasons for not selecting the Income Approach for the Valuation are as follows: The Income Approach considers the enterprise's future earning capacity, reflecting the combined earning capacity of various assets of the enterprise. The data used in the Income Approach relies more heavily on subjective judgments regarding the enterprise's future development expectations, involving numerous assumptions. Considering that inappropriate assumptions in the Income Approach could significantly impact the valuation result, and given that the data used in the Market Approach is more authentic, reliable, and yields a more objective valuation outcome, the Income Approach was not adopted for the Valuation.

Details of the Valuation Report (including key assumptions, input parameters and the detailed calculation process) are set out in Appendix V to this circular.

7. SHAREHOLDING STRUCTURE OF THE TARGET COMPANY

Details of the shareholding structure of the Target Company as at the Latest Practicable Date and immediately after the completion of the Equity Transfer and the Capital Increase are set out below:

Name of Shareholders	As at the Latest Practicable Date		Immediately after the Completion of the Equity Transfer and the Capital Increase	
	Registered Capital	Shareholding Percentage	Registered Capital	Shareholding Percentage
	(RMB'0,000)	*(%)*	*(RMB'0,000)*	*(%)*
SPV	–	–	3,000.0000	60.0000
Vendors	978.1162	32.8435	–	–
Management Shareholders				
Chen Feng	680.0000	22.8332	680.0000	13.6000
Wu Lang	210.0000	7.0514	210.0000	4.2000
Shan Jun	210.0000	7.0514	210.0000	4.2000
Existing Shareholders				
Cai Zhenhua	100.0000	3.3578	100.0000	2.0000
Yu Zhenhui	100.0000	3.3578	100.0000	2.0000
Yan Zhi	50.0000	1.6789	50.0000	1.0000
Xiao Zhenliang	40.0000	1.3431	40.0000	0.8000
Yang Shaojun	24.0000	0.8059	24.0000	0.4800
Employees Partnerships				
Zhuhai Yihui	266.0000	8.9318	266.0000	5.3200
Zhuhai Yiju	160.0000	5.3725	160.0000	3.2000
Zhuhai Zhiju	160.0000	5.3725	160.0000	3.2000
Total	2,978.1162	100.0000	5,000.0000	100.0000

8. FINANCIAL INFORMATION OF THE TARGET GROUP

The following table sets forth the financial information attributable to the Target Group for the three financial years ended December 31, 2023, 2024 and 2025 based on the audited financial statements prepared under IFRS.

	For the year ended December 31,		
	2023	**2024**	**2025**
		(RMB'000)	
	(Audited)	(Audited)	(Audited)
Net loss before taxation	111,806	86,667	86,750
Net loss after taxation	111,811	86,671	86,750

According to the unaudited financial statements prepared in accordance with IFRS, the net liabilities of the Target Group as of June 30, 2025 was RMB697.09 million; and according to the audited financial statements prepared in accordance with IFRS, the net liabilities of the Target Group as of December 31, 2025 was RMB744.94 million.

Since the outbreak of the COVID-19 pandemic, its impact on the global and Chinese economies has been markedly phased and persistent, exerting direct and significant phased disruptions on the Target Group's supply chain logistics, production scheduling, and market demand. Notwithstanding the formal easing of pandemic restrictions towards the end of 2022, the operational impact of the pandemic was not immediately eliminated, and the recovery in demand across traditional sectors, particularly consumer electronics, remained relatively slow. In particular, downstream customer demand, product introduction cycles and supply chain conditions required additional time to normalize, and certain disruptions, including delayed customer validation, postponed product commercialization and extended delivery cycles, continued to affect the Target Group's operations into 2023 and beyond, and further intensified the operational pressure on the Target Group, which led to key indicators such as net profit and net assets remaining at relatively low levels. At present, the Target Group's production and operational activities have fully returned to normal. Additionally, alongside the explosive growth of the on-device AI market, the Target Group's operating condition has gradually improved and its business has achieved progress.

An overview of the financial performance of the Target Group for the year ended December 31, 2025 is as follows: The Target Group's revenue increased by 30.3% from RMB132.95 million in 2024 to RMB173.25 million in 2025. The Target Group's contract liabilities increased rapidly from RMB3.53 million as at December 31, 2024 to RMB44.13 million as at December 31, 2025. The Target Group's operating loss in 2025 was RMB32.81 million, lower than RMB40.85 million in 2024 and RMB66.82 million in 2023. The Target Group's net cash used in operating activities in 2025 was RMB13.50 million, representing a decrease as compared to RMB26.58 million in 2024 and RMB35.94 million in 2023. The Target Group's cash and cash equivalents as at December 31, 2025 were RMB72.82 million, representing a significant increase as compared to RMB14.35 million as at December 31, 2024. For further details of the financial information of the Target Group for the financial year ended December 31, 2025, please refer to Appendix II to this circular.

9. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is a leading automotive-grade driving assistance products and solutions provider principally engaged in the sale of automotive-grade products and technologies. The Target Group focuses on the development and sales of high-cost-performance and low-power artificial intelligence (AI) system on chip (SoC) and solutions. The vast majority of the intellectual property (IP) used in its chip products, including image signal processor (ISP), neural processing unit (NPU) and analog IPs, has been developed in-house. The Target Group primarily adopts a business model centred on the sale of standardised AI SoC chip products, targeting a broad range of edge-side and on-device AI application scenarios. Its revenue is principally generated from large-scale supply of such chip products to customers including solution integrators, module manufacturers and consumer electronics brands, with applications spanning driving assistance devices, smart hardware and AIoT products.

Notwithstanding that the Target Group is currently in a loss-making position, such financial position is primarily attributable to its early-stage development characteristics, which typically require sustained investments in research and development, as well as the impact of external macroeconomic factors, including disruptions caused by the COVID-19 pandemic and the relatively slow recovery in downstream demand. The Target Group has demonstrated improving operational trends in recent years, as evidenced by revenue growth and a narrowing of operating losses, indicating that its business is gradually progressing towards breakeven alongside the development of the on-device AI SoC market. In addition, the Acquisition is accompanied by legally binding performance commitments, which establish a clear and measurable pathway for the Target Group to transition from a loss-making position to profitability. Under such arrangements, the Target Group is expected to generate incremental revenue and adjusted net profit during the Performance Commitment Period and contribute positively to the Group's consolidated financial performance.

Taking into account the foregoing, the Directors consider that the Acquisition represents an opportunity for the Group to invest in a technology-driven company at a relatively early stage of development, thereby enabling the Group to capture the potential upside associated with its future growth.

Revenue Upside and Detailed Synergy Effects

The Acquisition is expected to expand revenue scale and enhance the Enlarged Group's financial performance through the integration of complementary product portfolios, customer bases and technological capabilities. Upon completion of the Acquisition, the Enlarged Group will be able to provide a full range of high-, medium- and low-end automotive-grade computing chips, enabling full-scenario solutions for driving assistance, while also expanding into a broader range of robotics and AI+ application scenarios, thereby providing a full range of AI inference chips and solutions, enlarging the overall revenue base and creating multiple revenue growth drivers.

In particular, upon completion of the Acquisition, the Group and the Target Group are expected to achieve synergies in multiple dimensions, including product matrix, customer expansion, application scenario development and cost optimisation, which are expected to translate into both revenue growth and profitability improvement and further strengthen the Enlarged Group's competitive advantage in the field of AI SoC chips:

I. In-vehicle Product Matrix and Customer Expansion Synergies

By integrating the Target Group's high-cost-performance, low-power chip products with the Group's mature algorithms and high-end chips, the Enlarged Group will achieve full product line coverage across different computing power segments, ranging from low to high computing power scenarios. The Target Group's chips will fill the Group's market gap in the field of the automotive mid-to-low computing-power chips, thereby enabling the Enlarged Group to provide customers with more comprehensive and cost-effective product solutions across a wider range of automotive applications.

Leveraging the existing customer channels of both parties, and integrating their respective strengths in algorithms and solutions, the Enlarged Group is expected to extend in-vehicle scenarios to new intelligent applications such as Driver Monitoring System (DMS), front-view integrated machines and small domain control. In particular, while the Group's existing customer base is primarily concentrated in original equipment manufacturers (OEMs) and Tier 1 suppliers, the Target Group has accumulated customer resources among module manufacturers, solution integrators and consumer brands. Through the integration of such complementary customer channels and application needs, the Enlarged Group will be better positioned to enhance product definition efficiency, accelerate solution deployment and expand into consumer and broader AI application markets, thereby enlarging its overall revenue base and enabling scalable revenue growth.

II. Robotics and AI+ Innovation Business Synergies

Under the Enlarged Group's robotics business framework, the Target Group expects to promote the implementation of its AI SoC chips in lightweight robotics scenarios such as robotic vacuum cleaners and lawn mowers. The Enlarged Group also expects to engage in innovative cooperation in AI+ emerging fields including smart home, smart entertainment and smart education, thereby jointly exploring diversified application scenarios in the robotics and AI+ sectors.

Through the above collaboration, the Enlarged Group is expected to broaden its application footprint, cultivate additional customer demand and create new revenue drivers, thereby enhancing the diversity of its business portfolio and supporting future revenue growth.

III. R&D, Supply Chain and Mass Production Synergies

The Acquisition is expected to generate substantial synergies in research and development (R&D), supply chain management and mass production.

In respect of R&D, the Enlarged Group is expected to achieve joint product definition, joint development and collaborative innovation, thereby optimizing resource allocation and accelerating technological breakthroughs. At the product definition stage, the Group is expected to leverage the Target Group's accumulated understanding of customer requirements in edge AI application scenarios, with the Target Group providing important input on CPU selection, GPU configuration, NPU architecture and overall SoC system architecture, thereby enhancing the relevance and precision of product design. In the early-stage development phase, the Target Group's experience in developing low-computing-power NPUs is expected to support the development of next-generation NPUs in a more cost-efficient manner.

In respect of supply chain and procurement, the Group and the Target Group have a relatively high degree of overlap in procurement items such as wafer fabrication and packaging and testing. Following completion of the Acquisition, the Enlarged Group is expected to enhance scale effects in wafer procurement, IP procurement and other key supply chain segments through more centralised procurement and resource integration, thereby enhancing bargaining power and reducing production costs.

These synergistic effects will provide solid guarantees for large-scale mass production and delivery, comprehensively enhancing product competitiveness and market response efficiency.

As disclosed in the Company's annual reports for the years ended December 31, 2024 and 2025, respectively, the Group is committed to exploring growth opportunities in more edge-side and on-device AI application scenarios, promoting its layout and expansion in the global market to continuously increase its market share and revenue scale. The Target Group's technological capabilities, product positioning and market presence are highly aligned with the Group's strategy of becoming a leading provider of full-scenario edge AI computing chips. The Acquisition will enrich the Enlarged Group's product portfolio, enhance its technological capabilities and expand its customer coverage, thereby strengthening its overall competitiveness and enhancing customer stickiness. Through the Acquisition, the Enlarged Group expects to achieve a turnaround from net operating losses to net operating profits in the near future by realizing business synergies, optimizing cost structures, enhancing product competitiveness and expanding market share.

Following completion of the Acquisition, the Target Group is expected to fund its operations through a combination of internally generated cash flows, external financing and financial support from the Group. The Group and the Target Group have engaged in preliminary discussions with financial institutions in relation to bank borrowings to support subsequent operations. In addition, the Target Group is expected to actively seek policy-based funding and government support in areas such as integrated circuit development and product certification. The Group may also provide financial support, where appropriate, and assist in exploring equity financing opportunities to introduce potential investors. Save for the Capital Increase, the Company does not currently have any plan for further capital injection.

The Board has assessed the Target Group's financial position and future prospects and considers that, notwithstanding its current loss-making position and net liabilities, it does not give rise to any material uncertainty relating to going concern. In reaching this view, the Board has taken into account the Target Group's improving operating trends, the legally binding performance commitment arrangements which provide a clear pathway to profitability, the expected realization of post-acquisition synergies enhancing revenue growth and cost efficiency, as well as the availability of financial support from the Group and access to diversified external financing channels, including bank borrowings, policy-based funding support and potential introduction of investors. The Board has also considered that the Management Shareholders' interests remain closely aligned with the future performance of the Target Group, which is expected to support stable business development. Accordingly, the Board is of the view that the Target Group has the ability to continue as a going concern.

Based on the above, the Board (excluding the Director who is required to abstain from voting) considered that although the Equity Transfer, the Capital Increase and the Performance Commitment are not in the ordinary course of business of the Group given the nature of the transactions, the terms and conditions of the Agreements and the transactions contemplated thereunder are fair and reasonable and are entered into on normal commercial terms and in the interests of the Group and the Shareholders as a whole.

As Dr. Yang Lei, a non-executive Director, serves as a director of the Target Company, he has abstained from voting on the relevant Board resolution approving the Acquisition. Save as disclosed above, none of the other Directors had any material interest in the relevant Board resolution and none of the other Directors was required to abstain from voting in the relevant Board resolution.

10. INFORMATION OF THE PARTIES

The Company and the Purchasers

The Company is an exempted company incorporated under the laws of Cayman Islands with limited liability on July 15, 2016, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 2533). The principal business activity of the Company is investment holding. The Group is a leading automotive-grade driving assistance products and solutions provider principally engaged in the sale of automotive-grade products and technologies.

Black Sesame Wuhan is an indirect wholly-owned subsidiary of the Company. It serves as the global headquarters of Black Sesame Technologies, undertaking the principal research and development and operational functions.

The SPV is a special purpose vehicle established by Black Sesame Wuhan for the Equity Transfer and the Capital Increase, and is an indirect wholly-owned subsidiary of the Company. It is primarily engaged in the business of investment holding as well as the research and development and sales related to on-device AI chips.

The Vendors

Chongqing Jichuang is a limited partnership incorporated in the PRC and is principally engaged in investment holding. It is owned as to 26.5% by Suzhou Jichuang Jinyuan Venture Capital Partnership (Limited Partnership) (蘇州極創槿源創業投資合夥企業（有限合夥）) (ultimately beneficially owned by Zhang Pengpeng (張朋朋)), 22.5% by Thunder Software Technology Co., Ltd. (中科創達軟件股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300496), 18.75% by Chongqing Linkong Yuanxiang Equity Investment Fund Partnership (Limited Partnership) (重慶臨空遠翔股權投資基金合夥企業（有限合夥）) (ultimately beneficially owned by the State-owned Assets Supervision and Administration Commission of Yubei District, Chongqing Municipality), 18.75% by Chongqing Science and Technology Innovation Investment Group Co., Ltd. (重慶科技創新投資集團有限公司) (ultimately beneficially owned by Chongqing State-owned Assets Supervision and Administration Commission), and 13.5% by other partners (each of whom holds less than 10% of the interest therein). The general partner of Chongqing Jichuang is Chongqing Jichuang Junyuan Equity Investment Fund Management Partnership (Limited Partnership) (重慶極創君源股權投資基金管理合夥企業（有限合夥）) (holding 1% interest in Chongqing Jichuang and ultimately beneficially owned by Zhang Pengpeng). The ultimate beneficial owner of Chongqing Jichuang is Zhang Pengpeng.

Intel Products is a limited liability company incorporated in the PRC and is principally engaged in the design, research and development, manufacturing, pretreatment, processing, encapsulation, testing of microelectronics, semiconductor products and semi-finished products, materials, equipment, systems and spare parts, sales of self-produced products, and provision of after-sales service and technical support. It is owned as to 59.1281% by Intel (China) Co., Ltd. (英特爾（中國）有限公司) and 40.8719% by Intel Asia Holding Limited. Intel Corporation indirectly holds 100% equity interest in Intel Products and exercises actual control.

Hengqin Lingjun is a limited partnership incorporated in the PRC and is principally engaged in project investment, industrial investment and investment consulting. It is owned as to 12.987% by each of Xu Xianfeng (徐先鋒), Foshan New Pearl Enterprise Group Co., Ltd. (佛山市新明珠企業集團有限公司) (ultimately beneficially owned by Ye Delin (葉德林)) and Song Jiajun (宋佳駿), and 61.039% by other partners (each of whom holds less than 10% of the interest therein). The general partner of Hengqin Lingjun is Xu Xianfeng. The ultimate beneficial owner of Hengqin Lingjun is Xu Xianfeng.

Guangdong Wenrun Zhenxin No. 2 is a limited partnership incorporated in the PRC and is principally engaged in equity investment, investment management, asset management and other activities with private equity funds. It is owned as to 81.9369% by Wenrun Zhenxin No. 2 (Zhuhai) Equity Investment Fund Partnership (Limited Partnership) (溫潤振信貳號(珠海)股權投資基金合夥企業(有限合夥)) (controlled by Wens Foodstuff Group Co., Ltd. (溫氏食品集團股份有限公司) (a company listed on the ChiNext board of the Shenzhen Stock Exchange, stock code: 300498)) and 17.0406% by Zhongshan Torch Science and Technology Innovation Fund Management Center (Limited Partnership) (中山火炬科創基金管理中心(有限合夥)) (ultimately beneficially owned by Zhongshan Torch High-Tech Industrial Development Zone Management Committee). The general partner of Guangdong Wenrun Zhenxin No. 2 is Guangdong Wen's Investment Co., Ltd. (廣東溫氏投資有限公司) (holding 1.0224% interest in Guangdong Wenrun Zhenxin No. 2 and being a wholly-owned subsidiary of Wens Foodstuff Group Co., Ltd.). Guangdong Wenrun Zhenxin No. 2 is controlled by Wens Foodstuff Group Co., Ltd.

Jiangsu Datai is a limited partnership incorporated in the PRC and is principally engaged in venture capital and related consulting business. It is owned as to 19.51% by Yueda Capital Co., Ltd. (悅達資本股份有限公司) (ultimately beneficially owned by Yancheng Municipal People's Government), 14.63% by Jiangsu Hengtong Optic-Electric Co., Ltd. (江蘇亨通光電股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600487), and 65.86% by other partners (each of whom holds less than 10% of the interest therein). The general partner of Jiangsu Datai is Beijing Datai Venture Capital Management Co., Ltd. (北京達泰創業投資管理有限公司) (holding 1.46% interest in Jiangsu Datai and ultimately beneficially owned by Li Quansheng (李泉生)). The ultimate beneficial owner of Jiangsu Datai is Li Quansheng.

As at the Latest Practicable Date, Li Lijun holds 1.7875% equity interest in the Target Company and is an individual investor.

Jiaxing Jiayong is a limited partnership incorporated in the PRC and is principally engaged in industrial investment and investment management. It is owned as to 99.9714% by Zhuhai Hengqin Lingrui Micro Investment Partnership (Limited Partnership) (珠海橫琴靈瑞微投資合夥企業(有限合夥)) (ultimately beneficially owned by Xu Xianfeng). The general partner of Jiaxing Jiayong is China Construction Investment Capital Management (Tianjin) Co., Ltd. (中建投資本管理(天津)有限公司) (holding 0.0286% interest in Jiaxing Jiayong and ultimately beneficially owned by the State Council of the People's Republic of China). The ultimate beneficial owner of Jiaxing Jiayong is Xu Xianfeng.

Chengdu Maiqiu is a limited partnership incorporated in the PRC and is principally engaged in venture capital, equity investment, and venture capital consulting services. It is owned as to 79.2079% by Yu Jingmei (喻靖媚), and 20.7921% by other partners (each of whom holds less than 10% of the interest therein). The general partner of Chengdu Maiqiu is Chengdu Maiqiuguyu Enterprise Management Partnership (Limited Partnership) (成都麥秋穀雨企業管理合夥企業(有限合夥)) (holding 0.9901% interest in Chengdu Maiqiu and ultimately beneficially owned by Yang Li (楊力)). The ultimate beneficial owner of Chengdu Maiqiu is Yang Li.

Ningbo Yaji is a limited partnership incorporated in the PRC and is principally engaged in enterprise management and consulting, information, technical and technology services and consulting. It is owned as to 80% by Gao Siying (高思瑩) and 20% by Gao Jincai (高進財). The general partner of Ningbo Yaji is Gao Jincai. The ultimate beneficial owner of Ningbo Yaji is Gao Jincai.

Jiangsu Shengyu is a limited partnership incorporated in the PRC and is principally engaged in venture capital and venture capital consulting. It is owned as to 20% by Nanjing Runke Industrial Investment Co., Ltd. (南京潤科產業投資有限公司) (ultimately beneficially owned by Lishui District Finance Bureau of Nanjing City (the State-owned Assets Supervision and Administration Office of People's Government of Nanjing Lishui)), 12% by Yingfutech National Emerging Industry Venture Capital Guidance Fund (Limited Partnership) (盈富泰克國家新興產業創業投資引導基金（有限合夥）) (ultimately beneficially owned by Liu Tingru (劉廷儒)), 10% by Nanjing Lishui Yida Industrial Investment Partnership (Limited Partnership) (南京市溧水毅達產業投資合夥企業（有限合夥）) (ultimately beneficially owned by Ying Wenlu (應文祿)), 10% by Danyang High-tech Venture Capital Co., Ltd. (丹陽市高新技術創業投資有限公司) (ultimately beneficially owned by Danyang State-owned Assets Operation Service Center), 10% by Nanjing Ronghong Jiayi Investment Partnership (Limited Partnership) (南京融泓嘉毅投資合夥企業（有限合夥）) (ultimately beneficially owned by Yan Wei (嚴偉)), 10% by Xi'an Tianli Investment Partnership (Limited Partnership) (西安天利投資合夥企業（有限合夥）) (controlled by Tianshui Huatian Technology Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 002185)), and 28% by other partners (each of whom holds less than 10% of the interest therein). The general partner of Jiangsu Shengyu is Shanghai Shengyu Equity Investment Fund Management Co., Ltd. (上海盛宇股權投資基金管理有限公司) (holding 2% interest in Jiangsu Shengyu and ultimately beneficially owned by Zhu Jiangsheng (朱江聲)). The ultimate beneficial owner of Jiangsu Shengyu is Zhu Jiangsheng.

Wenrun Growth No. 1 is a limited partnership incorporated in the PRC and is principally engaged in equity investment, investment management, asset management and other activities with private equity funds. It is owned as to 59.5455% by Guangdong Wen's Investment Co., Ltd. (廣東溫氏投資有限公司), 21.7273% by Guangdong Xinzhou Investment Partnership (Limited Partnership) (廣東新州投資合夥企業（有限合夥）) (ultimately beneficially owned by Wen Pengcheng (溫鵬程)), and 18.7273% by Zhuhai Hengqin Wen's No. 8 Equity Investment Fund Partnership (Limited Partnership) (珠海横琴溫氏捌號股權投資基金合夥企業（有限合夥）) (controlled by Wens Foodstuff Group Co., Ltd.). The general partner of Wenrun Growth No. 1 is Guangdong Wen's Investment Co., Ltd. (廣東溫氏投資有限公司). Wenrun Growth No. 1 is controlled by Wens Foodstuff Group Co., Ltd.

Zhuhai Science and Technology is a limited partnership incorporated in the PRC and is principally engaged in equity investment, investment management, asset management and other activities with private equity funds. It is owned as to 49.1667% by 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) (ultimately beneficially owned by Zhuhai High-tech Industrial Development Zone State-owned Assets Supervision and

Administration Office), 30% by Zhuhai Venture Capital Guidance Fund Co., Ltd. (珠海創業投資引導基金有限公司) (ultimately beneficially owned by State-owned Assets Supervision and Administration Commission of Zhuhai Municipal People's Government), 18.75% by Zhuhai Huashi Zhiyuan Investment Co., Ltd. (珠海華實智遠投資有限公司) (ultimately beneficially owned by the State-owned Assets Supervision and Administration Commission of Zhuhai Municipal People's Government), and 2.0833% by other partners. The general partner of Zhuhai Science and Technology is Zhuhai Kechuang Haisheng Venture Capital Fund Management Co., Ltd. (珠海科創海盛創業投資基金管理有限公司) (holding 1.25% interest in Zhuhai Science and Technology and ultimately beneficially owned by the State-owned Assets Supervision and Administration Commission of Zhuhai Municipal People's Government). The ultimate beneficial owner of Zhuhai Science and Technology is the State-owned Assets Supervision and Administration Commission of Zhuhai Municipal People's Government.

Sanqi Lexin is a limited partnership incorporated in the PRC and is principally engaged in investment activities with its own funds, information consulting services, financial consulting and venture capital. It is owned as to 71% by Anhui Taiyun Investment Management Co., Ltd. (安徽泰運投資管理有限公司) (controlled by Sanqi Interactive Entertainment Network Technology Group Co., Ltd. (三七互娛網絡科技集團股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002555)), 20% by Guangzhou Emerging Industry Development Fund Management Co., Ltd. (廣州市新興產業發展基金管理有限公司) (ultimately beneficially owned by the State-owned Assets Supervision and Administration Commission of Guangzhou Municipal People's Government), and 9% by other partners. The general partner of Sanqi Lexin is Sanqi Interactive Entertainment Venture Capital Co., Ltd. (三七互娛創業投資有限公司) (holding 1% interest in Sanqi Lexin and controlled by Sanqi Interactive Entertainment Network Technology Group Co., Ltd.). Sanqi Lexin is controlled by Sanqi Interactive Entertainment Network Technology Group Co., Ltd.

Suzhou Hengtong is a limited partnership incorporated in the PRC and is principally engaged in venture capital. It is owned as to 40.0962% by Jiangsu Hengtong Optic-Electric Co., Ltd. (江蘇亨通光電股份有限公司), 26.6239% by Suzhou Tongyun Renhe Innovation Industry Investment Co., Ltd. (蘇州同運仁和創新產業投資有限公司) (ultimately beneficially owned by Wujiang Economic and Technological Development Zone Management Committee), and 33.2799% by other partners (each of whom holds less than 10% of the interest therein). The general partner of Suzhou Hengtong is Suzhou Datai Venture Capital Management Co., Ltd. (蘇州達泰創業投資管理有限公司) (holding 4.0096% interest in Suzhou Hengtong and ultimately beneficially owned by Li Quansheng). The ultimate beneficial owner of Suzhou Hengtong is Li Quansheng.

Nantong Tongzhou is a limited liability company incorporated in the PRC and is principally engaged in electronic chips, integrated circuit research and development, design, and technical services. It is owned as to 33.34% by Hong Jinjun (洪進軍) and 33% by each of Zhang Ting (張挺) and Zhou Yueping (周月萍). The actual controller of Nantong Tongzhou is Hong Jinjun.

Shanghai Datai is a limited liability company incorporated in the PRC and is principally engaged in investment management, asset management, and investment consulting (except finance and securities). It is wholly owned by Suzhou Datai Venture Capital Management Co., Ltd.

Jiaxing Yueyi is a limited partnership incorporated in the PRC and is principally engaged in equity investment and related consulting services. It is owned as to 44.5% by Song Lei (宋磊), 25% by Yin Qingyuan (殷慶元), and 10% by each of Liu Wanting (劉婉汀), Lu Xiaofan (盧曉帆) and Li Dailin (李岱霖). The general partner of Jiaxing Yueyi is Hainan Universal Gravity Private Equity Fund Management Co., Ltd. (海南萬有引力私募基金管理有限公司) (holding 0.5% interest in Jiaxing Yueyi and ultimately beneficially owned by Hu Zhiyong (胡智勇)). The ultimate beneficial owner of Jiaxing Yueyi is Hu Zhiyong.

Zhuhai Port Kerui No. 3 is a limited partnership incorporated in the PRC and is principally engaged in private equity fund management and venture capital fund management services, and venture capital investment. It is owned as to 99.5% by 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). The general partner of Zhuhai Port Kerui No. 3 is Zhuhai Hi-Tech Venture Capital Investment Management Co., Ltd. (珠海高科金投創業投資管理有限公司) (holding 0.5% interest in Zhuhai Port Kerui No. 3 and ultimately beneficially owned by Zhuhai High-Tech Industrial Development Zone State-Owned Assets Supervision and Administration Office). The ultimate beneficial owner of Zhuhai Port Kerui No. 3 is Zhuhai High-Tech Industrial Development Zone State-Owned Assets Supervision and Administration Office.

Zhuhai Port Datai is a limited partnership incorporated in the PRC and is principally engaged in equity investment, investment management, asset management and other activities with private equity funds, and venture capital. It is owned as to 78.8294% by Ningbo Meishan Bonded Port Area Taiqiao Venture Capital Partnership (Limited Partnership) (寧波梅山保税港區泰橋創業投資合夥企業(有限合夥)) (ultimately beneficially owned by Li Quansheng) and 19.9253% by 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). The general partner of Zhuhai Port Datai is Suzhou Datai Venture Capital Management Co., Ltd. (holding 1.2453% interest in Zhuhai Port Datai). The ultimate beneficial owner of Zhuhai Port Datai is Li Quansheng.

Hengqin Qichuang is a limited partnership incorporated in the PRC and is principally engaged in equity investment, investment management, asset management and other activities with private equity funds, and venture capital. It is owned as to 45.8333% by Tan Yongjin (覃勇進), 14.1667% by Luo Yueting (羅月庭), 10.8333% by Wu Qingbing (吳慶兵) and 10.4167% by Huang Songde (黃松德) and 18.75% by other partners (each of whom holds less than 10% of the interest therein). The general partner of Hengqin Qichuang is Luo Yueting. The ultimate beneficial owner of Hengqin Qichuang is Luo Yueting.

Zhuhai Fukunyi is a limited liability company incorporated in the PRC and is principally engaged in enterprise management consulting, and information consulting services. Its ultimate beneficial owner is Qu Tongjun (苟彤軍).

The Management Shareholders

As at the Latest Practicable Date, Chen Feng (陳峰) is the chairman of the board of directors of the Target Company, holding 22.8332% equity interest in the Target Company; Wu Lang (吳浪) is a director and general manager of the Target Company, holding 7.0514% equity interest in the Target Company; and Shan Jun (單軍) is a director of the Target Company, holding 7.0514% equity interest in the Target Company.

The Existing Shareholders

As at the Latest Practicable Date, Cai Zhenhua (蔡振華), Yu Zhenhui (余振輝), Yan Zhi (嚴智), Xiao Zhenliang (肖振亮) and Yang Shaojun (楊少軍) hold 3.3578%, 3.3578%, 1.6789%, 1.3431% and 0.8059% the equity interest in the Target Company, respectively, and are individual investors.

The Employees Partnerships

Zhuhai Yihui, Zhuhai Yiju and Zhuhai Zhiju are limited partnerships incorporated in the PRC and are employee shareholding platforms of the Target Company. They are held by certain employees of the Target Company.

Shan Jun (單軍) is the general partner of, and has contributed approximately 18.0827% of the capital in, Zhuhai Yihui. Chen Feng (陳峰) is the general partner of, and has contributed approximately 19.4375% of the capital in, Zhuhai Yiju. Wu Lang (吳浪) is the general partner of, and has contributed approximately 17% of the capital in, Zhuhai Zhiju.

The Target Company

The Target Company is a limited liability company incorporated in the PRC on July 22, 2016. It is a leading systematic solution provider that focuses on artificial intelligence (AI) machine vision algorithms and system-on-chips (SoCs) design. It is dedicated to research and development of on-device AI SoCs with general computing power, offering system solutions with diversified computing power for different scenarios. The Target Company's product line mainly covers driving assistance, intelligent hardware, and AIoT products.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors, the Management Shareholders, the Existing Shareholders, the Employees Partnerships, the Target Company and their respective ultimate beneficial owners are Independent Third Parties.

11. LISTING RULES IMPLICATIONS

Since both the Equity Transfer Agreement and the Capital Increase Agreement were entered into within a 12-month period and the nature of both transactions involves the acquisition of equity interests in the Target Company, pursuant to Rule 14.22 of the Listing Rules, the Equity Transfer and the Capital Increase shall be aggregated and treated as a single transaction.

As the highest applicable percentage ratio after aggregating the Equity Transfer and the Capital Increase exceeds 25% but is less than 100%, the Equity Transfer and the Capital Increase constitute a major transaction for the Company under Chapter 14 of the Listing Rules, and are subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

12. EGM AND PROXY ARRANGEMENT

The EGM will be held on Wednesday, June 17, 2026 at 10:00 a.m. at 30/F, Building A, Zhongxing Times · Digital Trade Port, No. 79 Xudong Street, Hongshan District, Wuhan City, Hubei Province, China, at which an ordinary resolution will be proposed to consider and, if thought fit, approve the Agreements and the transactions contemplated thereunder. Notice convening the EGM is set out on pages EGM-1 to EGM-4 of this circular. The resolution set out in the notice of the EGM will be taken by a poll pursuant to the Listing Rules and the results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.

Pursuant to the Listing Rules, any holders of treasury shares shall abstain from voting in the Company's general meetings. As at the Latest Practicable Date, the Company has 1,982,200 treasury shares.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder has a material interest in the Agreement and the transactions contemplated thereunder (including the Acquisition). As such, no Shareholder is required to abstain from voting on the resolution approving the Agreement and the transactions contemplated thereunder at the EGM.

A form of proxy for use at the EGM is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.blacksesame.com). Whether or not you are able to attend the EGM, please complete and sign the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority, to the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for holding the meeting (i.e. not later than 10:00 a.m. on Monday, June 15, 2026) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish. If you attend and vote at the EGM in person, your form of proxy will be deemed to be revoked.

13. CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement of Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Friday, June 12, 2026 to Wednesday, June 17, 2026, both days inclusive, during which period no transfer of shares will be registered. Shareholders whose names appear on the register of members of the Company on Wednesday, June 17, 2026 (i.e. the record date) are entitled to attend and vote at the EGM. In order to be eligible to attend and vote at the EGM, unregistered holders of Shares should ensure that all share transfer documents accompanied by the relevant share certificates are lodged for registration with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. (Hong Kong time) on Thursday, June 11, 2026.

14. RECOMMENDATION

The Directors, including the independent non-executive Directors, consider that the terms of the Agreements and the transactions contemplated therein are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors, including the independent non-executive Directors, recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the terms of the Agreements and the transactions contemplated therein.

15. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
Black Sesame International Holding Limited
Mr. SHAN Jizhang
Chairman of the Board, Executive Director and
Chief Executive Officer

1. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial information of the Group for the three years ended December 31, 2023, 2024 and 2025, respectively, have been set out in the following documents which have been published on the respective websites of the Company (www.blacksesame.com) and the Hong Kong Stock Exchange (www.hkexnews.hk) through the links below:

- prospectus of the Company dated July 31, 2024 (pages I-4 to I-91): https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0731/2024073100015.pdf

- annual report of the Company for the year ended December 31, 2024 (pages 99 to 191): https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0425/2025042501583.pdf

- annual report of the Company for the year ended December 31, 2025 (pages 115 to 201): https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0427/2026042701016.pdf

2. STATEMENT OF INDEBTEDNESS

As at the close of business on April 30, 2026, being the latest practicable date for the purpose of ascertaining certain information relating to the indebtedness statement, the Enlarged Group had indebtedness of approximately RMB1,376.8 million, comprising: (i) unsecured and unguaranteed bank borrowings of approximately RMB44.2 million of the Target Group; (ii) unsecured and unguaranteed bank borrowings of approximately RMB477.2 million of the Group; (iii) secured bank borrowings of approximately RMB100.3 million of the Group, which were guaranteed by the Company; (iv) lease liabilities of approximately RMB32.4 million and RMB2.1 million of the Group and the Target Group, respectively; and (v) redemption liabilities to financial investors of approximately RMB720.6 million of the Target Group.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Enlarged Group did not have, at the close of business on April 30, 2026, any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, there had been no material adverse changes in the financial or trading prospects of the Group since December 31, 2025 (being the date to which the latest published audited consolidated financial statements of the Group had been made up) up to the Latest Practicable Date.

4. WORKING CAPITAL STATEMENT

The Directors, after due and careful enquiry and after taking into account the financial resources available to the Enlarged Group as at the Latest Practicable Date, including the internally generated funds, other financing facilities available and the effects of the Acquisition, are of the opinion that the Enlarged Group will have sufficient working capital to satisfy the Enlarged Group's requirements for at least the twelve months from the date of this circular.

5. FINANCIAL AND TRADING PROSPECT OF THE ENLARGED GROUP

The Group expects that, upon the successful completion of the Acquisition of the Target Company, the deep integration between the two parties in terms of products, technologies, customers and supply chains will bring significant synergies to the trade development and further drive a rapid increase in business scale and market share. In terms of product portfolio, the Target Group's high cost performance and low power AI SoC chips will fill the Group's market gap in the field of automotive products with computing power ranging from 2T to 10T and in the field of lightweight intelligent hardware, effectively addressing the differentiated needs of customers across various niche applications such as integrated front view cameras, dashcams, DMS, AI glasses, AI companion toys, robotic vacuum cleaners and lawn mowing robots. After the Acquisition, the Enlarged Group will provide a full range of on-device AI chips from entry level to high computing power, offering complete solutions for diverse end markets including driving assistance, robotics and general on-device AI.

At the level of customer expansion and channel integration, the Enlarged Group will leverage the enlarged customer base, including automotive OEMs, Tier 1 suppliers and consumer electronics brands, to achieve cross selling and solution promotion. The Target Group's low computing power chip products can enter more front loading and after loading markets through the Group's established automotive customer channels, while the Group's high end chips and algorithms can penetrate the mass market through the Target Group's intelligent hardware ecosystem. It is expected that the combined customer coverage will be significantly expanded, and both the unit price and volume of trade orders are expected to achieve increases.

In terms of R&D and supply chain synergies, the Enlarged Group will achieve resource sharing and economies of scale in areas such as wafer procurement, IP licensing, and packaging and testing, directly reducing unit production costs and R&D allocation, thereby gaining stronger competitiveness in pricing strategies. At the same time, jointly defined and co developed new projects will shorten the product launch cycle, enabling the

Enlarged Group to respond more flexibly to changes in market demand. The enhanced mass production and delivery capabilities will also increase customer stickiness and the willingness for long term cooperation.

Taking into account the above synergies, the Enlarged Group expects an optimistic trade prospect after the completion of the Acquisition, with revenue scale and market penetration entering a phase of accelerated growth. Leveraging its full series chip matrix, cross scenario solution capabilities and cost advantages, the Enlarged Group will occupy an important position in the general on device AI market, creating sustainable long term value for its shareholders.

The following is the text of a report set out on pages II-1 to II-3, received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

pwc 羅兵咸永道

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF BLACK SESAME INTERNATIONAL HOLDING LIMITED

Introduction

We report on the historical financial information of Zhuhai Eeasy Technology Co., Ltd. (the "**Target Company**") and its subsidiaries (together, the "**Target Group**") set out on pages II-4 to II-62, which comprises the consolidated and company statements of financial position as at December 31, 2023, 2024 and 2025, and the consolidated statements of comprehensive loss, the consolidated statements of changes in deficit in equity and the consolidated statements of cash flows for each of the years ended December 31, 2023, 2024 and 2025 (the "**Track Record Period**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages II-4 to II-62 forms an integral part of this report, which has been prepared for inclusion in the circular of Black Sesame International Holding Limited (the "**Company**") dated June 2, 2026 (the "**Circular**") in connection with the proposed acquisition of 60% equity interest in the Target Company by the Company.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of 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 Historical Financial Information that is free from material misstatement, whether due to fraud or error.

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The financial statements of the Target Group for the Track Record Period ("**Underlying Financial Statements**"), on which the Historical Financial Information is based, were prepared by the management of the Target Company. The management of the Target Company is responsible for the preparation of the Underlying Financial Statements that give true and fair view in accordance with IFRS Accounting Standards, and for such internal control as the directors determine is necessary to enable the preparation of Underlying Financial Statements that are free from material misstatement, whether due to fraud or error.

Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's 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 accountant considers internal control relevant to the entity's preparation of 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 accountant's report, a true and fair view of the financial position of the Target Company as at December 31, 2023, 2024 and 2025 and the consolidated financial position of the Target Group as at December 31, 2023, 2024 and 2025 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1 in the Historical Financial information, which indicates that the Target Group incurred operating losses of RMB66,815,000, RMB40,846,000 and RMB32,805,000 for the years ended December 31, 2023, 2024 and 2025, respectively, and as of December 31, 2025, the Target Group has cash and cash equivalents of RMB72,817,000, net current liabilities of RMB745,857,000 and net liabilities of RMB744,939,000, primarily comprised the redemption liabilities relating to ordinary shares issued to certain third party investors which had become redeemable as of December 31, 2024, with a carrying amount of RMB702,589,000. In addition, the Target Group did not comply with financial covenants of certain bank borrowings with amount of RMB5,500,000, and consequently, the relevant banks are entitled to exercise their rights to demand immediate repayment of part or all of the outstanding borrowings (Note 23(b)). As stated in Note 2.1, these events or conditions, along with other matters as set forth in Note 2.1, indicate that a material uncertainty exists that may cast significant doubt on the Target Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements have been made.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong
June 2, 2026

I. HISTORICAL FINANCIAL INFORMATION OF THE TARGET GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The consolidated financial statements of the Target Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("**IAASB**") ("**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand of RMB ("**RMB'000**") except when otherwise indicated.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

		Year ended December 31,		
	Note	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*
Revenue	*5*	89,521	132,950	173,254
Cost of sales	*6*	(60,353)	(87,243)	(107,517)
Gross profit		29,168	45,707	65,737
Selling expenses	*6*	(9,558)	(7,050)	(7,200)
General and administrative expenses	*6*	(12,260)	(10,534)	(10,778)
Research and development expenses	*6*	(88,193)	(73,561)	(83,228)
Net impairment losses on financial assets	*3.1(b)*	(14)	228	22
Other income	*8*	14,250	4,911	3,224
Other losses – net	*9*	(208)	(547)	(582)
Operating loss		(66,815)	(40,846)	(32,805)
Finance income	*10*	195	3,466	50
Finance costs	*10*	(45,859)	(49,736)	(54,780)
Finance costs – net	*10*	(45,664)	(46,270)	(54,730)
Fair value change of financial liabilities at fair value through profit or loss ("**FVPL**")	*25*	673	449	785
Loss before income tax		(111,806)	(86,667)	(86,750)
Income tax expense	*11*	(5)	(4)	–
Loss for the year attributable to the equity holders of the Target Company		(111,811)	(86,671)	(86,750)
Other comprehensive loss:				
Item that may be subsequently reclassified to profit or loss				
Change in foreign currency translation of the financial statements of the subsidiaries of the Target Company		(36)	(13)	(6)
Other comprehensive loss		(36)	(13)	(6)
Total comprehensive loss for the year attributable to the equity holders of the Target Company		(111,847)	(86,684)	(86,756)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at December 31, 2023	2024	2025
		RMB'000	RMB'000	RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	13	2,550	1,786	1,326
Right-of-use assets	14	2,246	4,254	3,022
Intangible assets	15	1,988	25	8
Prepayments and other receivables	18	116	691	804
Total non-current assets		6,900	6,756	5,160
Current assets				
Inventories	16	38,660	31,306	59,212
Trade and notes receivables	19	3,149	411	1,650
Prepayments and other receivables	18	5,471	16,955	22,170
Cash and cash equivalents	20	26,400	14,354	72,817
Total current assets		73,680	63,026	155,849
Total assets		80,580	69,782	161,009
LIABILITIES				
Non-current liabilities				
Lease liabilities	14	207	1,907	379
Other payables and accruals	27	5,363	8,863	3,863
Total non-current liabilities		5,570	10,770	4,242
Current liabilities				
Trade payables	26	2,346	6,076	4,644
Contract liabilities	5	1,719	3,534	44,126
Borrowings	23	24,030	30,523	37,939
Lease liabilities	14	2,243	2,196	2,542
Other payables and accruals	27	9,335	23,509	109,866
Financial liabilities at FVPL	25	1,234	785	–
Redemption liabilities to financial investors	24	605,602	650,572	702,589
Total current liabilities		646,509	717,195	901,706
Total liabilities		652,079	727,965	905,948
DEFICIT IN EQUITY				
Deficit in equity attributable to owners of the Target Company				
Paid-in capital	21	29,648	29,648	29,648
Reserves	22	61,385	61,372	61,366
Accumulated losses		(662,532)	(749,203)	(835,953)
Total deficit in equity		(571,499)	(658,183)	(744,939)
Total deficit in equity and liabilities		80,580	69,782	161,009

STATEMENTS OF FINANCIAL POSITION OF THE TARGET COMPANY

	Note	As at December 31, 2023 RMB'000	2024 RMB'000	2025 RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	13	2,467	1,734	1,297
Right-of-use assets	14	1,715	4,067	2,838
Intangible assets	15	1,988	25	8
Investments in subsidiaries	12	8	8	8
Prepayments and other receivables	18	116	691	804
Total non-current assets		6,294	6,525	4,955
Current assets				
Inventories	16	38,660	31,306	59,212
Trade and notes receivables	19	3,149	411	1,650
Prepayments and other receivables	18	5,105	16,804	22,016
Cash and cash equivalents	20	25,920	14,087	72,537
Total current assets		72,834	62,608	155,415
Total assets		79,128	69,133	160,370
LIABILITIES				
Non-current liabilities				
Lease liabilities	14	207	1,907	379
Other payables and accruals	27	5,363	8,863	3,863
Total non-current liabilities		5,570	10,770	4,242
Current liabilities				
Trade payables	26	2,346	6,076	4,644
Contract liabilities	5	1,793	3,800	44,126
Borrowings	23	24,030	30,523	37,939
Lease liabilities	14	1,709	2,006	2,355
Other payables and accruals	27	8,041	22,699	108,276
Financial liabilities at FVPL	25	1,234	785	–
Redemption liabilities to financial investors	24	605,602	650,572	702,589
Total current liabilities		644,755	716,461	899,929
Total liabilities		650,325	727,231	904,171
DEFICIT IN EQUITY				
Deficit in equity attributable to owners of the Target Company				
Paid-in capital	21	29,648	29,648	29,648
Reserves	22	57,630	57,630	57,630
Accumulated losses		(658,475)	(745,376)	(831,079)
Total deficit in equity		(571,197)	(658,098)	(743,801)
Total deficit in equity and liabilities		79,128	69,133	160,370

CONSOLIDATED STATEMENTS OF CHANGES IN DEFICIT IN EQUITY

	Note	Attributable to equity holders of the Target Company			
		Paid-in capital	Reserves	Accumulated losses	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023		29,648	61,421	(550,721)	(459,652)
Comprehensive loss					
Loss for the year		–	–	(111,811)	(111,811)
Currency translation differences		–	(36)	–	(36)
Total comprehensive loss for the year		–	(36)	(111,811)	(111,847)
As at December 31, 2023		29,648	61,385	(662,532)	(571,499)

	Note	Attributable to equity holders of the Target Company			
		Paid-in capital	Reserves	Accumulated losses	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2024		29,648	61,385	(662,532)	(571,499)
Comprehensive loss					
Loss for the year		–	–	(86,671)	(86,671)
Currency translation differences		–	(13)	–	(13)
Total comprehensive loss for the year		–	(13)	(86,671)	(86,684)
As at December 31, 2024		29,648	61,372	(749,203)	(658,183)

	Note	Attributable to equity holders of the Target Company			
		Paid-in capital	Reserves	Accumulated losses	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2025		29,648	61,372	(749,203)	(658,183)
Comprehensive loss					
Loss for the year		–	–	(86,750)	(86,750)
Currency translation differences		–	(6)	–	(6)
Total comprehensive loss for the year		–	(6)	(86,750)	(86,756)
As at December 31, 2025		29,648	61,366	(835,953)	(744,939)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Year ended December 31, 2023 RMB'000	2024 RMB'000	2025 RMB'000
Cash flows from operating activities				
Cash used in operations		(36,154)	(26,634)	(13,550)
Interest received from cash at banks	*10*	195	64	50
Income taxes received/(paid)		19	(11)	(2)
Net cash used in operating activities	*29(a)*	(35,940)	(26,581)	(13,502)
Cash flows from investing activities				
Payments of property, plant and equipment		(294)	(350)	(80)
Payments for intangible assets		(43)	(8)	–
Net cash used in investing activities		(337)	(358)	(80)
Cash flows from financing activities				
Proceeds from bank borrowings	*29(d)*	24,000	42,626	35,500
Proceeds from borrowings from third parties	*29(d)*	–	14,784	19,325
Proceeds from borrowings from related parties	*29(d), 31*	–	5,000	85,000
Repayment of bank borrowings	*29(d)*	(9,500)	(36,126)	(28,090)
Repayment of borrowings to third parties	*29(d)*	–	–	(34,296)
Repayment of borrowings to related parties	*29(d), 31*	–	(5,000)	–
Interests paid for borrowings	*29(d)*	(366)	(1,132)	(1,923)
Principal payments of lease liabilities	*29(d)*	(4,883)	(4,593)	(2,928)
Interest paid for lease liabilities	*29(d)*	(177)	(208)	(137)
Net cash generated from financing activities		9,074	15,351	72,451
Net (decrease)/increase in cash and cash equivalents		(27,203)	(11,588)	58,869
Cash and cash equivalents at beginning of the year	*20*	53,759	26,400	14,354
Exchange losses on cash and cash equivalents		(156)	(458)	(406)
Cash and cash equivalents at end of the year		26,400	14,354	72,817

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION

Zhuhai Eeasy Technology Co., Ltd. (the "**Target Company**") was incorporated in Zhuhai, China on July 22, 2016 as limited liability company. The address of the Target Company's registered office is 5-6/F, Building 16, Harbor No.1 Science and Technology Innovation Park, No.1 Jin tang Road, Tangjiawan Town, High tech Zone, Zhuhai, Guangdong Province, the PRC.

The Target Company and its subsidiaries (collectively, the "**Target Group**"), primarily provide on-device Artificial Intelligence ("**AI**"), system on chip ("**SoC**") and SoC based solutions.

The detailed information of major subsidiaries were disclosed in Note 12.

2 SUMMARY OF ACCOUNTING POLICY INFORMATION

The accounting policies applied in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied throughout the Track Record Period, unless otherwise stated.

2.1 Basis of preparation

The Historical Financial Information of the Target Group have been prepared in accordance with International Financial Reporting Standards issued by International Accounting Standards Board ("**IFRS Accounting Standards**"). IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

The Historical Financial Information has been prepared under the historical cost convention, as modified by the revaluation of financial liabilities issued to investors, which are carried at fair value.

The Target Group incurred operating losses of RMB66,815,000, RMB40,846,000 and RMB32,805,000 for the years ended December 31, 2023, 2024 and 2025, respectively. Also, the Target Group's net cash used in operating activities was RMB35,940,000, RMB26,581,000 and RMB13,502,000 for the years ended December 31, 2023, 2024 and 2025. As at December 31, 2025, the Target Group has cash and cash equivalents of RMB72,817,000, net current liabilities of RMB745,857,000 and net liabilities of RMB744,939,000, primarily comprised the redemption liabilities relating to the ordinary shares issued to certain third party investors which had become redeemable as of December 31, 2024, with a carrying amount of RMB702,589,000. In addition, as described in Note 23, the Target Group did not comply with the financial covenants of certain bank borrowings with amount of RMB5,500,000, and consequently, the relevant banks are entitled to exercise their rights to demand immediate repayment of part or all of the outstanding borrowings. These conditions indicate the existence of a material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern.

In light of such circumstances, management of the Target Group has carefully considered the future liquidity, the performance of the Target Group, and its potential available sources of financing in assessing whether the Target Group will have sufficient financial resources to continue as a going concern for at least twelve months from December 31, 2025. The following plans and measures have been implemented to mitigate liquidity pressure and improve the Target Group's financial position:

(1) the Target Group is actively pursuing the proposed acquisition by the Company. On December 31, 2025, an indirectly wholly-owned subsidiary of the Company, existing third party investors of the Target Group, and the Target Group entered into the Equity Transfer Agreement, pursuant to which the Company agreed to purchase, and the third party investors agreed to sell an aggregate of 32.8435% equity interest in the Target Group at a total consideration of RMB457,800,000. The Company and the Target Group also entered into the Capital Increase Agreement on December 31, 2025, pursuant to which the Company subscribed for the newly increased registered capital in the Target Group of RMB20,218,838. Following the completion of above transactions (collectively, the Proposed Acquisition), the Company will hold 60% of the total enlarged equity interest of the Target Group. The redemption right of the third party investors, as disclosed in Note 24 would be terminated upon consummation of the Proposed Acquisition.

(2) the Target Group has obtained short-term borrowings with the total principal amount of RMB 85,000,000 from the Company during 2025 and received another short-term borrowing with the principal amount of RMB10,000,000 from the Company in March 2026. Pursuant to the financial support letter provided by the Company to the Target Group, upon consummation of the Proposed Acquisition, the Company would extend the terms of the borrowings due from the Target Group upon the maturity of these loans, and would also provide financial support to the Target Group to meet its liabilities and obligations when they fall due for at least twelve months from December 31, 2025.

(3) With regard to the borrowings for which the Target Group did not comply with the financial covenants, management of the Target Group has communicated with the relevant bank and does not expect the bank will demand immediate repayment of the loan despite the non-compliance of the financial covenants. Subsequently in March 2026, the Target Group obtained another loan from the aforementioned bank with the principal amount of RMB5,750,000. Hence, the management of the Target Group believes the loan will continue to be advanced by the bank and the Target Group can make repayment in accordance with the original terms.

(4) management of the Target Group will improve its operating performance and cashflow by implementing its business strategy to grow revenue by increasing sales volume of SoCs from existing and new chip models, and maintaining a reasonable working capital turnover by managing collection of receivables and settlement of payables.

Management of the Target Group has prepared the Target Group's cash flow projection, which covers a period of not less than twelve months from December 31, 2025. In the opinion of the management of the Target Group, taking into account the above plans and measures and considering the underlying bases of the cash flow forecast, the Target Group will have sufficient financial resources available to meet its financial obligations as and when they become due and funds to support the continuous operations in the coming twelve months from December 31, 2025. Accordingly, management of the Target Group considers it is appropriate to prepare the consolidated financial statements on a going concern basis. Nevertheless, a material uncertainty exists that may cast significant doubt on the Target Group's ability to continue as a going concern, which would depend upon:

(1) the consummation of the Proposed Acquisition, upon which the redemption rights of the third party investors for the ordinary shares would be terminated and financial support would be available from the Company, including extension of terms of the Target Group's borrowings from the Company and financial support to meet the Target Group's liabilities and obligations when they fall due for at least twelve months from December 31, 2025;

(2) the successful implementation of the plans and measures to improve the Target Group's operating performance and cash flows.

Should the Target Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying values of the Target Group's assets to their recoverable amounts, to provide for further liabilities that may arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these Historical Financial Information.

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Target Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

New and amended standards adopted by the Target Group

All effective standards, amendments to standards and interpretations, which are mandatory for the financial year beginning on 1 January 2023, are consistently applied to the Target Group throughout the Track Record Period. These amendments did not have significant impact throughout the Track Record Period.

New standards, amendments to standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for Track Record Period and have not been early adopted by the Target Group. These standards, amendments or interpretations are not expected to have a material impact on the Target Group in the current or future reporting periods and on foreseeable future transactions.

The Target Group plans to adopt these new standards, amendments to standards and annual improvements when they become effective:

Standards and amendments	**Effective for accounting periods beginning on or after**
IFRS 9 and IFRS 7 (Amendment) 'Amendments to the Classification and Measurement of Financial Instruments'	January 1, 2026
IFRS 9 and IFRS 7 (Amendment) 'Contracts referencing nature-dependent electricity'	January 1, 2026
Annual improvements project 'Annual improvements to IFRS Accounting Standards – volumes 11'	January 1, 2027
IFRS 18 'Presentation and Disclosure in Financial Statements'	January 1, 2027
IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	January 1, 2027
Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21	January 1, 2027
IFRS 10 (Amendment) and IAS 28 (Amendment) 'Sale or contribution of Assets between an Investor and its Associate or Joint Venture'	To be determined

The management of the Target Group has performed assessment on the new standards and amendments, and has concluded on a preliminary basis that these new standards and amendments would not have a significant impact on the Target Group's consolidated financial statements when they become effective, except IFRS 18, which mainly impact the presentation of the Target Group's consolidated statement of comprehensive loss.

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

IFRS 18, and the consequential amendments to other IFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

Management is currently assessing the detailed implications of applying the new standard on the Target Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

Impact on consolidated statements of comprehensive loss:

Although the adoption of IFRS 18 will have no impact on the Target Group's net profit, the Target Group expects that grouping items of income and expenses in the income statement into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Target Group has performed, the following items might potentially impact operating profit:

Foreign exchange differences

Foreign exchange differences currently aggregated in the line item "other losses – net" in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit, unless doing so would involve undue cost or effort.

Gain/(losses) on derivatives

Gain and losses on derivatives are classified in the operating category, unless the derivative relates to a transaction that involves only the raising of finance.

Impact on disclosures:

The Target Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for the first annual period of application of IFRS 18, a reconciliation for each line item in the income statement between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

The Target Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

2.2 Material accounting policy information

2.2.1 Financial instruments issued to investors

Financial instruments issued to investors consist of financial instruments with redemption feature and warrants for purchase of ordinary shares. Accounting policies and other explanatory information of these financial instruments are elaborated as follows:

A contract that contains an obligation to purchase the Target Company's own equity instruments for cash or other financial assets gives rise to a financial liability to be determined based on the present value of the redemption amount.

(a) Financial instruments with redemption feature

The Target Group's financial instruments with redemption feature represented the paid-in capital of the Target Company with separate redemption rights held by certain investors. The Target Group recognised the redemption liabilities considering that all triggering events for the key redemption rights that could be exercised by the Series Angel Investors, Series Pre-A Investors, Series A Investors, Series B Investors, Series B+ Investors and Series B2 Investors, were out of the control of the Target Company. The financial liabilities were initially measured at present value of the redemption amount and subsequently measured at amortised cost. Interests from the redemption liabilities are charged in finance cost. The changing in the carrying value of redemption amount is the principal plus a compounded annual interest of 8%.

Whether the remeasurement of a financial liability arising from redemption feature can be recognized in equity depends on the substance of the arrangement. Where an investor is acting in their capacity as a shareholder, the remeasurement is recognized in equity. The investor's agreement to extend the redemption date of redemption liabilities is a non-reciprocal transaction, which is regarded as a transaction where the investor is acting in their capacity as a shareholder. Therefore, the modification is in substance a shareholder capital contribution.

The Target Group removes redemption liabilities to financial investors when, and only when, the redemption obligations are discharged, cancelled or expired. The carrying amount of the removed redemption liabilities to financial investors is reclassified into equity, if the contract expires without delivery.

(b) Warrants

The Target Company issued warrants under which the holders have the rights to subscribe for the Target Company's ordinary shares at a predetermined price during a specific period (Note 25).

Warrant liabilities are initially recognised at fair value on the date a warrant contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Target Group's warrant liabilities were classified as current liabilities, as these warrants may be exercised at the option of the holders at any time.

2.2.2 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting year. Changes in fair value of derivative financial instruments are recognised in profit or loss.

2.2.3 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost mainly comprises direct materials and processing expenditures. Costs of purchased inventories are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.2.4 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Target Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Target Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Target Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.2.5 Share-based payment

The Target Group operates an equity-settled share-based compensation plan, under which the Target Group receives service from its employees in exchange for the equity instruments of the Target Company. As disclosed in Note 28, the Target Group granted options to its employees. The fair value of the employee service received in exchange for the grant of options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

(i) Including any market performance conditions;

(ii) Excluding the impact of any service and non-market performance vesting conditions; and

(iii) Including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Target Group revises its estimates of the number of options that are expected to vest based on the service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, the Target Group includes the incremental fair value granted in the measurement of the amount recognised for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. An expense based on the incremental fair value is recognised over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognised over the remainder of the original vesting period. Furthermore, if the entity modifies the terms or conditions of the equity instruments granted in a manner that reduces the total fair value of the share-based payment arrangement, or is not otherwise beneficial to the employee, the entity shall nevertheless continue to account for the services received as consideration for the equity instruments granted as if that modification had not occurred (other than a cancellation of some or all the equity instruments granted).

If a grant of equity instruments is cancelled or settled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the Target Group shall account for the cancellation or settlement as an acceleration of vesting, and shall therefore recognise immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

2.2.6 Revenue recognition

The Target Group recognises revenue when (or as) a performance obligation is satisfied, i.e., when control of the goods or services underlying the particular performance obligation is transferred to the customer.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Target Group performs; or
- does not create an asset with an alternative use to the Target Group and the Target Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or services.

At the inception of the contract, the Target Group assesses the goods or services promised that have been promised to the customer and identifies as a performance obligation when (a) a good or service (or a bundle of goods or services) that is distinct; or (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

1) Sales of SoCs

Revenue generated from sales of SoCs is recognised at the point in time when the performance obligation under the terms of a contract with the customer is satisfied and control of the product has been transferred to the customer, generally upon the acceptance of the products.

2) Provision of SoC design services

The Target Group provides SoC design services to its customers. Revenue is recognised when control over the related deliverables has been transferred to the customer. The customers cannot receive and consume the benefits simultaneously from the Target Group as well as control the related deliverables until they are delivered to the customer. The related deliverables generally have no alternative use for the Target Group due to contractual restrictions. However, an enforceable right to payment does not arise until the related deliverables are transferred to the customer. Therefore, revenue is recognised at a point in time when the related deliverables are passed to the customer.

3) Contract assets and liabilities

When either party to a contract has performed, the Target Group presents the contract in the consolidated statement of financial position as a contract asset or a contract liability, depending on the relationship between the Target Group's performance and the customer's payment. A contract asset is the Target Group's right to consideration in exchange for services that the Target Group has transferred to a customer.

If a customer pays consideration or the Target Group has a right to an amount of consideration that is unconditional, before the Target Group transfers goods or services to the customer, the Target Group has a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Target Group's obligation to transfer goods or services to a customer for which the Target Group has received consideration from the customer. A receivable is recorded when the Target Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Practical expedients and exemptions

The Target Group has elected to use the practical expedient to not disclose the remaining performance obligations for contracts that have durations of one year or less, as substantially all of the Target Group's contracts have duration of one year or less.

2.3 Summary of other accounting policies

2.3.1 Principles of consolidation and equity accounting

Subsidiaries are all entities over which the Target Group has control. The Target Group controls an entity where the Target Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Target Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Target Group.

2.3.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of the subsidiaries are accounted for by the Target Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the year the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Target Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The functional currency for the Target Company and its subsidiaries incorporated in the People's Republic of China ("**PRC**") is RMB. The functional currency for Company's subsidiary in Hong Kong is United States Dollars ("**USD**"). The Target Group's presentation currency is RMB.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of comprehensive loss within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within "Other gains/(losses) – net".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(c) Group companies

The results and financial position of all the Target Group's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting exchange differences are recognised in OCI.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income.

2.3.4 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Target Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

Electronic devices	3-5 years
Furniture and fixtures	5 years
Vehicles	4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.3.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other gains/(losses) – net" in the consolidated statements of comprehensive loss.

2.3.5 Intangible assets

(a) Software

Acquired software is initially capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software programs are recognised as an expense as incurred. Software is stated at historical cost less accumulated amortisation and impairment losses, if any. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives. The Target Group amortises software using the straight-line method over its useful life of generally three years.

When determining the useful life, management of the Target Group has taken into the account the (i) estimated period that can bring economic benefits to the Target Group; (ii) the useful life estimated by the comparable companies in the market.

(b) Research and development ("R&D")

The Target Group incurs significant costs and efforts on research and development activities. Research expenditure is recognised as an expense as incurred. Costs incurred on research and development projects are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the research and development project so that it will be available for use or sale;
- management intends to complete the research and development project and use or sell it;
- there is an ability to use or sell the research and development project;
- it can be demonstrated how the research and development project will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the research and development project are available; and
- the expenditure attributable to the research and development project during its development can be reliably measured.

The cost of an internally generated intangible asset is the sum of the expenditures incurred from the date the asset meets the recognition criteria above to the date when it is available for use. The costs capitalized in connection with the intangible asset include costs of materials and services used or consumed, employee costs incurred in the creation of the asset and an appropriate portion of relevant overheads.

Development expenditures not satisfying the above criteria are recognised in the profit or loss as incurred and development expenditures previously recognised as an expense are not recognised as an asset in a subsequent period.

During the Track Record Period, the Target Group's R&D expenditures incurred did not meet the capitalization principle above and were expensed as incurred.

2.3.6 Impairment of non-financial assets

Assets that are subject to amortisation or depreciation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in profit or loss for the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The Target Group has only one operating segment and operates in one business as a whole, focusing on the design, development, and implementation of on-device AI and intelligent SoC technology, and does not maintain manufacturing facilities or develop manufacturing capacity by itself. As of December 31, 2023, 2024 and 2025, non-financial assets of the Target Group mainly include leased buildings, equipment and software held for its R&D activities and daily operations, are identified as one single cash generating unit ("**CGU**") for impairment testing purpose. The recoverable amount of the CGU at the end of the reporting period had been determined based on value in use calculations, using cash flow projections based on management's financial forecasts. Key assumptions applied in preparing the cash flow projections included revenue growth rate and pre-tax discount rate. Based on the result of the assessment, the recoverable amount exceeded the carrying amount of the CGU with sufficient headroom. Hence, no impairment of non-financial assets was recognized during the years ended December 31, 2023, 2024 and 2025.

2.3.7 Investments and other financial assets

(a) Classification

The Target Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and

- those to be measured at amortised cost.

The classification depends on the Target Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Target Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Target Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Target Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Target Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Target Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Target Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Target Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in "Finance income" using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "Other gains/(losses) – net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statements of comprehensive loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Other gains/(losses) – net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "Other gains/(losses) – net" and impairment expenses are presented as separate line item in the consolidated statements of comprehensive loss.

- FVPL: Assets that do not meet the criteria for amortised cost or financial assets at FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in "Other gains/(losses) – net" in the period in which it arises.

Equity instruments

The Target Group subsequently measures all equity investments at fair value. Where the Target Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Target Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in "Other gains/(losses) – net" in the consolidated statements of comprehensive loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Target Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and notes receivable, the Target Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3.1 for further details.

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

2.3.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

2.3.9 Trade receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Target Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 19 for further information about the Target Group's accounting for trade receivables and Note 3.1 for a description of the Target Group's impairment policies.

2.3.10 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.3.11 Paid-in capital

Registered capital are classified as equity. Redemption liabilities to financial investors described in Note 24 are classified as liabilities.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Other reserve is recorded to reflect the carrying amount of the redemption liabilities to financial investors when it is initially reclassified from equity and will be reversed when the redemption liabilities to financial investors are derecognised upon when the Target Group's obligations in connection with those financial instruments are discharged, cancelled or have expired (Note 22). If the contract expires without redemption, the carrying amount of the financial liability is reclassified to equity.

2.3.12 Trade and other payables

These amounts represent liabilities for goods and services provided to the Target Group prior to the end of financial year which are unpaid. Trade and other payables are classified as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.3.13 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of comprehensive loss as finance costs.

Borrowings are classified as current liabilities unless the Target Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

2.3.14 Borrowings costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

2.3.15 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and other allowances that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statements of financial position.

(b) Pension obligations

Employees of the Target Group are covered by various government-sponsored defined-contribution pension plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these employees when they retire. The Target Group contributes on a monthly basis to these pension plans for the employees which are determined at a certain percentage of their salaries. Under these plans, the Target Group has no obligation for post-retirement benefits beyond the contribution made. Contributions to these plans are expensed as incurred and contributions paid to the defined contribution pension plans for a staff are not available to reduce the Target Group's future obligations to such defined-contribution pension plans even if the staff leaves the Target Group.

(c) Housing funds, medical insurances and other social insurances

The employees of the Target Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Target Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Target Group's liability in respect of these funds is limited to the contributions payable in each period. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(d) Bonus plan

The expected cost of bonuses is recognised as a liability when the Target Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

(e) Termination benefits

Termination benefits are payable when employment is terminated by the Target Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Target Group recognises termination benefits at the earlier of the following dates: (a) when the Target Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

2.3.16 Leases

The Target Group mainly leases offices and warehouses as lessee. Lease terms are negotiated on an individual basis and contain various different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Target Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments (if applicable):

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;

- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;

- amounts expected to be payable by the Target Group under residual value guarantees;

- the exercise price of a purchase option if the Target Group is reasonably certain to exercise that option, and

- payments of penalties for terminating the lease, if the lease term reflects the Target Group exercising that option.

Right-of-use assets are measured at cost comprising the following (if applicable):

- the amount of the initial measurement of lease liability;

- any lease payments made at or before the commencement date less any lease incentives received;

- any initial direct costs, and

- restoration costs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Target Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Target Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Target Group, which does not have recent third party financing, and

- makes adjustments specific to the lease, e.g., term, country, currency and security.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

2.3.17 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Target Group will comply with all attached conditions.

Government grants relating to R&D are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

2.3.18 Interest income

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 10 below.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2.3.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Target Company that makes strategic decisions.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Target Group's activities expose it to a variety of financial risks: mainly market risk, credit risk and liquidity risk. The Target Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Target Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The Target Group's businesses are principally conducted in RMB. The majority of non-RMB assets and liabilities are cash and cash equivalents denominated in USD and borrowings denominated in HKD. The Target Group believes that there is no significant foreign exchange risk as at December 31, 2023, 2024 and 2025.

(ii) Cash flow and fair value interest rate risk

The Target Group's interest rate risk primarily arises from borrowings and cash and cash equivalents. Those carried at floating rates expose the Target Group to cash flow interest rate risk whereas those carried at fixed rates expose the Target Group to fair value interest rate risk. The interest rates and terms of repayments of borrowings are disclosed in Note 23. The Target Group did not use any interest rate swap contracts or other financial instruments to hedge against its interest rate risk for the Track Record Period.

The exposure of the Target Group's borrowings to interest rate changes and the contractual re-pricing dates of the borrowings at the end of the reporting period are as follows:

	Year ended December 31,					
	2023	% of total loans	2024	% of total loans	2025	% of total loans
	RMB'000		*RMB'000*		*RMB'000*	
Variable rate borrowings	–	–	4,500	15%	3,500	9%
Fixed rate borrowings – maturity dates:						
Less than 1 year	24,000	100%	26,000	85%	34,410	91%
	24,000	100%	30,500	100%	37,910	100%

As at December 31, 2024 and December 31, 2025, if the Target Group's interest rates on borrowings obtained at variable rates had been higher/lower by 0.5%, loss before income tax for the year then ended would have been approximately RMB19 thousand and 21 thousand higher/lower.

(b) Credit risk

The Target Group is exposed to credit risk in relation to its cash and cash equivalents, trade and notes receivables and other receivables. The carrying amount of each class of the above financial assets represents the Target Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

(i) Credit risk of cash and cash equivalents

To manage this risk, the Target Group and its domestic subsidiaries only make transactions with state-owned banks or reputable commercial banks which are all high-credit-quality financial institutions. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. The identified credit losses are immaterial.

Part of the Target Group's cash and cash equivalents are deposited in financial institutions in Hong Kong. Considering related credit rating, local laws and regulations of relevant regulatory authorities, as well as the transferability of deposits after the statement of financial position date, the Target Group believes that there is no significant credit risk as at December 31, 2023, 2024 and 2025.

(ii) Credit risk of trade and notes receivables

The Target Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade and notes receivables. To measure the expected credit losses, trade and notes receivables have been grouped based on shared credit risk characteristics. The Target Group believes that there is no significant exposure to credit risk from trade and notes receivables.

The expected loss rates are determined by considering the credit rating of counterparties. The expected loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Target Group has identified the Gross Domestic Product ("**GDP**") and the Consumer Price Index ("**CPI**") to be the most relevant factor in Chinese Mainland to be the most relevant factor and accordingly adjusts the historical loss rates based on expected changes in these factors.

The loss allowance of trade and notes receivables as at December 31, 2023, 2024 and 2025 was determined as follows:

As at December 31, 2023, the loss allowance of collectively basis impaired trade and notes receivables is determined as follows:

Collective basis	**Gross carrying amount**	**Expected loss rate**	**Loss allowance provision**
	RMB'000	*%*	*RMB'000*
Trade and notes receivables	3,467	9.2%	(318)

As at December 31, 2024, the loss allowance of collectively impaired trade and notes receivables is determined as follows:

Collective basis	**Gross carrying amount**	**Expected loss rate**	**Loss allowance provision**
	RMB'000	*%*	*RMB'000*
Trade and notes receivables	501	18.0%	(90)

As at December 31, 2025, the loss allowance of collectively impaired trade and notes receivables is determined as follows:

Collective basis	**Gross carrying amount**	**Expected loss rate**	**Loss allowance provision**
	RMB'000	*%*	*RMB'000*
Trade and notes receivables	1,718	4.0%	(68)

The movements in provision for impairment of trade and notes receivables are as follows:

	For the year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	(304)	(318)	(90)
(Provision for)/reversal of provision for impairment	(14)	228	22
At the end of the year	(318)	(90)	(68)

As at December 31, 2023, 2024 and 2025, notes receivables were bank acceptance notes aged less than one year. For notes receivables, the Target Group expects that the credit risk associated with notes receivables is considered to be low since they have original maturities of one year or less and the accepting banks are state-owned banks and other large or medium size listed banks with good reputation and high credit rating. The Target Group has assessed that the expected credit losses rate for notes receivables are immaterial under lifetime expected credit losses method, and thus the loss allowance is immaterial.

(iii) Credit risk of other receivables

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The Target Group believes that there is no material credit risk inherent in the Target Group's outstanding balance of other receivables.

Other receivables mainly comprise deposits. The Target Group considers the probability of default on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Target Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- Actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the third party's ability to meet its obligations;

- Actual or expected significant changes in the operating results of the third party;

- Significant changes in the expected performance and behavior of the third party, including changes in the payment status of the third party.

As at December 31, 2023, 2024 and 2025, there was no significant increase in credit risk since initial recognition, the Target Group assessed that the expected credit losses for these receivables are not material through using the 12 months expected losses method.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the ability to raise funds through debt and equity financing. The Target Group historically financed its working capital requirements through borrowing from bank.

Management monitors rolling forecasts of the Target Group's liquidity reserve on the basis of expected cash flows.

The table below analyses the Target Group's financial liabilities into relevant maturity groupings based on the remaining period at each year end to the contractual maturity date for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023				
Trade payables *(Note 26)*	2,346	–	–	2,346
Other payables and accruals (excluding government grants, other tax payables, payroll and welfare payables) *(Note 27)*	240	–	–	240
Borrowings (including interest accrual up to maturity)	24,501	–	–	24,501
Lease liabilities	2,280	209	–	2,489
Redemption liabilities to financial investors *(Note 24)*	605,602	–	–	605,602
	634,969	209	–	635,178

	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2024				
Trade payables *(Note 26)*	6,076	–	–	6,076
Other payables and accruals (including interest accrual up to maturity and excluding government grants, other tax payables, payroll and welfare payables) *(Note 27)*	16,135	–	–	16,135
Borrowings (including interest accrual up to maturity)	31,122	–	–	31,122
Lease liabilities	2,310	1,776	159	4,245
Redemption liabilities to financial investors *(Note 24)*	650,572	–	–	650,572
	706,215	1,776	159	708,150

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2025				
Trade payables *(Note 26)*	4,644	–	–	4,644
Other payables and accruals (including interest accrual up to maturity and excluding government grants, other tax payables, payroll and welfare payables) *(Note 27)*	90,921	–	–	90,921
Borrowings (including interest accrual up to maturity)	38,475	–	–	38,475
Lease liabilities	2,606	381	–	2,987
Redemption liabilities to financial investors *(Note 24)*	702,589	–	–	702,589
	839,235	381	–	839,616

3.2 Capital management

The Target Group's objectives when managing capital are to safeguard the Target Group's ability to continue as a going concern in order to provide returns for equity holders and to maintain an optimal capital structure to reduce the cost of capital.

The Target Group monitors capital by regularly reviewing the capital structure. As a part of this review, management of the Target Group considers the cost of capital and the risks associated with the issued share capital.

3.3 Fair value estimation

(a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Target Group has classified its financial instruments into the three levels prescribed under the accounting standards.

(i) Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Target Group is the current bid price. These instruments are included in level 1.

(ii) Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(iii) Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no transfers between level 1, 2 and 3 for recurring fair value measurements during the Track Record Period.

The carrying amounts of the financial assets and liabilities, which are measured at amortised cost, approximated their fair value as at December 31, 2023, 2024 and 2025.

The following table presents the Target Group's financial liabilities that are measured at fair value as at December 31, 2023, 2024 and 2025, respectively.

	Level 1	**Level 2**	**Level 3**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023				
Liabilities				
Financial instruments issued to investors – Warrant	–	–	1,234	1,234

	Level 1	**Level 2**	**Level 3**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2024				
Liabilities				
Financial instruments issued to investors – Warrant	–	–	785	785

	Level 1	**Level 2**	**Level 3**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2025				
Liabilities				
Financial instruments issued to investors – Warrant	–	–	–	–

(b) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments; and
- Other techniques, such as discounted cash flow method, binomial option pricing model and forward pricing model, are used to determine fair value for the remaining financial instruments.

There were no changes in valuation techniques during the Track Record Period.

(c) Fair values measurements using significant unobservable inputs (level 3)

More details about the financial instruments issued to investors as at December 31, 2023, 2024 and 2025 have been presented in Note 25.

(d) Valuation process

The Target Company has engaged an independent valuer to determine the fair value of financial instruments issued to investors which including warrants.

Warrants issued by the Target Company

The warrants are not traded in an active securities market, and as such, the Target Company estimated their fair value using the binomial option pricing model with main assumptions are disclosed in Note 3.3(e).

The Target Company performed sensitivity test to changes in unobservable inputs in determining the fair value of warrant liabilities. The changes in unobservable input including expected volatility will result in a significantly higher or lower fair value measurement. An increase in the fair value of warrant liabilities would increase the loss of fair value change in the consolidated statements of comprehensive (loss)/income. When performing the sensitivity test, management applied an increase or decrease, which represents management's assessment of reasonably possible change to this unobservable input, and effect of those changes to the fair value of warrant liabilities and convertible notes are as below:

	Fair value of the warrants		
	December 31, 2023	**December 31, 2024**	**December 31, 2025**
	RMB'000	*RMB'000*	*RMB'000*
Expected volatility			
Increase 10%	131	96	N/A
Decrease 10%	(131)	(96)	N/A

(e) Valuation inputs and relationships to fair value

		Inputs			
Description	**Key assumptions**	**At December 31, 2023**	**At December 31, 2024**	**At December 31, 2025**	**Relationship of key assumptions to fair value**
Warrant	Stock price of ordinary shares (RMB)	75.14	75.14	N/A	The higher the stock price of ordinary shares, the higher the fair value
	Dividend yield	–	–	N/A	The higher the dividend yield, the lower the fair value
	Time to maturity	July 13, 2025	July 13, 2025	N/A	The longer the time to maturity, the higher the fair value
	Risk-free interest rate	2.17%	0.96%	N/A	The higher the risk-free interest rate, the higher the fair value
	Expected volatility	37.97%	46.59%	N/A	The higher the expected volatility, the higher the fair value

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

4 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the Historical Financial Information requires the use of accounting estimates which, by definition, will seldom exactly equal the actual results. Management also needs to exercise judgment in applying the Target Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Inventory provision

Inventories are stated at the lower of cost and net realisable value as stated in Note 2.2.3. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Even though the management of the Target Group has made the best estimate about the inventory write-down loss predicted to occur and provided allowance for write-down, the write-down assessment may still be significantly changed due to the change of market situations.

5 REVENUE AND SEGMENT INFORMATION

(a) Revenue

(i) Disaggregation of revenue from contracts with customers

Revenue for the years ended December 31, 2023, 2024 and 2025 are as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Revenue from customers and recognised at point in time			
Sales of SoCs	88,655	132,917	173,099
Provision of SoC design services	849	–	–
Others	17	33	155
	89,521	132,950	173,254

(ii) Contract liabilities

During the Track Record Period, the additions to the contract liabilities were primarily due to cash collections in advance of fulfilling performance obligations, while the reductions to the contract liability balance were primarily due to the recognition of revenues upon fulfilment of performance obligations.

The following table shows how much of the revenue recognised during the Track Record Period is included in the contract liabilities:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognised that was included in the contract liability balance at the beginning of the year	4,719	1,665	3,480

(b) Segment information

The executive directors of the Target Group have been identified as the chief operating decision maker of the Target Group who reviews the operating results of the Target Group's business as one operating segment to make strategic decisions and resources allocation. Therefore, the Target Group regards that there is only one segment which is used to make strategic decisions.

No geographical segment information is presented as the majority of the revenue of the Target Group is derived within PRC and the majority of the operating assets of the Target Group are located in the PRC, which is considered as one geographic location with similar risks and returns.

Revenue from customers each contributing over 10% of the total revenue of the Target Group during each of the years ended December 31, 2023, 2024 and 2025.

	Year ended December 31,		
	2023	2024	2025
Customer A	18%	*	*
Customer B	12%	16%	19%
Customer C	*	18%	21%
Customer D	*	12%	14%

* *Less than 10%*

6 EXPENSES BY NATURE

The detailed analysis of cost of sales, selling expenses, general and administrative expenses, and research and development expenses are as follow:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Employee benefits expenses *(Note 7)*	83,915	76,869	73,524
Design and development expenses	9,164	1,262	17,618
Intellectual property ("**IP**") license expenses	–	1,647	2,368
Raw materials and consumables used	37,073	79,889	135,424
Changes in inventories of work in progress and finished goods	22,004	5,092	(27,546)
Provision for/(reversal of provision for) impairment of inventories *(Note 16)*	1,276	2,262	(360)
Office and travelling expenses	4,948	3,047	2,454
Depreciation of property, plant and equipment *(Note 13)*	1,539	1,114	539
Amortization of intangible assets *(Note 15)*	2,990	1,971	17
Depreciation of right-of-use assets *(Note 14)*	4,445	4,124	2,978
Professional fees	1,893	745	1,253
Marketing expenses	770	44	4
Others	347	322	450
Total cost of sales, selling expenses, general and administrative expenses, and research and development expenses	170,364	178,388	208,723

7 EMPLOYEE BENEFIT EXPENSES

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Wages, salaries and bonuses	69,965	63,634	61,209
Pension obligations, housing funds, medical insurances and other social insurances (a)	13,950	13,235	12,315
	83,915	76,869	73,524

(a) Pension obligations, housing funds, medical insurances and other social insurances

The Target Group is required to contribute a specified percentage of payroll costs, subject to certain ceiling, as determined by local government authority to the pension obligations, housing funds, medical insurances and other social insurances to fund the benefits. The Target Group's full time employees of the Target Group in the PRC are members of a state-managed retirement benefit schemes operated by the PRC government and liabilities in respect of benefits schemes are limited to the contribution payable in each year. The Target Group has no legal obligation for the benefits beyond the required contributions. No forfeited contributions are available to reduce contributions payable in the future.

8 OTHER INCOME

The government grants mainly represent government subsidies for the Target Group's research and development expenditures. There are no unfulfilled conditions or other contingencies attaching to the grants recognised.

9 OTHER LOSSES – NET

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Net foreign exchange losses	(115)	(442)	(581)
Donation	(100)	(3)	–
Others	7	(102)	(1)
	(208)	(547)	(582)

The net foreign exchange (losses)/gains of the Target Group was primarily resulted from the translation of USD monetary assets into RMB functional currency in its PRC subsidiaries.

10 FINANCE COSTS – NET

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Finance income:			
Interest income on cash at bank	195	64	50
Gain from modification of redemption liabilities *(Note 24)*	–	3,402	–
	195	3,466	50
Finance costs:			
Interest expenses on bank borrowings	(823)	(1,098)	(1,194)
Interest expenses on lease liabilities *(Note 14)*	(177)	(208)	(137)
Interest expenses on other borrowings	–	(58)	(1,432)
Financial cost on redemption liabilities *(Note 24)*	(44,859)	(48,372)	(52,017)
	(45,859)	(49,736)	(54,780)
	(45,664)	(46,270)	(54,730)

11 INCOME TAX EXPENSE

(a) Income tax expense

The Target Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Target Group are domiciled and operate.

Hong Kong

The Target Group's subsidiary in Hong Kong is subject to Hong Kong profits tax of which the tax rate was 16.5% up to April 1, 2018 when the two-tiered profits tax regime took effect, under which the tax rate is 8.25% for assessable profits in the first Hong Kong Dollars ("**HKD**") 2 million and 16.5% for any assessable profits in excess.

Chinese Mainland

In accordance with the Enterprise Income Tax Law ("**EIT Law**"), Foreign Investment Enterprises ("**FIEs**") and domestic companies established in Chinese Mainland are subject to Enterprise Income Tax ("**EIT**") at a rate of 25%.

In December 2021, the Target Company was qualified as a High and New Technology enterprise ("**HNTE**") and enjoyed a preferential tax rate of 15% from 2021 to 2024. In November 2024, the Target Company re-applied for HNTE status and the application was approved for another three-year period from 2024 to 2027.

In December 2022, ShenZhen Eeasy Times Technology Co., Ltd. ("**ShenZhen Eeasy**") was qualified as a HNTE and enjoyed a preferential tax rate of 15% from 2022 to 2025.

ShenZhen Eeasy and Shanghai Yimou Technology Co., Ltd. ("**Shanghai Yimou**") were both in accumulated loss position for the years ended December 31, 2023, 2024 and 2025. Pursuant to the relevant regulations on extension for expiries of unused tax losses of Technology-based Small and Medium-sized Enterprises (SMEs) issued in August 2018, the expiry period of the accumulated unexpired tax losses of ShenZhen Eeasy and Shanghai Yimou, which are qualified as Technology-based (SMEs), will expire in 10 years.

According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities are entitled to claim 175% from 2018 onwards (subsequently raised to 200% from 2022 onwards) of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year (the "**Super Deduction**").

The income tax on the Target Group's loss before income tax differs from the theoretical amount that would arise using the enacted tax rate in the PRC applicable to the Target Group as follows:

	Years ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Loss before income tax	(111,806)	(86,667)	(86,750)
Income tax credit computed at the applicable income tax rate of 25%	(27,952)	(21,667)	(21,688)
Tax effect of:			
Difference in overseas tax rates	(15)	(12)	44
Preferential tax rate	10,894	8,433	8,460
Super Deduction in respect of R&D expenditures	(11,674)	(10,290)	(11,241)
Expenses not deductible for taxation purpose (i)	148	507	28
Tax losses for which no deferred income tax assets were recognised (ii)	21,876	16,369	17,958
Temporary differences for which no deferred income tax assets were recognised	6,728	6,664	6,439
Income tax expenses	5	4	–

(i) Expenses not deductible for tax purposes mainly represent business entertainment expenses incurred in the Target Group's subsidiaries in Chinese Mainland which are not deductible according to the relevant laws and regulations promulgated by the State Tax Bureau of the PRC.

(ii) Deferred income tax assets are recognised for tax losses carrying forwards and deductible temporary differences to the extent that realisation of the related tax benefits through the future taxable profits is probable. As at December 31, 2023, 2024 and 2025, the Target Group did not recognise deferred income tax assets in respect of losses and deductible temporary differences of approximately RMB201.8 million, RMB224.8 million and RMB249.2 million, respectively.

(b) Tax losses

As at December 31, 2023, 2024 and 2025, the Target Group did not recognise deferred income tax assets in respect of losses of RMB780.2 million, RMB887.0 million and RMB1,004.9 million, respectively. The tax losses incurred from the Target Company's subsidiaries in Chinese Mainland that are not recognised as deferred tax assets will expire from 2027 to 2035. Tax losses of the Target Group's subsidiaries incorporated in Hong Kong will be carried forward indefinitely. Deductible losses that are not recognized for deferred income tax assets will expire as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Expiry year			
2026	1,004	1,004	1,004
2027	12,754	12,754	12,754
2028	35,328	35,328	35,328
2029	105,005	105,005	105,005
2030	103,340	103,340	103,340
2031	160,935	160,935	160,935
2032	218,663	218,663	218,663
2033	143,206	143,206	143,206
2034	–	106,808	106,808
2035	–	–	117,589
Indefinitely	–	–	260
	780,235	887,043	1,004,892

12 SUBSIDIARIES

(a) Subsidiaries of the Target Company

As at the end of each reporting period and the date of this report, the Target Company has direct or indirect interests in the following subsidiaries:

Company Name	Place of Incorporation/ establishment and kind of legal entity	Date of Incorporation/ establishment	Issued/ Registered share Capital	Percentage of attributable equity interest				Principal activities	Place of operation	Note
			In thousand	As at December 31, 2023	As at December 31, 2024	As at December 31, 2025	As of report date			
Directly held by the Target Company:										
Shanghai Yimou Technology Co., Ltd. 上海億眸電子科技有限公司	The PRC, limited liability company	May 25, 2020	RMB10,000	100%	100%	100%	100%	Sales and marketing	The PRC	(i)
ShenZhen Eeasy Times Technology Co., Ltd. 深圳億智時代科技有限公司	The PRC, limited liability company	November 22, 2018	RMB5,000	100%	100%	100%	100%	Sales and marketing	The PRC	(i)
Eeasy Technology (Hong Kong) Limited ("**Eeasy HK**") 億智科技(香港)有限公司	Hong Kong, limited liability company	May 7,2019	HKD 10	100%	100%	100%	100%	Sales and marketing	Hong Kong	(ii)

(i) The statutory financial statements have not yet been audited for the years ended December 31, 2023, 2024 and 2025.

(ii) The statutory financial statements were audited by Lee Chi Fai & Co. (李智輝會計師事務所) for the years ended December 31, 2023 and 2025. The statutory financial statements were audited by Cheng Chi Wai Public Accountants (鄭志偉執業會計師) for the year ended December 31, 2024.

(b) Investments in subsidiaries – the Target Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Investments in subsidiaries, at costs	15,008	15,008	15,008
Provisions for impairment	(15,000)	(15,000)	(15,000)
	8	8	8

13 PROPERTY, PLANT AND EQUIPMENT

The Target Group

	Electronic devices	**Furniture and fixtures**	**Vehicles**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023				
Cost	15,872	366	307	16,545
Accumulated depreciation	(12,354)	(156)	(231)	(12,741)
Net book amount	3,518	210	76	3,804
Year ended December 31, 2023				
Opening net book amount	3,518	210	76	3,804
Additions	272	22	–	294
Disposal	(1)	(8)	–	(9)
Depreciation charge *(Note 6)*	(1,410)	(68)	(61)	(1,539)
Closing net book amount	2,379	156	15	2,550
At December 31, 2023				
Cost	16,121	373	307	16,801
Accumulated depreciation	(13,742)	(217)	(292)	(14,251)
Net book amount	2,379	156	15	2,550
At January 1, 2024				
Cost	16,121	373	307	16,801
Accumulated depreciation	(13,742)	(217)	(292)	(14,251)
Net book amount	2,379	156	15	2,550

	Electronic devices	Furniture and fixtures	Vehicles	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2024				
Opening net book amount	2,379	156	15	2,550
Additions	346	4	–	350
Depreciation charge *(Note 6)*	(1,050)	(64)	–	(1,114)
Closing net book amount	1,675	96	15	1,786
At December 31, 2024				
Cost	16,464	377	307	17,148
Accumulated depreciation	(14,789)	(281)	(292)	(15,362)
Net book amount	1,675	96	15	1,786
At January 1, 2025				
Cost	16,464	377	307	17,148
Accumulated depreciation	(14,789)	(281)	(292)	(15,362)
Net book amount	1,675	96	15	1,786
Year ended December 31, 2025				
Opening net book amount	1,675	96	15	1,786
Additions	78	2	–	80
Disposal	(1)	–	–	(1)
Depreciation charge *(Note 6)*	(490)	(49)	–	(539)
Closing net book amount	1,262	49	15	1,326
At December 31, 2025				
Cost	16,530	379	307	17,216
Accumulated depreciation	(15,268)	(330)	(292)	(15,890)
Net book amount	1,262	49	15	1,326

Depreciation of the Target Group's property, plant and equipment has been charged to the consolidated statements of comprehensive loss as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Research and development expenses	1,413	1,068	509
General and administrative expenses	123	44	28
Selling and marketing expenses	3	2	2
	1,539	1,114	539

The Target Company

	Electronic devices *RMB'000*	Furniture and fixtures *RMB'000*	Vehicles *RMB'000*	Total *RMB'000*
At January 1, 2023				
Cost	15,612	314	307	16,233
Accumulated depreciation	(12,162)	(139)	(231)	(12,532)
Net book amount	3,450	175	76	3,701
Year ended December 31, 2023				
Opening net book amount	3,450	175	76	3,701
Additions	268	6	–	274
Disposal	(1)	(8)	–	(9)
Depreciation charge	(1,381)	(57)	(61)	(1,499)
Closing net book amount	2,336	116	15	2,467
At December 31, 2023				
Cost	15,858	306	307	16,471
Accumulated depreciation	(13,522)	(190)	(292)	(14,004)
Net book amount	2,336	116	15	2,467
At January 1, 2024				
Cost	15,858	306	307	16,471
Accumulated depreciation	(13,522)	(190)	(292)	(14,004)
Net book amount	2,336	116	15	2,467
Year ended December 31, 2024				
Opening net book amount	2,336	116	15	2,467
Additions	346	4	–	350
Depreciation charge	(1,032)	(51)	–	(1,083)
Closing net book amount	1,650	69	15	1,734
At December 31, 2024				
Cost	16,200	310	307	16,817
Accumulated depreciation	(14,550)	(241)	(292)	(15,083)
Net book amount	1,650	69	15	1,734
At January 1, 2025				
Cost	16,200	310	307	16,817
Accumulated depreciation	(14,550)	(241)	(292)	(15,083)
Net book amount	1,650	69	15	1,734

	Electronic devices	Furniture and fixtures	Vehicles	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2025				
Opening net book amount	1,650	69	15	1,734
Additions	78	2	–	80
Disposal	(1)	–	–	(1)
Depreciation charge	(479)	(37)	–	(516)
Closing net book amount	1,248	34	15	1,297
At December 31, 2025				
Cost	16,266	312	307	16,885
Accumulated depreciation	(15,018)	(278)	(292)	(15,588)
Net book amount	1,248	34	15	1,297

Depreciation of the Target Company's property, plant and equipment has been charged to the consolidated statements of comprehensive loss as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Research and development expenses	1,378	1,040	489
General and administrative expenses	121	43	27
	1,499	1,083	516

14 LEASES

(a) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

The Target Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Right-of-use assets			
Leased buildings	2,246	4,254	3,022
Lease liabilities			
Current	2,243	2,196	2,542
Non-current	207	1,907	379
	2,450	4,103	2,921

Additions to leased buildings during the years ended December 31, 2023, 2024 and 2025 were approximately RMB2.1 million, RMB5.8 million and RMB1.7 million, respectively.

The Target Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Right-of-use assets			
Leased buildings	1,715	4,067	2,838
Lease liabilities			
Current	1,709	2,006	2,355
Non-current	207	1,907	379
	1,916	3,913	2,734

(b) Amounts recognised in the consolidated statement of comprehensive loss

The consolidated statement of comprehensive loss shows the following amounts relating to leases:

The Target Group

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Depreciation charge of right-of-use assets *(Note 6)*	4,445	4,124	2,978
Interest expense (included in finance cost) *(Note 10)*	177	208	137

The total cash outflows for leases during the years ended December 31, 2023, 2024 and 2025 were approximately RMB5.1 million, RMB4.8 million and RMB3.1 million, respectively.

The Target Company

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Depreciation charge of right-of-use assets	3,649	3,459	2,659
Interest expense (included in finance cost)	177	208	137

(c) The Target Group's leasing activities and how these are accounted for

The Target Group leases various buildings for operation. Rental contracts are typically made for fixed periods ranging from one year to three years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessors. Leased assets may not be used as security for borrowing purposes.

15 INTANGIBLE ASSETS

The Target Group and the Target Company

	Software
	RMB'000
At January 1, 2023	
Cost	9,890
Accumulated amortisation	(4,955)
Net book amount	4,935
Year ended December 31, 2023	
Opening net book amount	4,935
Additions	43
Amortisation charge *(Note 6)*	(2,990)
Closing net book amount	1,988
At December 31, 2023	
Cost	9,224
Accumulated amortization	(7,236)
Net book amount	1,988
At January 1, 2024	
Cost	9,224
Accumulated amortisation	(7,236)
Net book amount	1,988
Year ended December 31, 2024	
Opening net book amount	1,988
Additions	8
Amortisation charge *(Note 6)*	(1,971)
Closing net book amount	25
At December 31, 2024	
Cost	441
Accumulated amortization	(416)
Net book amount	25
At January 1, 2025	
Cost	441
Accumulated amortisation	(416)
Net book amount	25

	Software
	RMB'000
Year ended December 31, 2025	
Opening net book amount	25
Amortisation charge *(Note 6)*	(17)
Closing net book amount	8
At December 31, 2025	
Cost	434
Accumulated amortization	(426)
Net book amount	8

As at December 31, 2025, the intangible assets of the Target Group are mainly software which included electronic design automation software and office software.

Amortisation of the Target Group's intangible assets has been recognised as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Research and development expenses	2,987	1,968	15
General and administrative expenses	3	3	2
	2,990	1,971	17

16 INVENTORIES

As at December 31, 2023, 2024 and 2025, the inventories held by the Target Group for sales are shown by category as below:

The Target Group and the Target Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	6,865	4,880	10,745
Work in progress	17,353	17,661	38,196
Finished goods	19,315	15,900	17,046
	43,533	38,441	65,987
Less: Provision for impairment of inventories	(4,873)	(7,135)	(6,775)
	38,660	31,306	59,212

During the years ended December 31, 2023, 2024 and 2025, inventories recognised as cost of sales amounted to RMB56.3 million, RMB80.9 million and RMB102.6 million, respectively. The provision for impairment of inventories recognised as cost of sales during the years ended December 31, 2023 and 2024 amounted to RMB1.3 million and RMB2.3 million respectively. The reversal of provision for impairment of inventories recognised as cost of sales during the year ended December 31, 2025 amounted to RMB360 thousand.

17 FINANCIAL INSTRUMENTS BY CATEGORY

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets at amortised cost:			
– Trade and notes receivables *(Note 19)*	3,149	411	1,650
– Other receivables (excluded prepayments and value-added tax recoverable) *(Note 18)*	1,612	1,223	1,171
– Cash and cash equivalents *(Note 20)*	26,400	14,354	72,817
	31,161	15,988	75,638
Financial liabilities			
Financial liabilities at FVPL:			
– Warrant *(Note 25)*	1,234	785	–
Financial liabilities at amortised cost:			
– Redemption liabilities to financial investors *(Note 24)*	605,602	650,572	702,589
– Trade payables *(Note 26)*	2,346	6,076	4,644
– Other payables and accruals (excluding government grants, other tax payables, payroll and welfare payables) *(Note 27)*	240	15,723	89,093
– Borrowings *(Note 23)*	24,030	30,523	37,939
– Lease liabilities *(Note 14)*	2,450	4,103	2,921
	635,902	707,782	837,186

18 PREPAYMENTS AND OTHER RECEIVABLES

The Target Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
Deposits	116	691	804
Less: loss allowance	–	–	–
	116	691	804
Current:			
Prepayments	3,774	16,346	20,872
Value-added tax recoverable	201	77	931
Deposits	1,313	385	228
Others	183	147	139
	5,471	16,955	22,170
Less: loss allowance	–	–	–
	5,471	16,955	22,170

As at December 31, 2023, 2024 and 2025, the carrying amounts of other receivables were primarily denominated in RMB and approximated their fair values at each year end.

The Target Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
Deposits	116	691	804
Less: loss allowance	–	–	–
	116	691	804
Current:			
Prepayments	3,774	16,336	20,872
Amounts due from subsidiaries	34,040	45,708	56,470
Value-added tax recoverable	157	–	841
Deposits	1,001	332	175
Others	173	136	128
	39,145	62,512	78,486
Less: loss allowance	(34,040)	(45,708)	(56,470)
	5,105	16,804	22,016

19 TRADE AND NOTES RECEIVABLES

The Target Group and the Target Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Trade and notes receivables	3,467	501	1,718
Less: provision for impairment *(Note 3.1(b))*	(318)	(90)	(68)
	3,149	411	1,650

The Target Group usually grants a credit period of 30 days to its customers. As at December 31, 2023, 2024 and 2025, the aging analysis of trade and notes receivables based on recognition date of gross trade and notes receivables are as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Up to 3 months	524	50	1,718
9 to 12 months	–	–	–
over 12 months	2,943	451	–
	3,467	501	1,718

The majority of the Target Group's trade and notes receivables were denominated in RMB.

20 CASH AND BANK BALANCES

The Target Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents *(Note 17)*	26,400	14,354	72,817
Cash and cash equivalents are denominated in:			
– RMB	22,966	13,090	72,596
– USD	3,415	942	199
– HKD	19	322	22
	26,400	14,354	72,817

The Target Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents	25,920	14,087	72,537
Cash and cash equivalents are denominated in:			
– RMB	22,808	13,039	72,512
– USD	3,112	732	3
– HKD	–	316	22
	25,920	14,087	72,537

21 PAID-IN CAPITAL

The Target Group and the Target Company

	Paid-in capital
	RMB'000
At December 31, 2023, 2024 and 2025	29,648

Since the date of incorporation, the Target Company has completed several rounds of financing. The Target Company issued registered capital to the investors of Series Angel, Series A, Series B, Series B+ and Series B-2 (collectively the "**Investors**") with paid-in capital of RMB29,648,074. The increment of the consideration exceeding the paid-in capital amounting to RMB440,872,401 was credited to the Target Company's reserves (Note 22).

The Target Company entered into separate agreements with the above investors, granting them redemption rights, anti-dilution rights, liquidation preferences, and other rights. The Target Company recognizes the obligations under such redemption rights as financial liabilities at amortized cost, and recognizes finance costs in the statement of comprehensive loss using the effective compound interest method, details of which refer to Note 24.

22 RESERVES

The Target Group

	Currency translation differences	Other reserve	Capital reserve	Share-based Compensation	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	(257)	453,818)	440,873	74,623	61,421
Currency translation differences	(36)	–	–	–	(36)
As at December 31, 2023	(293)	(453,818)	440,873	74,623	61,385
As at January 1, 2024	(293)	(453,818)	440,873	74,623	61,385
Currency translation differences	(13)	–	–	–	(13)
As at December 31, 2024	(306)	(453,818)	440,873	74,623	61,372
As at January 1, 2025	(306)	(453,818)	440,873	74,623	61,372
Currency translation differences	(6)	–	–	–	(6)
As at December 31, 2025	(312)	(453,818)	440,873	74,623	61,366

The Target Company

	Other reserve	Capital reserve	Share-based Compensation	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2023, 2024 and 2025	(453,818)	440,873	70,575	57,630

23 BORROWINGS

The Target Group and Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Borrowings included in current liabilities:			
– Bank borrowings, unsecured (a) (b)	24,000	30,500	37,910
– Interest payables	30	23	29
	24,030	30,523	37,939

(a) During the year ended December 31, 2023, the Target Group drew down and repaid borrowings with an aggregated principal amount of RMB24 million and RMB9.5 million, respectively, under certain loan facility agreements. As of December 31, 2023, outstanding borrowings under the loan facility agreements amounted to RMB24 million.

During the year ended December 31, 2024, the Target Group drew down and repaid borrowings with an aggregated principal amount of RMB42.6 million and RMB36.1 million, respectively, under certain loan facility agreements. As of December 31, 2024, outstanding borrowings under the loan facility agreements amounted to RMB30.5 million.

During the year ended December 31, 2025, the Target Group drew down and repaid borrowings with an aggregated principal amount of RMB35.5 million and RMB28.1million, respectively, under certain loan facility agreements. As of December 31, 2025, outstanding borrowings under the loan facility agreements amounted to RMB37.9 million.

The weighted average interest rates for the years ended December 31, 2023, 2024 and 2025 were 5.48%, 3.65% and 3.09% per annum, respectively.

(b) As at 31 December 2024 and 2025, under the terms of the long-term bank borrowings from certain bank, with total principal amounts of RMB4.5 million and RMB5.5 million respectively, the Target Group was required to comply with financial covenants at the end of each month-end, including: (i) the debt-to-asset ratio shall not exceed 60%; and (ii) the current ratio shall be no less than 1.0. The Target Group did not comply with the covenant related to the debt-to-asset ratio as at 31 December 2024 and 2025. As a result, the relevant banks are entitled to exercise their rights to demand immediate repayment of part or all of the outstanding borrowings.

24 REDEMPTION LIABILITIES TO FINANCIAL INVESTORS

The Target Group and the Target Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Opening amount	560,743	605,602	650,572
Charged to finance costs *(Note 10)*	44,859	48,372	52,017
Modification of redemption liabilities to financial investors *(Note 10)*	–	(3,402)	–
Closing amount	605,602	650,572	702,589

Since the date of incorporation, the Target Company has completed several rounds of financing. The Target Company issued registered capital to the investors of Series Angel, Series A, Series B, Series B+ and Series B-2 (collectively the "**Investors**"), and granted the Investors redemption rights, anti-dilution rights, and other rights. The Target Company recognizes the obligations under such redemption rights as financial liabilities to investors and recognizes finance costs in the statement of comprehensive loss using the effective compound interest method.

The particulars of the registered capital issued to the Investors are set out in the table below:

Series	**Date of subscription**	**Consideration per Unit of Registered Capital**	**Subscribed Registered Capital**	**Total consideration**
		RMB	*RMB*	*RMB'000*
Series Angel Shares	March 2018	14.5	3,103,492	45,000
Series Pre-A Shares	March 2019	43.4	1,617,256	70,000
Series A Shares	May 2019	60.7	1,896,905	115,100
Series B Shares	March 2021	75.1	665,441	50,000
Series B+ Shares	August 2021	75.1	1,207,111	90,700
Series B2 Shares	October 2022	75.1	1,157,869	87,000
			9,648,074	457,800

The key terms of preferred rights granted are summarized as follows:

Redemption rights

The Target Company shall redeem, at the option of the Series Angel, Series Pre-A, Series A, Series B, Series B+ and Series B2 Investors, all of the registered capitals held by the requesting investor, at any time after the failure by the Target Company to submit filing documents for its initial public offering before March 31, 2024 or complete a qualified initial public offering ("**Qualified IPO**") before December 31, 2024.

The redemption amount shall be equal to the original investment principal plus an annual compounded interest rate of 8% for the period from the financing completion date to and until the date the registered capital is redeemed. Upon the redemption, in order of preference, first to the holders of Series B2, Series B+ and Series B shares, then to the holders of Series A shares, and then to the holders of Series Pre-A shares, last to the holders of Series Angel.

The redemption rights held by the Investors upon the failure by the Target Company to submit filing documents for its initial public offering before March 31, 2024 or complete a Qualified IPO before December 31, 2024 and other contingent events would constitute the Target Company's obligation to repurchase its own equity instruments under the situations which were beyond the Target Company's and the Investors' control. The financial liability in connection with the obligation was therefore recognised initially at present value, and subsequently measured at amortised cost using the effective interest method.

From 2022 to 2024, several Series A and Series B investors transferred their registered capital to certain investors ("**Shares Transfer**") with the redemption rights unchanged. In July 2024, the Target Company entered into a shareholder agreement with all of the Investors to modify the redemption right of the Series B2, Series B+ and Series B Investors, pursuant to which, the redemption amount for the registered capitals held by Series B2, Series B+ and Series B Investors shall be equal to the actual principal payment made by the Investors to obtain their corresponding registered capital during Shares Transfer, plus an annual compounded interest rate of 8% for the period from the actual payment date of the Shares Transfer to and until the date the registered capital is redeemed. The redemption liabilities to these investors were then modified. Gain on modification of approximately RMB3,402,282 was credited to finance cost.

Liquidation preference

In the event of any liquidation, dissolution or winding up of the Target Company, the Investors shall be entitled to receive the liquidation preference amount, prior and in preference to any distribution of any of the assets or surplus funds of the Target Company to the holders of registered capital of the Target Company.

Upon the liquidation, in order of preference, first to the holders of Series B2, Series B+ and Series B shares, then to the holders of Series A shares, and then to the holders of Series Pre-A shares, last to the holders of Series Angel.

The liquidation preference amount of Series Angel, Series Pre-A, Series A, Series B, Series B+ and Series B2 was calculated as the original investment principal from Series Angel, Series Pre-A, Series A, Series B, Series B+ and Series B2, plus an annual compounded interest rate of 8% for a period of time commencing from the financing completion date to the actual payments date of the settlement (calculated as 365 days in a calendar year) plus all declared but unpaid dividends on such registered capitals.

If the assets and funds are insufficient for the full payment to such holders of such registered capitals, then the entire assets and funds legally available for distribution shall be distributed ratably among such holders in proportion.

Anti-dilution right

If the Target Company increased its paid-in capital at a price lower than the price paid by the Investors on a per paid-in capital basis, the Investors had a right to require (i) the Target Company to issue new paid-in capital for nil consideration (or lowest price allowed by law) to the Investors; or (ii) the existing shareholders to transfer the equity interests in the Target Company, directly or indirectly held to the Investors for nil consideration (or lowest price allowed by law), so that the total amount paid by the Investors divided by the total amount of paid-in capital obtained is equal to the price per paid-in capital in the new issuance.

Performance Compensation

In September 2022, the Target Company entered into a shareholder agreement with all of the Investors, pursuant to which, the founding shareholders shall compensate Series B2, Series B+ and Series B shares investors based on a pre-determined formula, if the Target Company's accumulated consolidated revenue for the years ended December 31, 2022 and 2023 is less than RMB500 million. The Target Company has also provided a guarantee securing the founding shareholders' performance compensation obligation to investors. Given the Target Company's accumulated consolidated revenue for the years ended December 31, 2022 and 2023 did not meet the performance target, these third-party investors are entitled to receive the performance compensations from founding shareholders. As at December 31, 2025, the performance compensations to these third-party investors have not been fulfilled. Pursuant to the shareholder agreements between the third-party investors and the Target Company, all the preferential rights, including the performance compensation rights, will be terminated when the third-party investors cease to be the shareholders of the Target Company. Hence, the performance compensation rights of these third party investors for the ordinary shares would be terminated upon consummation of the Proposed Acquisition.

25 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVPL")

In February 2022, the Target Company entered into a loan facility agreement with Bank of Zhongguancun ("**ZGCB**") which provided the Target Company a credit limit in an aggregate principal amount of RMB25 million with a floating interest per annum (2.3% above the loan prime rate). Pursuant to the loan facility agreement, the Target Company also committed to grant Zhongguancun Venture Capital ("**ZGC Venture Capital**") a warrant within a year to invest in the paid-in capital of the Target Company with the limitation of RMB7.5 million at the price of the most recent equity financing of the Target Company with a three-year term since the issuance date. The proceeds drawn down under the loan facility were allocated between the borrowings and commitment derivative. During the year of 2022, the Target Company draw down borrowings under the facility agreement with the amount of RMB9.5 million (Note 23), among which RMB2.5 million was allocated to the commitment derivative.

In July 2022, the Target Company issued the warrant to ZGC Venture Capital. In July 2025, the warrant expired without being exercised by ZGC Venture Capital.

The Target Company's commitment derivative and warrant liabilities activities during the years ended December 31, 2023, 2024 and 2025 are summarized below:

Warrant

	RMB'000
At January 1, 2023	1,907
Change in fair value	(673)
At December 31, 2023	1,234
At January 1, 2024	1,234
Change in fair value	(449)
At December 31, 2024	785
At January 1, 2025	785
Change in fair value	(785)
At December 31, 2025	–

26 TRADE PAYABLES

The Target Group and the Target Company

As at December 31, 2023, 2024 and 2025, the aging analysis of the trade payables based on transaction date are as follows:

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Up to 6 months	2,122	4,732	4,644
6 to 12 months	–	1,022	–
over 12 months	224	322	–
	2,346	6,076	4,644

27 OTHER PAYABLES AND ACCRUALS

The Target Group

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
Government grants (a)	5,363	8,863	3,863
Current:			
Borrowings from a related party *(Note 31)*	–	–	85,722
Borrowings from a third party (b)	–	14,815	–
Payroll and welfare payables	8,350	5,930	9,725
Payables for accrual IP expenses	–	789	3,157
Government grants (a)	150	–	5,000
Other taxes payable	595	1,856	6,048
Others	240	119	214
	9,335	23,509	109,866
	14,698	32,372	113,729

The Target Company

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
Government grants (a)	5,363	8,863	3,863
Current:			
Borrowings from a related party *(Note 31)*	–	–	85,722
Payroll and welfare payables	7,127	5,206	8,203
Payables for accrual IP expenses	–	789	3,157
Government grants (a)	150	–	5,000
Other taxes payable	552	1,818	6,011
Amounts due to subsidiaries	–	14,791	–
Others	212	95	183
	8,041	22,699	108,276
	13,404	31,562	112,139

(a) Government grants provided to the Target Group mainly related to the financial assistance received from local governments in the PRC. When attached conditions are expected to be satisfied within one year, the Target Group recorded the government grants as current liabilities upon cash receipts. For government grants of which the attached conditions are expected to be satisfied over one year, the Target Group recorded the government grants as non-current liabilities upon cash receipts.

(b) In December 2024, Eeasy HK entered into a one-year loan agreement with a third party, with a principal amount of HKD16 million. The loan was secured by a pledge of 2% of the equity interests in the Target Company held by one of the founding shareholders, and bears a fixed interest rate of 3% per annum. The borrowings and related interest were fully repaid and the share pledge was released in June 2025.

28 SHARE-BASED COMPENSATION

Zhuhai Yihui Technology (Limited Partnership), Zhuhai Zhiju Technology (Limited Partnership) and Zhuhai Yiju Technology (Limited Partnership) were established as the employee incentive platforms in March 2018. In 2018, the Target Company adopted its 2018 Plan, which permits the grant of stock options to the employees and directors of the Target Group. Under the plan, a total of 4,796,000 registered capital of the Target Company were granted to the employees of the Target Group in 2018 and 2022. Eligible employees of the Target Company could acquire registered capital of the employee incentive platforms pursuant to the share options granted. All the share options were immediately vested and exercised upon grant date before the Track Record Period.

29 CASH FLOW INFORMATION

(a) Net cash used in operating activities

	Years ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Loss before income tax	(111,806)	(86,667)	(86,750)
Adjustment for:			
Depreciation of property, plant and equipment *(Note 13)*	1,539	1,114	539
Depreciation of right-of-use assets *(Note 14)*	4,445	4,124	2,978
Amortisation of intangible assets *(Note 15)*	2,990	1,971	17
Provision for impairment of inventories *(Note 16)*	1,276	2,262	(360)
Losses on disposal of property, plant and equipment	9	–	1
Losses on lease modification	–	113	–
Fair value gain on financial instrument issued to investors *(Note 25)*	(673)	(449)	(785)
Interest income *(Note 10)*	–	(3,402)	–
Interest expenses *(Note 10)*	45,859	49,736	54,780
Foreign exchange losses – net *(Note 9)*	115	442	581
Net impairment losses/(gain) on financial assets *(Note 3.1(b))*	14	(228)	(22)
Changes in working capital:			
Decrease/(increase) in inventories	22,004	5,092	(27,546)
Decrease/(increase) in trade and notes receivables	3,609	2,966	(1,217)
Increase in prepayments, deposits and other assets	(467)	(12,059)	(5,328)
(Increase)/decrease in contract liabilities	(3,567)	1,815	40,592
(Increase)/decrease in trade payables	(677)	3,730	(1,432)
(Increase)/decrease in other payables and accruals	(610)	2,859	10,450
Net cash used in operating activities	(35,940)	(26,581)	(13,502)

(b) Non-cash investing and financing activities

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Acquisition and modification of right-of-use assets *(Note 14)*	2,050	6,132	1,746

(c) Net debt reconciliation

	As at December 31, 2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents	26,400	14,354	72,817
Financial liabilities at fair value through profit or loss *(Note 25)*	(1,234)	(785)	–
Redemption liabilities to financial investors *(Note 24)*	(605,602)	(650,572)	(702,589)
Lease liabilities *(Note 14)*	(2,450)	(4,103)	(2,921)
Borrowings *(Note 23)*	(24,030)	(30,523)	(37,939)
Other payables and accruals (borrowings related) *(Note 27)*	–	(14,815)	(85,722)
Net debt	(606,916)	(686,444)	(756,354)

(d) Reconciliation of liabilities from financing activities

	Redemption liabilities to financial investors	Financial liabilities at FVPL	Lease liabilities	Bank Borrowings	Other payables and accruals (borrowings related)	Total
	(Note 24)	*(Note 25)*	*(Note 14)*	*(Note 23)*	*(Note 31)*	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2023	560,743	1,907	5,283	9,073	–	577,006
Cash flows	–	–	(5,060)	14,134	–	9,074
New leases	–	–	2,050	–	–	2,050
Fair value changes	–	(673)	–	–	–	(673)
Financial Cost	44,859	–	177	823	–	45,859
As at December 31, 2023	605,602	1,234	2,450	24,030	–	633,316
As at January 1, 2024	605,602	1,234	2,450	24,030	–	633,316
Cash flows	–	–	(4,801)	5,395	14,757	15,351
New leases	–	–	321	–	–	321
Modification	–	–	5,925	–	–	5,925
Fair value changes	–	(449)	–	–	–	(449)
Modification of redemption liabilities	(3,402)	–	–	–	–	(3,402)
Financial Cost	48,372	–	208	1,098	58	49,736
As at December 31, 2024	650,572	785	4,103	30,523	14,815	700,798
As at January 1, 2025	650,572	785	4,103	30,523	14,815	700,798
Cash flows	–	–	(3,065)	6,222	69,294	72,451
New leases	–	–	–	–	–	–
Modification	–	–	1,746	–	–	1,746
Fair value changes	–	(785)	–	–	–	(785)
Modification of redemption liabilities	–	–	–	–	–	–
Financial Cost	52,017	–	137	1,194	1,432	54,780
Foreign exchange	–	–	–	–	181	181
As at December 31, 2025	702,589	–	2,921	37,939	85,722	829,171

30 COMMITMENTS

The Target Group did not have any material commitments as at December 31, 2025.

31 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family member of the Target Group are also considered as related parties.

The following significant transactions were carried out between the Target Group and its related party during the periods presented. In the opinion of the management of the Target Group, the related party transactions were carried out in the normal course of business and at terms negotiated between the Target Group and the respective related parties.

(a) Name and relationship of related parties

Name of related parties	Relationship with the Target Group
Chen Feng	Director of the Target Group
Black Sesame International Holding Limited	Entity with a common director

(b) Transactions with related parties

(i) Loan from related parties (Non-trade nature)

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Chen Feng	–	5,000	–
Black Sesame International Holding Limited	–	–	85,000
	–	5,000	85,000

In 2025, the Target Company entered into certain one-year loan agreements with the Company, pursuant to which the Company provided loans with an aggregated amount of RMB85 million to the Target Company, with the interest rate of 3% per annum. The loans were collateralized by the founder's 12.5% equity interest in the Target Company in total.

(ii) Loan interest to related parties (Non-trade nature)

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Chen Feng	–	28	–
Black Sesame International Holding Limited	–	–	722
	–	28	722

(iii) Repayment of loan from related parties (Non-trade nature)

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Chen Feng	–	5,000	–

(iv) Revenue from a related party (Trade nature)

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Black Sesame International Holding Limited	–	–	5,409

(c) Year end balances with related parties

(i) Amount due to a related party (Non-trade nature)

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Borrowings from Black Sesame International Holding Limited	–	–	85,722

(ii) Amounts due from a related party (Trade nature)

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Black Sesame International Holding Limited	–	–	1,360

(d) Key management personnel compensation

	Year ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Wages, salaries and bonuses	1,350	717	74
Pension obligations, housing funds, medical insurances and other social insurances	379	254	42
	1,729	971	116

32 CONTINGENT LIABILITIES

The Target Group did not have any material contingent liabilities as at December 31, 2023, 2024 and 2025.

33 DIVIDEND

No dividend has been paid or declared by the Target Company or subsidiaries of the Target Company during the Track Record Period and up to date of this report.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Target Company and its subsidiaries in respect of any period subsequent to 31 December 2025.

Set out below is the management discussion and analysis of the Target Company for each of the three years ended December 31, 2023, 2024 and 2025 ("the Relevant Period"). The following financial information is based on the financial information of the Target Company as set out in Appendix II to this circular.

BUSINESS REVIEW

The Target Company is a limited liability company incorporated in the PRC focusing on the development and sale of high-cost-performance and low-power artificial intelligence SoC and solutions. The Target Company's solution line mainly covers applications in driving assistance, intelligent hardware and AIoT products.

OPERATING RESULTS

Revenue

The Target Company generated revenue primarily from sales of SoCs, and to a lesser extent, from providing SoC design services to customers. Set forth below is a breakdown of Target Group's revenue.

	Year ended December 31,		
	2023	**2024**	**2025**
	(in RMB thousands)		
Sales of SoCs	88,655	132,917	173,099
Provision of SoC design service	849	–	–
Others	17	33	155
Total	**89,521**	**132,950**	**173,254**

The Target Group's revenue increased from RMB89.5 million in 2023 to RMB133.0 million in 2024 and further increased to RMB173.3 million in 2025 primarily due to consistent increase in the sales of Target Company's SoCs. The increase in such sales was primarily driven by (i) a steady increase in shipment volumes of the Target Company's SoCs as demand from downstream customers scaled up alongside broader adoption of AI-enabled devices, resulting in higher repeat orders from existing customers; (ii) the conversion of earlier design wins into production and commercial deployment across multiple application scenarios, which translated into higher recognized sales; (iii) an expanded customer coverage and product application mix with differentiated computing capabilities, which led to a broader range of application requirements; and (iv) an accelerated trend of supply chain localization and domestic substitution within the PRC semiconductor industry. As the Target Company focused more heavily on the sales of SoCs, it scaled back its SoC design service to third party customers during the Relevant Period and revenue from this business line accordingly decreased from RMB849 thousands in 2023 to nil in both 2024 and 2025.

Gross Profit and Gross Profit Margin

The Target Group recorded gross profit of RMB29.2 million in 2023, RMB45.7 million in 2024 and RMB65.7 million in 2025 and gross profit margin was 32.6%, 34.4% and 37.9%, respectively. Such increase in gross profit margin was due to (i) a strategic pricing adjustment adopted by the Target Company to offer more competitive pricing in order to capture a larger market share and accelerate customer acquisition amidst intensifying competition in the domestic AI chip market and (ii) a shift in the product sales mix with a higher proportion of revenue from high-volume and mass-market applications as opposed to previous niche deployments. Notwithstanding the compression in gross profit margin, the Target Company's gross profit increased in absolute terms during the Relevant Period.

Expenses

The Target Company's selling expenses, general and administrative expenses and research and development expenses fluctuated during the Relevant Period primarily due to the combined effects of business scale expansion, changes in operational focus and timing of resource allocation across different stages of its development. In particular, fluctuations in research and development expenses mainly reflected the Target Company's phased approach to product development and commercialization.

Net Loss

As a result of the foregoing, the Target Group recorded operating loss of RMB66.8 million, RMB40.8 million and RMB32.8 million in 2023, 2024 and 2025, respectively. Due to finance costs recognized by the Target Company's redemption liabilities from previous rounds of equity financing, the Target Group recorded net loss of RMB111.8 million in 2023, RMB86.7 million in 2024 and RMB86.8 million in 2025, respectively.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

Capital Structure

During the Relevant Period, there was no material change in the capital structure of the Target Company. The Target Company financed its operations and working capital requirements primarily through borrowings and other financing activities.

Liquidity and Financial Resources

As of December 31, 2023, 2024 and 2025, the Target Group had total assets of RMB80.6 million, RMB69.8 million and RMB161.0 million, respectively, mainly from inventories and cash and cash equivalents. As of December 31, 2023, 2024 and 2025, the Target Group had cash and cash equivalents of RMB26.4 million, RMB14.4 million and RMB72.8 million, respectively.

As of December 31, 2023, 2024 and 2025, the Target Company had total liabilities of RMB652.1 million, RMB728.0 million and RMB905.9 million, respectively, mainly from borrowings and redemption liabilities to financial investors. The Target Company recognized the obligations under such redemption rights as financial liabilities to investors as an accounting treatment. As of December 31, 2023, 2024 and 2025, the redemption liabilities to financial investors amounted to RMB605.6 million, RMB650.6 million and RMB702.6 million, respectively.

Borrowings

The Target Company's borrowings included in current liabilities mainly consist of unsecured bank borrowings, and to a much lesser extent, interest payables. As of December 31, 2023, 2024 and 2025, the Target Company had total borrowings of RMB24.0 million, RMB30.5 million and RMB37.9 million. As of December 31, 2025, the Target Company had various loan facility agreements with commercial banks. In 2025, the Target Company drew down and repaid borrowings with an aggregated principal amount of RMB35.5 million and RMB28.1 million, respectively, under those facility agreements. As of December 31, 2025, outstanding borrowings under the loan facility agreements amounted to RMB37.9 million. The weighted average interest rates for the years ended December 31, 2023, 2024 and 2025 were 5.48%, 3.65% and 3.09% per annum, respectively.

As of December 31, 2024 and 2025, the Target Company has not been in full compliance with the covenants of certain bank loans with total principal amounts of RMB4.5 million and RMB5.5 million, respectively. As a result, the relevant banks are entitled to exercise their rights to demand immediate repayment of part or all of the outstanding borrowings.

Gearing ratio was not applicable as the Target Company throughout the Relevant Period recorded total deficit in equity due to accumulated losses.

Contingent Liabilities

The Target Company did not have any material contingent liabilities as of December 31, 2023, 2024 and 2025.

Charge on Assets

There was no charge of assets of the Target Company as of December 31, 2023, 2024 and 2025.

Financial Risk Management

During the Relevant Period, the Target Company was principally exposed to market risk, credit risk and liquidity risks arising in the ordinary course of business. The Target Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Target Company's financial performance.

As the Target Company's operations were primarily based in the PRC, its major assets (including cash and cash equivalents), liabilities and business transactions are mainly denominated in RMB, and foreign currency transactions accounted for a relatively small proportion of the Target Company's results of operations. As such, the Target Company considers that it has no material exposure to foreign exchange fluctuations, and it has not used any financial instrument to hedge potential fluctuation in interest rates and exchange rates.

Financing and Financial Policy

The Target Company adopts a prudent financial management policy. It closely monitors its working capital position to ensure that the composition of its assets, liabilities and other commitments meets funding requirements.

Employee and Remuneration Policies

As of December 31, 2025, the Target Group had 211 employees based in the PRC. In 2025, the Target Group's staff costs primarily consisted of salaries and other benefits of approximately RMB73.5 million. In order to attract expertise and make good use of human resources to foster smooth business operation, the Target Company has been offering competitive remuneration packages by taking account of market conditions, individual qualifications, experience and performance. The Target Company had implemented various programs for staff training and development

In line with local customary practices, the Target Company has made contributions to the social insurance funds which met the requirement of the local minimum wage standard for calculation of contribution, instead of its employees' actual salaries as required by the above described guidance, and has not made full contribution to the housing funds. Based on the Target Company's observation of local practices, consultation with relevant government authorities, the Target Company believes its practice has been consistent with the common practice adopted by businesses in Zhuhai, Shenzhen, Beijing and Shanghai, where the Target Company's main subsidiaries operate and as advised by its PRC legal advisor, the Target Company believes that the likelihood of the Target Company being subject to retrospective payments or penalties is remote. The unpaid balance for the welfare benefits were RMB1.0 million, RMB3.1 million and RMB5.1 million as of December 31, 2023, 2024 and 2025, respectively.

SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITION AND DISPOSALS

The Target Company did not have any significant investments with a value over 5% of the total assets as of December 31, 2023, 2024 and 2025.

The Target Company did not have any material acquisitions and disposals of subsidiaries and associates in 2023, 2024 and 2025.

FUTURE PLAN FOR MATERIAL INVESTMENT OF CAPITAL ASSETS

As of December 31, 2025, the Target Company had no future plan for material investments or capital assets.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following is an illustrative unaudited pro forma consolidated statement of assets and liabilities (the "**Unaudited Pro Forma Financial Information**") of Black Sesame International Holding Limited (the "**Company**") and its subsidiaries (collectively hereinafter referred to as the "**Group**") and Zhuhai Eeasy Technology Co., Ltd. (the "**Target Company**") and its subsidiaries (collectively hereinafter referred to as the "**Target Group**") (the Group and the Target Group are collectively referred to as the "**Enlarged Group**"), which has been prepared on the basis of the notes set forth below for the purpose of illustrating the effects of the acquisition of 60% equity interest in the Target Company through Equity Transfer and Capital Increase (the "**Acquisition**"), as if the Acquisition had taken place on December 31, 2025.

The Unaudited Pro Forma Financial Information has been prepared based on (i) the audited consolidated statement of financial position of the Group as at December 31, 2025 set out in the published audited consolidated financial statements of the Company for the year ended December 31, 2025; (ii) the consolidated statement of financial position of the Target Group as at December 31, 2025 included in the Accountant's Report as set out in Appendix II to this Circular; and (iii) the pro forma adjustments prepared to reflect the effects of the Acquisition as explained in the notes set out below that are directly attributable to the Acquisition and not relating to future events or decisions and are factually supportable.

The Unaudited Pro Forma Financial Information has been prepared under accounting policies consistent with those of the Group as set out in the published annual report of the Company for the year ended 31 December 2025.

The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company in accordance with Paragraph 4.29 of the Listing Rules for the purpose of illustrating the effects of the Acquisition on the Group for inclusion in this Circular only. The Unaudited Pro Forma Financial Information has been prepared based on a number of assumptions, estimates and uncertainties. Because of its hypothetical nature, the Unaudited Pro Forma Financial Information does not purport to describe the actual financial position of the Enlarged Group that would have been attained had the Acquisition been completed on December 31, 2025 or any future dates.

The Unaudited Pro Forma Financial Information should be read in conjunction with the financial information of the Group as set out in the published audited consolidated financial statements of the Group for the year ended December 31, 2025, the historical financial information of the Target Group as set out in Appendix II to this Circular and other financial information included elsewhere in this Circular.

Unaudited Pro Forma Consolidated Statement of Assets and Liabilities of the Enlarged Group

	Audited consolidated statement of assets and liabilities of the Group as at December 31, 2025	Audited consolidated statement of assets and liabilities of the Target Group as at December 31, 2025	Pro Forma Adjustments						Unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group
	Note 1	*Note 2*	*Note 3*	*Note 4*	*Note 5*	*Note 6*	*Note 7*	*Note 8*	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS									
Non-current assets									
Property, plant and equipment	75,051	1,326	–	–	–	–	–	–	76,377
Right-of-use assets	36,449	3,022	–	–	–	–	–	–	39,471
Intangible assets	30,879	8	187,700	–	–	–	–	–	218,587
Prepayments and other receivables	14,592	804	–	–	–	–	–	–	15,396
Investments accounted for using the equity method	13,912	–	–	–	–	–	–	–	13,912
Financial assets at fair value through profit or loss	147,380	–	–	–	–	–	–	–	147,380
Goodwill	–	–	–	–	–	–	–	375,792	375,792
Total non-current assets	318,263	5,160	187,700	–	–	–	–	375,792	886,915
Current assets									
Inventories	51,225	59,212	4,899	(240)	–	–	–	–	115,096
Prepayments and other receivables	246,828	22,170	–	(85,722)	–	–	–	–	183,276
Trade and notes receivables	499,713	1,650	–	(1,360)	–	–	–	–	500,003
Financial assets at fair value through profit or loss	83,928	–	–	–	–	–	–	–	83,928
Cash and cash equivalents	1,446,756	72,817	–	–	–	(457,800)	(3,163)	–	1,058,610
Total current assets	2,328,450	155,849	4,899	(87,322)	–	(457,800)	(3,163)	–	1,940,913
Total assets	2,646,713	161,009	192,599	(87,322)	–	(457,800)	(3,163)	375,792	2,827,828

	Audited consolidated statement of assets and liabilities of the Group as at December 31, 2025	Audited consolidated statement of assets and liabilities of the Target Group as at December 31, 2025	Pro Forma Adjustments						Unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group
	Note 1	*Note 2*	*Note 3*	*Note 4*	*Note 5*	*Note 6*	*Note 7*	*Note 8*	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Liabilities									
Non-current liabilities									
Lease liabilities	19,118	379	–	–	–	–	–	–	19,497
Other payables and accruals	29,316	3,863	–	–	–	–	–	–	33,179
Total non-current liabilities	48,434	4,242	–	–	–	–	–	–	52,676
Current liabilities									
Trade payables	213,299	4,644	–	(1,360)	–	–	–	–	216,583
Contract liabilities	17,411	44,126	–	–	–	–	–	–	61,537
Borrowings	739,892	37,939	–	–	–	–	–	–	777,831
Lease liabilities	19,564	2,542	–	–	–	–	–	–	22,106
Other payables and accruals	449,162	109,866	–	(85,722)	–	–	–	–	473,306
Redemption liabilities to financial investors	–	702,589	–	–	(702,589)	–	–	–	–
Total current liabilities	1,439,328	901,706	–	(87,082)	(702,589)	–	–	–	1,551,363
Total liabilities	1,487,762	905,948	–	(87,082)	(702,589)	–	–	–	1,604,039
NET ASSETS/ (LIABILITIES)	1,158,951	(744,939)	192,599	(240)	702,589	(457,800)	(3,163)	375,792	1,223,789

Notes:

(1) The amounts are extracted from the audited consolidated statement of financial position of the Group as at December 31, 2025 as set out in the published audited consolidated financial statements of the Company for the year ended December 31, 2025.

(2) The amounts are extracted from the accountant's report of the Target Group as set out in Appendix II to this Circular.

(3) Upon completion of the Acquisition (the "**Completion**"), the Target Group will become a subsidiary of the Company. The identifiable assets and liabilities of the Target Group will be accounted for in the consolidated financial statements of the Group at fair value under the acquisition method of accounting in accordance with IFRS Accounting Standards 3 (Revised) Business Combinations ("**IFRS 3**").

For the purpose of preparing the Unaudited Pro Forma Financial Information, the Directors have estimated the fair values of the identifiable assets and liabilities of the Target Group with reference to the preliminary fair value as at December 31, 2025 prepared by an independent valuer engaged by directors of the Company.

The pro forma adjustment represents fair value adjustments of identified assets and liabilities assumed arising from purchase price allocation upon completion of the Acquisition made by the directors of the Company, and by reference to the valuation prepared by the independent valuer, representing 1) adjustments to intangible assets amounting to RMB187,700,000, primarily comprising customer relationships and technology; 2) adjustments to inventories amounting to RMB4,899,000; and 3) recognition of deferred tax liabilities of RMB28,890,000 arising from the above fair value adjustments and recognition of deferred tax assets of RMB28,890,000 arising from tax losses to the extent that sufficient suitable deferred tax liabilities are available, with the deferred tax assets and deferred tax liabilities offset against each other.

The amounts of fair values of the identifiable assets and liabilities of the Target Group are subject to change upon the completion of the valuation of the fair values of the identifiable assets and liabilities of the Target Group on the date of completion of the Acquisition. Consequently, the resulting goodwill, the actual allocation of the purchase price at the date of completion will likely result in different amounts than those stated in the Unaudited Pro Forma Financial Information.

(4) The pro forma adjustment represents the elimination of the balances between the Group and the Target Group and unrealised gains on transactions of the unsold Inventories in respect of the Enlarged Group assuming that the Acquisition had been completed on December 31, 2025.

(5) Pursuant to the shareholder agreements between the existing third-party investors and the Target Company, all the preferential rights, including the redemption rights, will be terminated when the third-party investors cease to be the shareholders of the Target Company. The Target Company recognizes the obligations under such redemption rights as redemption liabilities to financial investors. For the purpose of the Unaudited Pro Forma Financial Information, the pro forma adjustment represents the termination of the redemption rights of the third party investors assuming that the Acquisition had been completed on December 31, 2025.

(6) Pursuant to the Equity Transfer Agreement, the Company agreed to purchase, and the third party investors agreed to sell, an aggregate of 32.8435% equity interest in the Target Group at a total consideration of RMB457,800,000. The pro forma adjustment represents the cash consideration of RMB457,800,000 for the Equity Transfer .

(7) This pro forma adjustment represents legal and professional fees and other expenses of approximately RMB4,163,000 incurred directly attributable to the Acquisition (excluding RMB1,000,000 which had been accounted for in the consolidated financial statements of the Group for the year ended 31 December 2025). The Directors assume that these fees are settled by cash as if the Acquisition of the Group had been completed on December 31, 2025.

(8) The goodwill arising from the Acquisition of the Target Group is calculated as follows:

	RMB'000
Total consideration *(i)*	478,152
Add: non-controlling interest in the Target Group *(ii)*	66,983
Less: Fair value of identifiable net assets *(iii)*	(170,601)
Goodwill	**375,792**

(i) Pursuant to the Equity Transfer Agreement, the Company agreed to purchase, and the third party investors agreed to sell, an aggregate of 32.8435% equity interest in the Target Group at a total consideration of RMB457,800,000, and the Company shall pay the corresponding unpaid registered capital of RMB133,088 to the Target Company. The Company and the Target Group also entered into the Capital Increase Agreement, pursuant to which the Company subscribed for the newly increased registered capital in the Target Group of RMB20,218,838. Upon the completion of the Acquisition, the Company will indirectly own 60% equity interest in the Target Company.

	RMB'000
Cash consideration for the Equity Transfer Agreement	457,800
Cash payment of unpaid registered capital to the Target Company pursuant to the Equity Transfer Agreement	133
Cash payment for the Capital Increase	20,219
Total consideration for the Acquisition	**478,152**

(ii) The amount of non-controlling interest in the Target Group was calculated at their proportionate share of the identifiable net assets of the Target Group.

(iii) The fair value of identifiable net assets of the Target Group is estimated as follows:

	Carrying amount	Fair value adjustments	New capital subscription adjustment	Redemption liabilities adjustment	Fair value
		(Note 3 above)	*(Note)*	*(Note 5 above)*	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Property, plant and equipment	1,326	–	–	–	1,326
Right-of-use assets	3,022	–	–	–	3,022
Intangible assets	8	187,700	–	–	187,708
Prepayments and other receivables	22,974	–	–	–	22,974
Inventories	59,212	4,899	–	–	64,111
Trade and notes receivables	1,650	–	–	–	1,650
Cash and cash equivalents	72,817	–	20,352	–	93,169
Trade payables	(4,644)	–	–	–	(4,644)
Other payables and accruals	(14,418)	–	–	–	(14,418)
Contract liabilities	(44,126)	–	–	–	(44,126)
Borrowings	(37,939)	–	–	–	(37,939)
Lease liabilities	(2,542)	–	–	–	(2,542)
Lease liabilities, non-current	(379)	–	–	–	(379)
Other non-current liabilities	(3,863)	–	–	–	(3,863)
Employee benefit obligations	(9,726)	–	–	–	(9,726)
Financial instruments with preferred rights at amortized cost	(702,589)	–	–	702,589	–
Amounts due to related parties	(85,722)	–	–	–	(85,722)
Identifiable net assets of the Target Group	**(744,939)**				**170,601**

Note: The amounts represent payments amounted to approximately RMB133,000 of unpaid registered capital to the Target Company pursuant to the Equity Transfer Agreement and approximately RMB20,219,000 for subscription of newly increased registered capital in the Target Company pursuant to the Capital Increase Agreement.

The amounts of goodwill and fair values of the identifiable assets and liabilities of the Target Group are subject to change upon the completion of the valuation of the fair values of the identifiable assets and liabilities of the Target Group on the date of completion of the Acquisition. Consequently, the resulting goodwill, the actual allocation of the purchase price at the date of completion will likely result in different amounts than those stated in the Unaudited Pro Forma Financial Information.

For the purpose of the unaudited pro forma financial information of the Enlarged Group, the Group's management made preliminary assessment, with reference to International Accounting Standard 36, Impairment of Assets, issued by the International Accounting Standards Board, as to whether or not, based on the above information, there is any indicator of impairment on goodwill arising from the Acquisition. Based on such assessment, the Directors did not identify any impairment indicator in respect of the goodwill arising from the Acquisition.

The management will follow the Group's accounting policy in respect of assets impairment assessment, including the assessment of the impairment of goodwill arising from the Acquisition when preparing the Group's consolidated financial statements covering the period in which the Acquisition is completed.

(9) Other than the above adjustments, no other adjustment has been made to reflect any trading results or other transactions of the Group or the Target Group entered into subsequent to December 31, 2025.

B. REPORT FROM THE REPORTING ACCOUNTANTS ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is the text of a report on the unaudited pro forma financial information of the Enlarged Group received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

pwc 羅兵咸永道

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Black Sesame International Holding Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Black Sesame International Holding Limited (the "**Company**") and its subsidiaries (collectively the "**Group**"), and Zhuhai Eeasy Technology Co., Ltd. (the "**Target Company**") and its subsidiaries (the "**Target 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 statement of assets and liabilities as at December 31, 2025, and related notes (the "**Unaudited Pro Forma Financial Information**") as set out on pages IV-1 to IV-5 of the Company's circular dated June 2, 2026, in connection with the acquisition of 60% equity interest of the Target Company (the "**Transaction**") by the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages IV-1 to IV-5 of the circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Transaction on the Group's financial position as at December 31, 2025 as if the Transaction had taken place at December 31, 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 December 31, 2025, on which an audit report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7, *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*, ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

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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 behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements,* issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, 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 accountant plans and performs 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 unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or 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 at December 31, 2025 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related 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 accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, June 2, 2026

VALUATION REPORT ON THE VALUATION PROJECT CONCERNING THE PROPOSED EQUITY ACQUISITION OF ALL SHAREHOLDERS' EQUITY OF ZHUHAI EEASY TECHNOLOGY CO., LTD. BY BLACK SESAME INTELLIGENT TECHNOLOGIES CO., LTD.

AVISTA Advisory (2026) No. 11007

(1 Volume in Total, Volume 1)

May 28, 2026

DEFINITIONS

In this report, unless otherwise stated, the following expressions shall have the following meanings:

Definition Term	Definition Content
Engaging Party or the Company	Black Sesame Intelligent Technologies Co., Ltd.
Valuation Target or Eeasy Technology	Zhuhai Eeasy Technology Co., Ltd.
AVISTA	AVISTA Asset Appraisal (Beijing) Co., Ltd.
Valuation Date	June 30, 2025
Valuation Object	All shareholders' equity of Zhuhai Eeasy Technology Co., Ltd.
Valuation Scope	All assets and liabilities of Zhuhai Eeasy Technology Co., Ltd.

STATEMENT

1. The opinions in this report are provided by AVISTA based on the terms, limitations and conditions stipulated in the valuation service contract signed between AVISTA and Black Sesame Intelligent Technologies Co., Ltd. It is particularly noted that AVISTA assumes no responsibility for any risks arising from the use of this report and its contents by any person or related party other than the Engaging Party.

2. The opinions in this report are based on the information provided to AVISTA by Black Sesame Intelligent Technologies Co., Ltd. and Zhuhai Eeasy Technology Co., Ltd. AVISTA has performed valuation procedures to conduct limited verification of this information. AVISTA assumes no responsibility for the accuracy, completeness or potential misleading nature of the information provided by Black Sesame Intelligent Technologies Co., Ltd. and Zhuhai Eeasy Technology Co., Ltd. upon which this report is based.

3. The analyses, judgments and conclusions in this report are subject to the assumptions and limiting conditions set forth herein. Users of this report shall give full consideration to the assumptions, limiting conditions, special matters and their limitations on the valuation conclusion as stated in the report.

4. The content of this report is prepared for the purpose specified herein and is provided solely to Black Sesame Intelligent Technologies Co., Ltd. As stipulated in the valuation service contract, no part or the entirety of this report may be directly or indirectly reproduced, distributed, circulated to others or published for any purpose without the written consent of AVISTA.

VALUATION REPORT ON THE VALUATION PROJECT CONCERNING THE PROPOSED EQUITY ACQUISITION OF ALL SHAREHOLDERS' EQUITY OF ZHUHAI EEASY TECHNOLOGY CO., LTD. BY BLACK SESAME INTELLIGENT TECHNOLOGIES CO., LTD.

AVISTA Zi Bao Zi (2026) No. 11007

SUMMARY

Black Sesame Intelligent Technologies Co., Ltd.:

AVISTA Asset Appraisal (Beijing) Co., Ltd. was engaged by the Company to conduct a valuation on the market value of all shareholders' equity of Zhuhai Eeasy Technology Co., Ltd. as of the Valuation Date in accordance with the principles of independence, objectivity and impartiality and following necessary valuation procedures. The summary of the valuation report is as follows:

I. **Valuation Purpose:** Black Sesame Intelligent Technologies Co., Ltd. intends to conduct an equity acquisition and requires a valuation of all shareholders' equity of Zhuhai Eeasy Technology Co., Ltd. involved, so as to provide a value reference for the aforementioned economic activity.

II. **Valuation Object:** all shareholders' equity of Zhuhai Eeasy Technology Co., Ltd.

III. **Valuation Scope:** all assets and liabilities declared by Zhuhai Eeasy Technology Co., Ltd.

IV. **Valuation Date:** June 30, 2025.

V. **Type of Value:** market value.

VI. **Valuation Method:** market approach.

VII. **Valuation Conclusion:** the valuation conclusion in this valuation report is determined using the market approach. The specific valuation conclusion is as follows:

As at June 30, 2025, the book value of total assets on a consolidated basis for Zhuhai Eeasy Technology Co., Ltd. was RMB97,480,200, the book value of total liabilities on a consolidated basis was RMB794,566,700, and the net book value of owners' equity on a consolidated basis was negative RMB697,086,500.

The final valuation conclusion for all shareholders' equity of Zhuhai Eeasy Technology Co., Ltd. is determined using the market approach. As at the Valuation Date (i.e. June 30, 2025), the valuation of of all shareholders' equity of Zhuhai Eeasy Technology Co., Ltd. was RMB800,870,000 (**In words: Renminbi Eight Hundred Million Eighty-Seven Thousand Yuan**). Compared to the book value of owners' equity attributable to the parent company on a consolidated basis of negative RMB697,086,500, the valuation reflects an appreciation of RMB1,497,956,500, representing an appreciation rate of 214.89%.

VIII. **Validity Period of Valuation Conclusion:** the valuation conclusion is valid for a period of one year from the Valuation Date (i.e., from June 30, 2025 to June 29, 2026). If significant changes occur in the asset or market conditions compared to those at the Valuation Date, the Engaging Party shall engage a valuation institution to update or re-perform the valuation.

IX. **Special Matters Affecting the Valuation Conclusion:** please refer to "XII. Special Matters" in the main text of the report for details.

Users of the valuation report shall give full consideration to the assumptions, limiting conditions, special matters and their impacts on the valuation conclusion as stated in the valuation report.

The above content is extracted from the main text of the valuation report. To understand the detailed circumstances of this valuation engagement and to correctly interpret the valuation conclusion, the main text of the valuation report shall be read.

VALUATION REPORT ON THE VALUATION PROJECT CONCERNING THE PROPOSED EQUITY ACQUISITION OF ALL SHAREHOLDERS' EQUITY OF ZHUHAI EEASY TECHNOLOGY CO., LTD. BY BLACK SESAME INTELLIGENT TECHNOLOGIES CO., LTD.

AVISTA Zi Bao Zi (2026) No. 11007

MAIN TEXT

Black Sesame Intelligent Technologies Co., Ltd.:

Pursuant to the valuation service contract signed between us and the Company, AVISTA Asset Appraisal (Beijing) Co., Ltd. was engaged by the Company to conduct a valuation on the market value of all shareholders' equity of Zhuhai Eeasy Technology Co., Ltd. as at the Valuation Date (i.e. June 30, 2025) using the market approach. The valuation findings are now reported as follows:

I. PROFILES OF THE ENGAGING PARTY, THE VALUATION TARGET AND OTHER USERS OF THE VALUATION REPORT AS STIPULATED IN THE VALUATION ENGAGEMENT CONTRACT

The Engaging Party for this valuation is Black Sesame Intelligent Technologies Co., Ltd., and the Valuation Target is Zhuhai Eeasy Technology Co., Ltd.

(I) Profile of the Engaging Party

1. Basic Company Information

Name	Black Sesame Intelligent Technologies Co., Ltd.
Unified Social Credit Code	91420100MA49P04F7W
Address	Room 112, 1st Floor, Office Building of Tingtao Management Office, No. 88 Huangli Road, East Lake Scenic Area, Wuhan City, Hubei Province
Legal Representative	Pan Hui
Registered Capital	USD377,000,000
Company Type	Limited liability company (wholly owned by Hong Kong, Macao and Taiwan legal person)
Establishment Date	February 8, 2021

Term of Operation	February 8, 2021, to February 8, 2071
Business Scope	General items: software development; integrated circuit chip design and services; technical services, technical development, technical consultation, technical exchange, technical transfer, technical promotion; sales of integrated circuit chips and products; sales of instruments and meters; sales of intelligent in-vehicle equipment; sales of artificial intelligence hardware; wholesale of computer software, hardware and auxiliary equipment; retail of computer software, hardware and auxiliary equipment; business management consultation; import and export of goods; import and export of technology. (except for licensed business, items that are not prohibited or restricted by laws and regulations may be operated independently according to law)

(II) Profile of the Valuation Target

1. Registration Details

Name	Zhuhai Eeasy Technology Co., Ltd.
Unified Social Credit Code	91440400MA4UT1DL7R
Address	Floors 5-6, Building 16, Harbor One Technology Innovation Park, No. 1 Jintang Road, Tangjiawan Town, High-tech Zone, Zhuhai City
Legal Representative	Wu Lang
Registered Capital	RMB29,781,162
Company Type	Other limited liability company
Establishment Date	July 22, 2016
Term of Operation	July 22, 2016 to indefinite duration

Business Scope	General items: integrated circuit design; integrated circuit chip design and services; sales of integrated circuit chips and products; sales of integrated circuits; retail of electronic components; basic resources and technology platforms for artificial intelligence; technical consulting services for artificial intelligence public service platforms; development of artificial intelligence application software; development of artificial intelligence theory and algorithm software; general application systems for artificial intelligence; development of basic software for artificial intelligence; integrated services for application systems in artificial intelligence industry; software development; information system integration services; development of network and information security software; research and development of intelligent robots; internet of things technical services; research and development of internet of things technology; information technology consulting services; sales of electronic products; sales of artificial intelligence hardware; software sales; internet data services; intellectual property services (excluding patent agency services). (except for items subject to approval by law, business activities may be carried out independently according to law with the business license)

2. *Changes in Shareholders, Shareholding Proportions and Shareholdings of the Company*

Zhuhai Eeasy Technology Co., Ltd. was established in 2016, with a registered capital of RMB20,000,000. The contribution proportion and capital contribution amount of the shareholders of the company at the time of establishment are detailed in the following table:

Amount Unit: RMB0,000

Shareholder Name	Subscribed Capital Contribution Amount	Shareholding Proportion
Wu Lang	480.00	24.00%
Chen Feng	1,470.00	73.50%
Yu Zhenhui	50.00	2.5%
Total	2,000.00	100.00%

After a series of changes, the shareholders and equity condition of Zhuhai Eeasy Technology Co., Ltd. as at the Valuation Date are shown in the table below:

Amount Unit: RMB0,000

Shareholder Name	Subscribed Capital Contribution Amount	Paid-in Amount	Shareholding Proportion	Paid-in Proportion
Chen Feng	680.0000	680.0000	22.8332%	100%
Zhuhai Yihui Technology Partnership Enterprise (Limited Partnership) (珠海億匯科技合夥企業(有限合夥))	266.0000	266.0000	8.9318%	100%
Chongqing Jichuang Yuyuan Equity Investment Fund Partnership (Limited Partnership) (重慶極創渝源股權投資基金合夥企業(有限合夥))	256.5307	256.5307	8.6139%	100%
Wu Lang	210.0000	210.0000	7.0514%	100%
Shan Jun	210.0000	210.0000	7.0514%	100%
Zhuhai Zhiju Technology Partnership Enterprise (Limited Partnership) (珠海智聚科技合夥企業(有限合夥))	160.0000	160.0000	5.3725%	100%
Zhuhai Yiju Technology Partnership Enterprise (Limited Partnership) (珠海億聚科技合夥企業(有限合夥))	160.0000	160.0000	5.3725%	100%
Intel Products (Chengdu) Co., Ltd. (英特爾產品(成都)有限公司)	138.6216	138.6216	4.6547%	100%
Zhuhai Hengqin Lingjun Investment Partnership Enterprise (Limited Partnership) (珠海橫琴靈雋投資合夥企業(有限合夥))	115.3635	115.3635	3.8737%	100%

Shareholder Name	Subscribed Capital Contribution Amount	Paid-in Amount	Shareholding Proportion	Paid-in Proportion
Yu Zhenhui	100.0000	100.0000	3.3578%	100%
Cai Zhenhua	100.0000	100.0000	3.3578%	100%
Guangdong Wenrun Zhenxin No. 2 Equity Investment Partnership (Limited Partnership) (廣東溫潤振信貳號股權投資合夥企業(有限合夥))	66.0118	66.0118	2.2166%	100%
Jiangsu Datai Yueda Big Data Venture Capital Fund (Limited Partnership) (江蘇達泰悦達大數據創業投資基金(有限合夥))	55.1711	55.1711	1.8526%	100%
Li Lijun	53.2353	53.2353	1.7875%	100%
Yan Zhi	50.0000	50.0000	1.6789%	100%
Xiao Zhenliang	40.0000	40.0000	1.3431%	100%
Jiaxing Jiayong Investment Partnership Enterprise (Limited Partnership) (嘉興嘉湧投資合夥企業(有限合夥))	39.9265	39.9265	1.3407%	100%
Chengdu Maiqiu Venture Capital Partnership Enterprise (Limited Partnership) (成都麥秋創業投資合夥企業(有限合夥))	39.9265	39.9265	1.3407%	100%
Ningbo Yaji Enterprise Consulting Center (Limited Partnership) (寧波雅集企業諮詢中心(有限合夥))	32.9610	32.9610	1.1068%	100%
Wenrun Growth No. 1 (Zhuhai) Equity Investment Fund Partnership (Limited Partnership) (溫潤成長壹號(珠海)股權投資基金合夥企業(有限合夥))	26.6177	26.6177	0.8938%	100%
Jiangsu Shengyu Artificial Intelligence Entrepreneurship Investment Partnership Enterprise (Limited Partnership) (江蘇盛宇人工智能創業投資合夥企業(有限合夥))	26.6177	26.6177	0.8938%	100%
Zhuhai Sci Tech Innovation and High Tech Venture Capital Fund Partnership Enterprise (Limited Partnership) (珠海科創高科創業投資基金合夥企業(有限合夥))	24.7207	24.7207	0.8301%	100%
Yang Shaojun	24.0000	24.0000	0.8059%	100%
Sanqi Lexin (Guangzhou) Industrial Investment Partnership (Limited Partnership) (三七樂心(廣州)產業投資合夥企業(有限合夥))	19.9632	19.9632	0.6703%	100%
Suzhou Hengtong Datai Big Data Industry Fund Partnership Enterprise (Limited Partnership) (蘇州亨通達泰大數據產業基金合夥企業(有限合夥))	19.7922	19.7923	0.6646%	100%
Nantong Tongzhou District Dongdu Electronic Technology Co., Ltd (南通市通州區東渡電子科技有限公司)	13.7928	13.7928	0.4631%	100%
Shanghai Datai Venture Capital Management Co., Ltd. (上海達泰創業投資管理有限公司)	13.3088	13.3088	0.4469%	100%
Jiaxing Yueyi Equity Investment Partnership Enterprise (Limited Partnership) (嘉興岳益股權投資合夥企業(有限合夥))	13.3088	13.3088	0.4469%	100%
Zhuhai Port Kerui No. 3 Venture Capital Fund Partnership Enterprise (Limited Partnership) (珠海港灣科睿三號創業投資基金合夥企業(有限合夥))	13.1584	13.1584	0.4418%	100%

Shareholder Name	Subscribed Capital Contribution Amount	Paid-in Amount	Shareholding Proportion	Paid-in Proportion
Zhuhai Port Datai Equity Investment Partnership Enterprise (Limited Partnership) (珠海港灣達泰股權投資合夥企業(有限合夥))	8.2402	8.2402	0.2767%	100%
Zhuhai Hengqin Qichuang Shared Investment Partnership Enterprise (Limited Partnership) (珠海橫琴齊創共享投資合夥企業(有限合夥))	0.5324	0.5324	0.0179%	100%
Zhuhai Fukunyi Management Consulting Co., Ltd. (珠海富昆億管理諮詢有限公司)	0.3152	0.3152	0.0106%	100%
Total	2,978.1162	2,978.1162	100.00%	100%

3. *Asset, Financial and Operational Condition for the Past Three Years*

(1) Main Business Operations

Zhuhai Eeasy Technology Co., Ltd. is a system solution provider focusing on AI machine vision algorithms and SoC chip design, specializing in the research and development of edge-side/end-side general-purpose computing AI SoC chips. The company's product lines cover three major application areas: intelligent in-vehicle, intelligent hardware and smart security.

(2) Financial and Operational Condition

The financial position of the Valuation Target for the past three years and the most recent period (on a consolidated basis) is presented in the table below:

Amount Unit: RMB0,000

Items	December 31, 2022	December 31, 2023	December 31, 2024	June 30, 2025
Current assets	12,609.45	7,258.35	6,256.42	9,222.82
Non-current assets	1,480.65	775.75	697.77	525.19
Total assets	14,090.10	8,034.11	6,954.19	9,748.02
Current liabilities	3,379.82	64,574.09	71,570.36	78,446.23
Non-current liabilities	56,613.25	557.00	1,077.01	1,010.44
Total liabilities	59,993.07	65,131.09	72,647.36	79,456.67
Owners' equity	–45,902.97	–57,096.98	–65,693.17	–69,708.65
Owners' equity attributable to the parent company	–45,902.97	–57,096.98	–65,693.17	–69,708.65

The operational condition of the Valuation Target for the past three years and the most recent period (on a consolidated basis) is presented in the table below:

Amount Unit: RMB0,000

Items	2022	2023	2024	January to June 2025
I. Operating revenue	5,125.07	8,952.09	13,294.99	7,705.60
Less: operating costs	3,437.13	6,035.27	8,724.28	4,722.13
Taxes and surcharges	0.00	0.00	0.00	0.00
Selling expenses	2,515.53	1,287.80	1,256.39	519.04
Administrative expenses	1,147.50	951.67	706.67	314.83
R&D expenses	13,556.38	8,832.85	7,282.79	3,863.98
Financial expenses	4,016.85	4,566.40	4,626.96	2,646.52
Add: other income	1,157.11	1,425.02	491.06	288.30
Net impairment loss on financial assets and contract assets	–30.43	–1.37	22.78	9.01
Investment income	0.00	0.00	0.00	0.00
Net other gains	68.83	–20.90	–54.73	–26.52
Gains and losses from changes in fair value	55.42	67.31	44.75	74.66
II. Operating profit	–18,297.38	–11,251.85	–8,798.22	–4,015.44
Add: non-operating income	0	0	0	0
Less: non-operating expenses	0	0	0	0
III. Total profit	–18,297.38	–11,251.85	–8,798.22	–4,015.44
Less: income tax expenses	0	0.4623	0.4309	0
IV. Net profit	–18,297.38	–11,252.31	–8,798.65	–4,015.44
Net profit attributable to owners of the parent company	–18,297.38	–11,252.31	–8,798.65	–4,015.44

The financial position of the Valuation Target for the past three years and the most recent period (on an individual basis) is presented in the table below:

Amount Unit: RMB0,000

Items	December 31, 2022	December 31, 2023	December 31, 2024	June 30, 2025
Current assets	14,510.73	10,577.77	10,807.82	14,294.86
Non-current assets	1,386.77	715.21	674.63	519.28
Total assets	15,897.50	11,292.99	11,482.45	14,814.14
Current liabilities	2,793.71	64,410.30	71,529.85	78,342.63
Non-current liabilities	56,613.25	557.00	1,077.01	1,010.44
Total liabilities	59,406.95	64,967.30	72,606.86	79,353.06
Owners' equity	–43,509.45	–53,674.32	–61,124.40	–64,538.92

The operational condition of the Valuation Target for the past three years and the most recent period (on an individual basis) is presented in the table below:

Amount Unit: RMB0,000

Items	2022	2023	2024	January to June 2025
I. Operating revenue	5,083.44	8,931.28	13,280.04	7,705.60
Less: operating costs	3,437.13	6,035.27	8,724.28	4,722.13
Taxes and surcharges	–	–	–	–
Selling expenses	636.03	494.46	351.93	146.37
Administrative expenses	2,429.82	1,169.49	1,141.39	459.08
R&D expenses	12,618.37	8,073.08	6,595.17	3,544.24
Financial expenses	4,004.07	4,578.43	4,667.13	2,611.05
Add: other income	1,153.46	1,405.56	489.04	279.14
Gains and losses from changes in fair value	55.42	67.31	44.75	74.66
Credit impairment losses	–	–	–	–
Net impairment loss on financial assets and contract assets	–388.03	–270.77	22.78	9.01
Net other gains	56.66	–9.43	–10.55	–0.06
II. Operating profit	–17,164.46	–10,226.77	–7,653.83	–3,414.52
Add: non-operating income	–	–	–	–
Less: non-operating expenses	–	–	–	–
III. Total profit	–17,164.46	–10,226.77	–7,653.83	–3,414.52
Less: income tax expenses	–	–	–	–
IV. Net profit	–17,164.46	–10,226.77	–7,653.83	–3,414.52

The consolidated and individual accounting statements of the Valuation Target in 2022, 2023, 2024 and on June 30, 2025 are unaudited.

(3) Equity Structure of the Company

The Company's long-term equity investments are as shown in the following table:

Group Company Name	No.	Long-term Equity Investment Entities
Zhuhai Eeasy Technology Co., Ltd.	1	Shanghai Yimou Electronic Technology Co., Ltd. (上海億眸電子科技有限公司)
	2	Shenzhen Yizhi Times Technology Co., Ltd. (深圳億智時代科技有限公司)
	3	Eeasy Technology (Hong Kong) Limited (億智科技(香港)有限公司)

(III) Profile of Long-term Investment Entities

1. Shanghai Yimou Electronic Technology Co., Ltd. (上海億眸電子科技有限公司)

Name	Shanghai Yimou Electronic Technology Co., Ltd. (上海億眸電子科技有限公司)
Unified Social Credit Code	91310000MA1H32FP66
Address	2nd Floor, No. 979 Yunhan Road, Lingang New Area, China (Shanghai) Pilot Free Trade Zone
Legal Representative	Wu Lang
Registered Capital	RMB10,000,000
Company Type	Limited liability company (a legal person sole proprietorship invested or controlled by natural persons)
Establishment Date	May 25, 2020
Term of Operation	May 25, 2020 to May 24, 2040

Business Scope	General items: engaging in technical services, technical development, technical consultation, technical exchange, technical transfer and technical promotion within the fields of electronic technology and intelligent technology; retail and wholesale of electronic components; sales of integrated circuit chips and products; computer system services. (except for items subject to approval by law, business activities may be carried out independently according to law with the business license)

(1) Company Profile

Shanghai Yimou Electronic Technology Co., Ltd. (上海億眸電子科技有限公司) was established on May 25, 2020, with a registered capital of RMB10,000,000, wholly funded in cash by Zhuhai Eeasy Technology Co., Ltd. The shareholding structure as of the Valuation Date (i.e. June 30, 2025) was as follows:

Shareholder Name, Capital Contribution Amount and Contribution Proportion

Amount Unit: RMB0,000

No.	Shareholder Name	Method of Contribution	Subscribed Capital Contribution Amount	Subscribed Contribution Ratio (%)	Paid-in Capital Contribution Amount	Paid-in Capital as Percentage of Subscribed Capital (%)
1	Zhuhai Eeasy Technology Co., Ltd.	Cash	1,000.00	100.00	1,000.00	100.00
Total			**1,000.00**	**100.00**	**1,000.00**	**100.00**

(2) Asset, Financial and Operational Condition

As of the Valuation Date, the Company's total assets amounted to RMB40,600, liabilities amounted to RMB3,745,400 and net assets amounted to negative RMB3,704,800. For the period of January to June 2025, operating revenue was RMB0.00 and net profit was negative RMB1,010,500. The Company's asset and financial condition for the past three years and as of the Valuation Date are shown in the table below:

Assets, Liabilities and Financial Condition of the Company

Amount Unit: RMB0,000

Items	December 31, 2022	December 31, 2023	December 31, 2024	June 30, 2025
Total assets	18.60	12.83	3.93	4.06
Liabilities	25.56	43.24	273.36	374.54
Net assets	–6.96	–30.41	–269.43	–370.48
Items	**2022**	**2023**	**2024**	**January to June 2025**
Operating revenue	0.00	0.00	0.00	0.00
Total profit	–358.54	–292.72	–239.02	–101.05
Net profit	–358.54	–292.72	–239.02	–101.05
Auditor	Unaudited	Unaudited	Unaudited	Unaudited

2. *Shenzhen Yizhi Times Technology Co., Ltd. (深圳億智時代科技有限公司)*

Name	Shenzhen Yizhi Times Technology Co., Ltd. (深圳億智時代科技有限公司)
Unified Social Credit Code	91440300MA5FDEW53E
Address	Unit 901, Building C, Phase II, Zhuoyue Baozhong Times Square, No. 15-3 Haitian Road, N23 District, Haibin Community, Xin'an Street, Bao'an District, Shenzhen
Legal Representative	Wu Lang
Registered Capital	RMB5,000,000
Company Type	Limited liability company (a legal person sole proprietorship invested or controlled by natural persons)
Establishment Date	November 22, 2018

Term of Operation	November 22, 2018 to indefinite duration
Business Scope	Technical development, design, sales, technical consultation and technical services for semiconductor integrated circuit chips and computer software/hardware; import and export business. (Except for items prohibited by laws, administrative regulations and State Council's decisions, restricted items require permission before operation)

(1) Company Profile

Shenzhen Yizhi Times Technology Co., Ltd. (深圳億智時代科技有限公司) was established on November 22, 2018, with a registered capital of RMB5,000,000, wholly funded in cash by Zhuhai Eeasy Technology Co., Ltd. The shareholding structure as of the Valuation Date (i.e. June 30, 2025) was as follows:

Shareholder Name, Capital Contribution Amount and Contribution Proportion

Amount Unit: RMB0,000

No.	Shareholder Name	Method of Contribution	Subscribed Capital Contribution Amount	Subscribed Contribution Ratio (%)	Paid-in Capital Contribution Amount	Paid-in Capital as Percentage of Subscribed Capital (%)
1	Zhuhai Eeasy Technology Co., Ltd.	Cash	500.00	100.00	500.00	100.00
Total			**500.00**	**100.00**	**500.00**	**100.00**

(2) Asset, Financial and Operational Condition

As of the Valuation Date, the Company's total assets amounted to RMB208,600, liabilities amounted to RMB47,999,500 and net assets amounted to negative RMB47,791,000. For the period of January to June 2025, operating revenue was RMB0.00 and net profit was negative RMB4,344,200. The Company's asset and financial condition for the past three years and as of the Valuation Date are shown in the table below:

Assets, Liabilities and Financial Condition of the Company

Amount Unit: RMB0,000

Items	**December 31, 2022**	**December 31, 2023**	**December 31, 2024**	**June 30, 2025**
Total assets	50.85	55.31	22.16	20.86
Liabilities	2,467.00	3,487.34	4,366.83	4,799.95
Net assets	–2,416.15	–3,432.03	–4,344.67	–4,779.10
Items	**2022**	**2023**	**2024**	**January to June 2025**
Operating revenue	120.75	0.00	0.00	0.00
Total profit	–907.46	–1,015.48	–912.64	–434.42
Net profit	–907.46	–1,015.48	–912.64	–434.42
Auditor	Shenzhen Lingnan Accounting Firm (深圳嶺南會計師事務所)	Unaudited	Unaudited	Unaudited

3. *Eeasy Technology (Hong Kong) Limited (億智科技(香港)有限公司)*

Name	Eeasy Technology (Hong Kong) Limited
Business Registration Number	70678811
Address	19H MAXGRAND PLAZA, NO. 3 TAI YAU STREET SAN PO KONG, KLN HONG KONG
Type of Enterprise	Private Company Limited by Shares
Date of Establishment	May 7, 2019

(1) Company Profile

Eeasy Technology (Hong Kong) Limited was established on May 7, 2019, with a registered capital of RMB83,448,200, wholly funded in cash by Zhuhai Eeasy Technology Co., Ltd. The shareholding structure as of the Valuation Date (i.e. June 30, 2025) was as follows:

Shareholder Name, Capital Contribution Amount and Contribution Proportion

Amount Unit: RMB0,000

No.	Shareholder Name	Method of Contribution	Subscribed Capital Contribution Amount	Subscribed Contribution Ratio (%)	Paid-in Capital Contribution Amount	Paid-in Capital as Percentage of Subscribed Capital (%)
1	Zhuhai Eeasy Technology Co., Ltd.	Cash	8,344.82	100.00	8,344.82	100.00
Total			**8,344.82**	**100.00**	**8,344.82**	**100.00**

(2) Asset, Financial and Operational Condition

As of the Valuation Date, the Company's total assets amounted to USD2,772,200, liabilities amounted to USD2,772,300 and net assets amounted to negative USD100. For the period of January to June 2025, operating revenue was USD0.00 and net profit was negative USD63,800. The Company's asset and financial condition for the past three years and as of the Valuation Date are shown in the table below:

Assets, Liabilities and Financial Condition of the Company

Amount Unit: USD0,000

Items	December 31, 2022	December 31, 2023	December 31, 2024	June 30, 2025
Total assets	76.21	13.71	212.54	277.22
Liabilities	71.92	8.20	206.15	277.23
Net assets	4.28	5.51	6.39	–0.01
Items	**2022**	**2023**	**2024**	**January to June 2025**
Operating revenue	194.21	125.49	101.10	0.00
Total profit	0.13	1.26	0.97	–6.38
Net profit	0.12	1.23	0.88	–6.38
Auditor	Li Zhihui Accounting Firm (李智輝會計師事務所)	Li Zhihui Accounting Firm (李智輝會計師事務所)	Zheng Zhiwei, CPA (鄭志偉執業會計師)	Unaudited

(IV) Relationship between the Engaging Party and the Valuation Target

The Engaging party intends to acquire equity in the Valuation Target.

(V) Other Users of the Valuation Report as Stipulated in the Valuation Engagement Letter

This valuation report is intended for use only by the Engaging party and users as stipulated by national laws and regulations. It must not be used or relied upon by any other third party.

II. VALUATION PURPOSE

Black Sesame International Holding Limited intends to proceed with an equity acquisition and requires an assessment of the market value of the total equity of Zhuhai Eeasy Technology Co., Ltd. involved therein, to provide a value reference for the aforementioned economic activity.

III. VALUATION OBJECT AND VALUATION SCOPE

(I) Content of Valuation Object and Valuation Scope

The valuation object is the total equity of Zhuhai Eeasy Technology Co., Ltd.

The valuation scope comprises all assets and liabilities of Zhuhai Eeasy Technology Co., Ltd. The specific asset and liability types and book values on a consolidated basis are shown in the table below:

Amount Unit: RMB

Items	**Book Value**
Current assets	**92,228,242.00**
Non-current assets	**5,251,942.00**
Of which:	0
Fixed assets	1,517,111.00
Right-of-use assets	2,827,519.00
Intangible assets	14,906.00
Other non-current assets	892,406.00
Total assets	**97,480,184.00**
Current liabilities	**784,462,306.00**
Non-current liabilities	**10,104,379.00**
Total liabilities	**794,566,685.00**
Owner's equity	**–697,086,501.00**

The valuation object and scope are consistent with those involved in the economic activity. The book values of assets and liabilities within the valuation scope as of the Valuation Date are unaudited.

(II) Overview of Major Assets

The major assets included in the valuation scope as of the Valuation Date are current assets, fixed assets, right-of-use assets, intangible assets and long-term prepaid expenses, etc.

1. Current Assets

The book value of current assets is RMB92,228,242.00, of which: the book value of cash funds is RMB25,881,950.00, accounting for 28.06% of current assets; the book value of inventory is RMB40,760,794.00, accounting for 44.20% of current assets; and the book value of other current assets is RMB25,585,498.00, accounting for 27.74% of current assets.

2. *Fixed Assets*

The net book value of fixed assets is RMB1,517,111.00. This includes: the net book value of electronic equipment and office equipment amounting to RMB1,501,740.00; and the net book value of vehicles amounting to RMB15,371.00.

3. *Right-of-use Assets*

The book value of right-of-use assets is RMB2,827,519.00, comprising 1 item, primarily the right to use leased premises.

4. *Intangible Assets*

The book value of intangible assets is RMB14,906.00, including purchased software.

5. *Other Non-current Assets*

The net book value of other non-current assets is RMB892,406.00, primarily comprising deposits.

(III) Intangible Assets Recorded or Unrecorded in Accounts as Declared by the Valuation Target

Intangible assets recorded in accounts as declared by the Valuation Target include purchased software and authorized IP. Unrecorded intangible assets include invention patents, software copyrights, integrated circuit layout designs and trademarks. Relevant details are as follows:

1. As of the Valuation Date, the book value of purchased software was RMB14,906.00.

2. As of the Valuation Date, Zhuhai Eeasy Technology Co., Ltd. obtained 113 authorized invention patents, 94 software copyrights, 21 integrated circuit layout designs and 60 trademarks.

   Apart from the aforementioned intangible assets, the Valuation Target has not declared any other recorded and unrecorded intangible assets.

(IV) Types and Quantities of Off-Balance-Sheet Assets Declared by the Valuation Target

Apart from the aforementioned intangible assets, the Valuation Target has not declared any other recorded and unrecorded intangible assets.

(V) Asset Types, Quantities and Book Values (or Valuation Amounts) Involved in Conclusions Quoted from Reports Issued by Other Institutions

None.

IV. TYPE OF VALUE

Based on the valuation purpose, the type of value determined for the valuation object is market value.

Market value refers to the estimated amount for which an asset would exchange between a willing buyer and a willing seller, each acting rationally and without compulsion, in an arm's length transaction on the Valuation Date.

V. VALUATION DATE

The Valuation Date for this project is June 30, 2025.

The reasons for selecting the above date as the Valuation Date are as follows:

(I) The Valuation Date was determined through consultation with the Engaging party based on the valuation purpose. Primary consideration was given to bringing the Valuation Date as close as possible to the date of achieving the valuation purpose, enabling the valuation conclusion to serve the valuation purpose more reasonably.

(II) Selecting the month-end accounting settlement date as the Valuation Date allows for a more comprehensive reflection of the overall status of the assets and liabilities being valued, facilitating the conduct of asset verification and other work.

The pricing standards adopted in this valuation are those effective as of the Valuation Date.

VI. VALUATION BASIS

(I) Asset Ownership Basis

1. Business License;

2. Other contracts, accounting vouchers, accounting statements and related materials concerning the acquisition and use of enterprise assets.

(II) Pricing Basis

1. Financial statements as of the Valuation Date, June 30, 2024 and for the preceding three years, etc.;

2. The Valuation Target's financial accounting system;

3. Other materials learned through investigation by the valuation professionals.

(III) Other Basis

1. Asset register provided by the Valuation Target.

(IV) Sources of Public Information

1. Wind Database.

VII. VALUATION METHODS

(I) Selection of Valuation Methods

The basic valuation methods include the Asset-based Approach, the Income Approach and the Market Approach.

The Asset-based Approach is a valuation method that determines the value of an asset based on the balance sheet of the valuation object on the Valuation Date, assessing both on-balance-sheet and identifiable off-balance-sheet assets and liabilities. The prerequisites for applying the Asset-based Approach are: the valuation object is in a state of continued use or assumed to be in a state of continued use; the valuation object can be determined to have expected profit potential; and historical information is available for use.

The Income Approach is a valuation method that determines the value of an asset by capitalizing or discounting its expected future returns. The prerequisites for applying the Income Approach are: the future expected returns of the valuation object can be predicted and measured in monetary terms; the risks borne by the asset owner in obtaining the expected returns can be predicted and measured; and the expected profitable life of the valuation object can be predicted.

The Market Approach is a valuation method that determines the value of an asset by comparing it with comparable listed companies or comparable transaction cases. The prerequisites for applying the Market Approach are: the existence of an active public market with relatively sufficient market data; and the presence of comparable listed companies or transaction cases in the public market.

This valuation primarily adopts the Market Approach. The main reasons are as follows: given that the price multiples of comparable companies are derived from market consensus, the valuation result obtained through the Market Approach can reflect market expectations for the industry in which the target company operates. Currently, public information in the domestic capital market allows for the identification of listed companies with similar nature and business to the target company, thus meeting the necessary prerequisites for using the Market Approach. Therefore, this valuation is suitable for employing the Listed Company Comparison Approach in the Market Approach.

The reasons for not selecting the Asset-based Approach for this valuation are as follows: the Asset-based Approach assumes that the target company's assets and liabilities are separable and can be sold individually. Furthermore, the Asset-based Approach measures enterprise value from the perspective of current asset replacement costs, without considering the incremental value brought by the enterprise's intangible advantages or its future development prospects, and thus cannot reflect the overall comprehensive profitability of the enterprise or the market's judgment of its value. Therefore, the Asset-based Approach is not suitable for this valuation.

The primary reasons for not selecting the Income Approach for this valuation are as follows: the Income Approach considers the enterprise's future profitability, reflecting the combined profitability of all its assets; however, the data used in the Income Approach relies more on subjective judgments about the enterprise's future development expectations, involving numerous assumptions. Considering that inappropriate assumptions in the Income Approach could significantly impact the valuation result, and that the data used in the Market Approach is more authentic, reliable, and leads to more objective results, the Income Approach is not adopted for this valuation.

Based on the above analysis, only the Market Approach is selected for this valuation, and the calculation result from the Market Approach serves as the final valuation conclusion of this report.

(II) Market Approach

1. Introduction and Selection of Specific Method

The Market Approach values the valuation object based on recent transaction prices of comparable companies (either in the secondary or primary market) that are identical or similar to the Valuation Target, by analyzing and comparing the respective characteristics of these comparable companies and the Valuation Target. The theoretical basis of the Market Approach is that Valuation Targets of the same type, similar operating scale, and with identical profitability have identical (or similar) market values.

The two commonly used specific methods within the Market Approach are the Listed Company Comparison Approach and the Comparable Transaction Approach. This valuation selects the Listed Company Comparison Approach.

The Listed Company Comparison Approach involves obtaining and analyzing the market capitalization, operational and financial data of comparable listed companies, calculating appropriate ratio multiples. Based on a comparative analysis with the Valuation Target, these ratio multiples are multiplied by the valuation object's own operational and financial data, and further necessary adjustments are made for value-influencing factors to determine the value of the valuation object.

- Comparable companies in the Listed Company Comparison Approach should be listed companies trading normally in the public market, and the valuation conclusion should consider the impact of liquidity on the value of the valuation object.

- The prerequisites for applying the Listed Company Comparison Approach are: the existence of an active public market with relatively sufficient market data; and the presence of comparable listed companies in the public market.

The Comparable Transaction Approach involves obtaining and analyzing the transaction value, operational and financial data from comparable transaction cases, calculating appropriate ratio multiples. Based on a comparative analysis with the Valuation Target, these ratio multiples are multiplied by the valuation object's own operational and financial data, and further necessary adjustments are made for value-influencing factors to determine the value of the valuation object.

- The acquired companies in the Comparable Transaction Approach can be unlisted companies, and the valuation conclusion should consider the impact of liquidity on the valuation object's value in light of the actual status of the acquired company.

- The prerequisites for applying the Comparable Transaction Approach are: the existence of an active public market with relatively sufficient market data; and the presence of comparable transaction cases in the public market.

Based on the above criteria, within the period from June 2024 to June 2025, there were no relevant comparable transactions in the public market where the acquired party was in the same industry as the target company. Given the absence of comparable transactions within one year prior to the Valuation Date, we consider the Comparable Transaction Approach is not applicable for this valuation. Considering that the selection of comparable companies is based on industry-wide comparability and business commonality, the Listed Company Comparison Approach is selected for this valuation.

2. Introduction and Selection of Ratio Multiples

The concepts of ratio multiples exist within both the Listed Company Comparison Approach and the Comparable Transaction Approach. Ratio multiples can generally be divided into two categories: earnings-based ratio multiples and asset-based ratio multiples.

Commonly used earnings-based ratio multiples generally include:

- Enterprise Value to Sales Ratio (EV/Sales);
- Enterprise Value to EBIT Ratio (EV/EBIT);
- Enterprise Value to EBITDA Ratio (EV/EBITDA);
- Price-to-Earnings Ratio (P/E);
- Price-to-Sales Ratio (P/S);

Commonly used asset-based ratio multiple is Price-to-Book Ratio (P/B);

Ratio calculations based on enterprise value are all enterprise value-based ratio multiples. Ratio calculations based on equity value are all equity value-based ratio multiples.

For this valuation, the EV/Sales is primarily selected. Considering that the target company operates in the integrated circuit-chip design industry, with its main business being SoC chip design, and that its core value lies in intangible assets such as intellectual property (e.g., patents, algorithms), R&D teams and technological barriers, asset-based value ratios are not suitable. The Valuation Target is in a phase of R&D investment and market expansion, with negative net profit. Profit-based ratios cannot reflect long-term potential and are therefore also unsuitable. However, revenue-based value ratios related to enterprise earnings are more applicable. Hence, for this Market Approach, the earnings-based value ratio (i.e. EV/Sales) is selected.

According to the accounting period principle, ratio multiples can change depending on the Valuation Date and the period of financial data. Therefore, the period of the ratio multiple is also an important concept. Common periods for ratio multiples are:

- Historical Fiscal Year Multiple: Usually the ratio of enterprise or equity value to the full fiscal year's historical operational and financial data
- Last Twelve Months Multiple: Usually the ratio of enterprise or equity value to the last twelve months' operational and financial data
- Forward Multiple: Usually the ratio of enterprise or equity value to the forecasted full-year (or annualized) operational and financial data

This valuation selects the Last Twelve Months Multiple for calculation.

3. Calculation Formula

The calculation formula for the Market Approach is:

Total Equity Value = (Enterprise Value – Interest-bearing Debt Value) × (1 – Discount for Lack of Marketability) + Control Premium + Monetary Capital – Minority Interest (1)

Enterprise Value = Financial Data of the Valuation Target × Ratio Multiple (2)

Discount for Lack of Marketability ("**Discount for Lack of Marketability**"): Considering that the EV/Sales multiples of comparable listed companies apply to freely tradable, non-controlling basis equity, a Discount for Lack of Marketability needs to be deducted when the target company's equity lacks an active trading market. This valuation references public data from the equity exchanges, Wind Info, and the CVSource database, and determines the Discount for Lack of Marketability by comparing the P/E ratios of mergers and acquisitions of unlisted companies disclosed in 2025 with P/E ratios of listed companies in the same industry, with the information technology services sector's Discount for Lack of Marketability being 30.6%.

Control Premium ("**Control Premium**"): Since a controlling shareholder enjoys many benefits not available to minority shareholders, controlling equity, compared to non-controlling equity of the same proportion, commands a premium on the proportionally calculated equity value. Conversely, non-controlling equity suffers a discount compared to controlling equity of the same proportion.

Control Premium and Discount for Lack of Control are corresponding concepts. That is, the Control Premium is an addition on top of the lack of control price; the Discount for Lack of Control is a deduction from the controlling value:

Discount for Lack of Control = 1-1 / (1 + Control Premium)

Since the Listed Company Comparison Approach uses the stock trading prices of listed companies to calculate market capitalization, this "market capitalization" typically represents the value of a minority interest. The valuation object is the total equity value, therefore a Control Premium should be considered.

This valuation references public data from the equity exchanges, Wind Info, and the CVSource database, and uses the P/E ratios from controlling interest transaction cases and non-controlling interest transaction cases disclosed in 2025 to calculate the Control Premium, with the Control Premium ratio being 18.1%.

VIII. VALUATION PROCESS

(I) Market Approach Valuation Steps

The Listed Company Comparison Approach determines the market value of the Valuation Target by comparing it with listed companies in the same industry. Under this method:

- ➢ First, select listed companies in the same industry as the Valuation Target with actively traded stocks, as comparable companies, and then calculate the market capitalization of these comparable companies based on their trading stock prices;

- ➢ Next, based on the historical or forecast financial data disclosed by the comparable listed companies, calculate their enterprise value (EV excluding monetary capital) and the implied earnings-based or asset-based ratio multiples;

- ➢ Analyze the nature and industry of the valuation target, select comparable ratio multiples and determine the period for the multiples;

- ➢ Based on the selected ratio multiples, calculate the multiples for the comparable listed companies, and multiply the determined multiple by the financial data of the valuation object to obtain the unadjusted market value of the valuation object;

- ➢ Considering differences between the comparable listed companies and the valuation target regarding interest-bearing debt, Monetary Capital and minority interest, and whether differences in liquidity and control exist, make adjustments for these differences to finally obtain the valuation value of the valuation target.

(II) Market Approach Comparability Analysis

- ➢ As the Valuation Target operates in the integrated circuit-chip design industry, with its main business being the design and sales of SoC chips, the following basic criteria have been initially adopted as screening standards for selecting comparable companies in this valuation;
- ➢ The comparable listed companies operate in the integrated circuit-chip design industry;
- ➢ The primary business of the comparable listed companies is chip design and sales, with chip-related revenue accounting for over 70% of total revenue;
- ➢ The comparable listed companies have mature technology and market competitiveness in the SoC chip design field, and their products are equipped with AI computing power or edge computing capabilities;
- ➢ The core application fields of the chips of the subject of valuation are similar to those of the comparable listed companies;
- ➢ Based on the above considerations, comparable companies primarily engaged in SoC chip design as their main source of revenue within the integrated circuit industry were selected from similar comparable listed companies on The Stock Exchange of Hong Kong Limited (HKEX), Shanghai Stock Exchange (SSE), and Shenzhen Stock Exchange (SZSE). These include Actions Technology, Maxio Technology, ASR Microelectronics, Ingenic Semiconductor, Allwinner Technology, SigmaStar, Rockchip, Bluetrum, Anyka, Fullhan Microelectronics, Bestechnic, Goke Microelectronics, and Amlogic, totaling 13 companies. The detailed information of the selected comparable companies is as follows:

No.	Company Name	Stock Code	Listing Date	Business Description
1	Actions Technology Co., Ltd.	688049.SH	2021/11/29	Actions Technology is a leading Chinese low-power system-on-chip (SoC) design company, primarily engaged in the R&D, design, and sales of mid-to-high-end smart audio SoC chips.
2	Maxio Technology (Hangzhou) Co., Ltd.	688449.SH	2024/11/29	Maxio Technology focuses on the research and industrialization of data storage controller chips, ranking among the world's top independent SSD controller chip manufacturers by shipment volume.
3	ASR Microelectronics Co., Ltd.	688220.SH	2022/1/14	ASR Microelectronics is a platform-based chip company providing wireless communications and hyperscale chips.

No.	Company Name	Stock Code	Listing Date	Business Description
4	Ingenic Semiconductor Co., Ltd.	300223.SZ	2011/5/31	Ingenic Semiconductor is primarily engaged in the R&D and sales of ASIC chip products, including microprocessor chips and intelligent video chips, as well as integrated solutions.
5	All Winner Technology Co.,Ltd.	300458.SZ	2015/5/15	Allwinner Technology is a leading designer of smart application processor SoCs, high-performance analog devices, and wireless interconnect chips.
6	SigmaStar Technology Ltd.	301536.SZ	2024/3/28	SigmaStar is a globally leading video surveillance chip company, primarily engaged in the R&D and sales of video surveillance chips.
7	Rockchip Electronics Co., Ltd.	603893.SH	2020/2/7	Rockchip specializes in integrated circuit design and R&D and has evolved into a leading processor chip company for the Internet of Things (IoT) and Artificial Intelligence of Things (AIoT).
8	Shenzhen Bluetrum Technology Co., Ltd.	688332.SH	2022/7/15	Bluetrum is a high-tech company focused on the R&D, design, and sales of wireless audio SoC chips.
9	Guangzhou Anyka Microelectronics Co., Ltd.	688620.SH	2023/6/27	Anyka specializes in providing core SoC chips for IoT smart hardware, with products widely used in smart homes, smart security, smart office, and industrial IoT sectors.
10	Shanghai Fullhan Microelectronics Co., Ltd.	300613.SZ	2017/2/20	Fullhan Microelectronics focuses on video surveillance chips and solutions, offering high-performance video codec SoCs, image signal processor chips, and video surveillance product solutions based on these chips.
11	Bestechnic (Shanghai) Co., Ltd.	688608.SH	2020/12/16	Bestechnic is one of the world's leading smart audio SoC chip design companies and a top supplier in the global smart audio SoC chip sector.
12	Hunan Goke Microelectronics Co., Ltd.	300672.SZ	2017/7/12	Goke Microelectronics is dedicated to the design, R&D, and sales of large-scale integrated circuits.
13	Amlogic (Shanghai) Co.,Ltd.	688099.SH	2019/8/8	Amlogic is a globally deployed, domestically leading fabless semiconductor system design company, providing multimedia SoC chips and system-level solutions for multiple product domains including smart set-top boxes, smart TVs, audio-video system terminals, wireless connectivity, and in-vehicle infotainment systems.

(III) Industry Development Status and Prospect Analysis

1. *Current Status and Development Prospects of the Industry*

The SoC chip design industry currently exhibits characteristics of continuous technological innovation, diversified market demand, and supply dominance in the Asia-Pacific region. With the advancement of emerging technologies, its market scale is expected to expand further, playing a significant role in more fields.

1. Current Status of the Industry

(1) Technological Breakthroughs and Ecosystem Restructuring

Accelerated penetration of RISC-V architecture: Leveraging flexibility and cost-effectiveness, this open-source instruction set is rapidly being adopted in AIoT, automotive electronics, and other sectors.

Layered evolution of process technologies: High-end smartphone SoCs have entered the 3nm era, while automotive-grade chips predominantly utilize 16-55nm processes to balance reliability and cost.

Heterogeneous computing and energy efficiency optimization: "CPU+GPU+NPU" multi-core architecture has become mainstream, with the new generation of NPUs supporting INT4 quantized computing, driving the localization of edge AI tasks.

(2) Structural Differentiation in Application Scenarios

Smart vehicles emerge as growth engines: The global automotive chip market reached RMB355 billion in 2023, with the ADASSoC market projected to grow to RMB92.5 billion by 2028 (CAGR exceeding 25%). The commercialization of cabin-to-driving cross-domain SoCs accelerates.

Explosive demand for edge AI: Devices like AI glasses and smart home appliances are driving growth in specialized SoCs. For instance, AI glasses shipments increased by 300% year-on-year in 2024.

Traditional consumer electronics: Smartphone shipments are stabilizing, but the proportion of AI-enabled phones is rising rapidly. In 2024, 16% of new smartphones globally were equipped with AISoCs, and this figure is expected to reach 28% by 2025. The smart home sector continues to grow steadily, driving increased demand for SoC chips.

(3) Market Competition Landscape

Asia-Pacific dominates the supply chain, with China's rise being particularly notable: The Asia-Pacific region contributes over 60% of global production capacity, with MediaTek and Samsung holding more than a 60% market share in mobile phone SoCs. Supported by policies (such as the National Integrated Circuit Industry Investment Fund Phase II) and technological breakthroughs, Chinese enterprises have achieved a domestic production rate of 55.49%.

Rise of Chinese enterprises: With policy support, China has established a complete industrial chain. Companies like Huawei Hass and Unisoc possess the capability to develop high-end SoCs. In 2024, the size of China's SoC market reached RMB342.458 billion, with a production volume of 15.705 billion units. However, there remains a supply-demand gap, indicating significant room for domestic substitution.

2. Industry Development Prospects

(1) Continuous Expansion of Market Size

The global SoC market size is projected to grow from USD138.46 billion in 2024 to USD205.97 billion in 2029 (CAGR 8.3%), with automotive electronics and edge AI contributing the majority of this growth. The smart driving SoC market is expected to reach USD7.6 billion in 2025 (a year-on-year increase of 51%), with high-computing power chips (>100 TOPS) accounting for over 25% of the market.

China's market is growing at a leading pace, with its size reaching RMB342.458 billion in 2024. However, a supply-demand gap persists (demand: 28.302 billion units), presenting substantial opportunities for domestic substitution.

(2) Clear Technological Evolution Pathways

Architectural innovation: RISC-V is expected to capture a 30% market share by 2030, particularly in automotive and AI applications. Emerging technologies such as compute-in-memory and quantum computing units may push performance boundaries.

Process technology: 3nm chips are gradually becoming mainstream, with 5nm automotive-grade chips entering mass production in 2025. Advanced packaging technologies (such as TSMC's CoWoS) have become key to mitigating process bottlenecks.

Cross-domain integration: Cockpit-driving integrated SoCs are becoming mainstream, enabling both functional safety and high performance, thereby driving the evolution of automotive electronic architectures from distributed to centralized computing.

(3) Accelerated Domestic Substitution

Dual-wheel drive of policy and capital: Initiatives like the National Integrated Circuit Industry Investment Fund Phase II and local industrial funds prioritize support for SoC design, targeting 60% penetration of domestic automotive-grade chips by 2025.

3. Industry Development Trends

(1) Technological Convergence Fosters New Innovations

AI-native SoCs: Integrating dedicated AI accelerators (such as GoogleTensor's MLIR compiler), these chips support the operation of multimodal large models on edge devices. The penetration rate of AI smartphones is expected to reach 28% by 2025.

Photonics and quantum computing: Optical interconnect technology reduces chip power consumption, while quantum computing units (such as IBM's thousand-qubit quantum processors) may be integrated into high-end SoCs.

(2) Business Model Restructuring

Subscription and computing power services: Automakers offer paid subscription services via SoC computing power upgrades, with related revenue expected to exceed 20% by 2030.

Dominance of open-source ecosystems: The RISC-V Foundation has over 3,000 members, with Chinese firms competing for architectural influence through code contributions.

(3) Regionalization and Globalization Dynamics

Enhancing supply chain resilience: China is promoting the full-chain autonomy of "design-manufacturing-packaging and testing," while the U.S. restricts the export of advanced process equipment through the CHIPS Act, leading to a "dual-track" development in the industry.

Intensifying standards competition: Standards such as ISO21434 for information security and China's automotive-grade chip certification system have become barriers to entry for enterprises.

(IV) Valuation by comparison with listed companies

1. Ratio multiplier selected

The Valuation Target operates within the logistics integrated circuit-chip design sector, and its principal activities are AI machine vision algorithms and SoC chip design. Its intangible assets, including intellectual properties (such as patents and algorithms), R&D teams, and technological barriers, exert a significant influence on equity value. Consequently, we deem it appropriate to adopt the market approach for this valuation, referencing the EV/SALES ratios of comparable listed companies.

2. Ratio multiplier period

The valuation personnel selected a ratio multiplier period of the past twelve months, primarily because such period is proximate to the Valuation Date and during which the Valuation Target operated stably, with its financial data reflecting the financial condition under stable operations.

3. Value ratio multiplier of comparable companies

According to Wind database search on comparable companies' operating data, as of 30 June 2025, comparable companies had not yet disclosed their half-yearly financial data. Therefore, this valuation adopts financial data as of 31 March 2025. The value ratio multipliers for comparable companies are shown in the table below:

Amount Unit: RMB0'000

No.	Shortened Company Nam	Stock code	Total market capitalization 2025/06/30	Enterprise value 2025/06/30	Total operating revenue available LTM data as of the valuation date	EV/SALES
1	Actions Technology	688049.SH	884,125.24	742,791.43	72,536.04	10.24x
2	Maxio Technology	688449.SH	1,905,320.00	1,795,745.43	119,804.05	14.99x
3	ASR Microelectronics	688220.SH	3,275,295.96	2,948,849.76	346,555.41	8.51x
4	Ingenic Semiconductor	300223.SZ	3,339,181.80	2,882,458.53	426,576.32	6.76x
5	Allwinner Technology	300458.SZ	3,275,605.83	3,084,208.03	249,825.18	12.35x
6	SigmaStar	301536.SZ	2,538,991.80	2,458,985.32	249,233.52	9.87x
7	Rockchip	603893.SH	6,388,415.35	6,122,800.42	347,825.55	17.60x
8	Bluetrum	688332.SH	1,243,126.25	962,946.76	182,339.25	5.28x
9	Anyka	688620.SH	490,392.00	486,117.66	51,811.70	9.38x
10	Fullhan Microelectronics	300613.SZ	1,135,406.56	970,098.47	175,100.08	5.54x
11	Bestechnic	688608.SH	4,177,345.36	3,673,630.13	360,445.35	10.19x
12	Goke Microelectronics	300672.SZ	1,843,958.59	1,740,677.10	194,058.38	8.97x
13	Amlogic	688099.SH	2,990,240.07	2,585,597.48	607,765.08	4.25x
		Maximum				17.60x
		Average				9.53x
		Median				9.38x
		Lower quartile				6.76x
		Minimum				4.25x

4. *Enterprise value*

In the market approach valuation, the selection of the EV/SALES multiple needs to align with the operating scale and profitability of the Valuation Target. The comparable companies selected in this valuation are all publicly listed, mature integrated circuit-chip design companies with stable customer bases, substantial revenue scale, and mostly profitable. In contrast, the Valuation Target is still in its growth phase, where its revenue size and earnings stability have not yet reached the maturity level of the industry, resulting in a notable gap in overall maturity compared to the comparable companies.

Taking into account the differences in operating stage, revenue scale, and earnings quality between the Valuation Target and the comparable companies, and fully considering the risks and uncertainties associated with the current operating stage of the Valuation Target, the lower quartile of 6.76x for the EV/Sales multiplier distribution was selected for this valuation.

As of the Valuation Date, the revenue of Eeasy Technology for the previous twelve months amounted to RMB153.9139 million.

Enterprise value = Financial data of the Valuation Target × Ratio multiplier

= 153.9139 million×6.76

= RMB1,040.0262 million

5. *Discount for Lack of Marketability and Control Premium*

Discount for Lack of Marketability: Considering that the EV/SALES multipliers of comparable listed companies apply to equity on a free float non-controlling basis, a Discount for Lack of Marketability must be applied when the target company's equity lacks an active trading market. This valuation references public data from the equity exchanges, Wind Info, and the CVSource database, and determines the Discount for Lack of Marketability by comparing the P/E ratios of mergers and acquisitions of unlisted companies disclosed in 2025 with P/E ratios of listed companies in the same industry, with the information technology services sector's Discount for Lack of Marketability being 30.6%.

Control Premium: As controlling shareholders enjoy benefits unavailable to minority shareholders, controlling equity carries a premium relative to non-controlling equity of equivalent proportion when calculated on a pro rata basis. Conversely, non-controlling equity carries a discount relative to controlling equity of equivalent proportion.

The Control Premium and the discount for lack of control are mutually complementary; in other word, the Control Premium represents a premium based on the lack of control price, while the discount for lack of control constitutes a discount based on the controlling value.

Discount for Lack of Control = 1 - 1/(1 + Control Premium)

As the listed company comparison method calculates equity market value using the trading price of listed company shares, such "market value" should represent the value of minority equity. Since the Valuation Target is the total equity value of shareholders, the controlling interest premium should be considered.

This valuation references public transaction data from the equity exchanges, Wind Info, and the CVSource database, using controlling and minority stake transaction cases disclosed in 2025. The Control Premium is 18.1%.

6. *Interest-bearing debt*

Interest-bearing debt refers to liabilities that require interest payments as at the Valuation Date, including short-term borrowings, long-term borrowings, and borrowings from related parties. Based on verification, as of the Valuation Date, the Valuation Target had the following interest-bearing debt:

Amount Unit: RMB0'000

Item	**June 30, 2025**
Short-term borrowings	3,962.88
Other payables (borrowings from related parties and third parties)	5,480.78
Total	**9,443.66**

As at the Valuation Date, the carrying amount of the interest-bearing debt of the Valuation Target was RMB94.4366 million, and the assessed value was RMB94.4366 million.

7. *Assessment of estimation conclusion using listed company comparison method*

According to the principles and calculation formulae of the market approach:

Total shareholders' equity value = (enterprise value – value of interest-bearing debt) × (1 – Discount for Lack of Marketability) + Control Premium + Monetary Capital – minority interests

The valuation personnel have arrived at the following valuation for Eeasy Technology:

Amount Unit: RMB0'000

Operating revenue of the Valuation Target from June 2024 to June 2025	15,391.39
Selected EV/SALES multiplier	6.76x
Circulating base of enterprise value (excluding Monetary Capital)	**104,002.62**
Less: interest-bearing liabilities	9,443.66
Discount for Lack of Marketability	30.6%
Less: Discount for Lack of Marketability	28,922.83
Non-circulating base of total shareholders' equity value (excluding Monetary Capital)	**65,636.13**
Control Premium	18.1%
Add: Control Premium	11,862.30
Market value of total shareholders' equity (excluding Monetary Capital)	**77,498.43**
Add: Monetary Capital	2,588.20
Market value of total shareholders' equity (including Monetary Capital) (rounded)	**80,087.00**
Less: minority interests	–
Market value of equity attributable to owners of the parent	**80,087.00**

(V) Valuation conclusions

This valuation adopts the market approach to assess the Valuation Target.

Ultimately, as at Valuation Date (being June 30, 2025), the valuation of all shareholders' equity of Zhuhai Eeasy Technology Co., Ltd. was RMB800,870,000 (in words: **Renminbi Eight hundred million, eight hundred and seventy thousand yuan whole**). Compared to the carrying amount of RMB-697,086,500 for equity value attributable to the parent company under consolidated principles, the valuation represents an increase of RMB1,497,956,500, reflecting a premium of 214.89%.

IX. IMPLEMENTATION PROCESS AND CIRCUMSTANCES OF THE VALUATION PROCEDURE

The Company appoints valuation personnel to form a valuation project team. Following preparatory work, the valuation process commences and a valuation report is issued. The specific procedure is as follows:

(I) Clarifying fundamental valuation matters

Upon undertaking the valuation engagement, fundamental matters are established through communication with the Engaging Party, review of documentation, or preliminary investigation, clarifying the fundamentals of valuation, including Engaging Party, the Valuation Target, other parties to whom the valuation report may be addressed, the purpose of the valuation, the Valuation Object and Valuation Scope, the type of value, the Valuation Date, the valuation assumptions and limitations.

(II) Signing the valuation engagement letter

Based on the specific circumstances of the valuation engagement, a comprehensive analysis of professional competence and independence is conducted, assessing the project risks. Upon determining to undertake the valuation engagement, a Valuation Engagement Letter shall be executed with the Engaging Party.

(III) Formulating the valuation plan

A reasonable valuation plan is formulated in accordance with the characteristics, scale and complexity of this valuation project, which shall be promptly amended or supplemented as necessary during the execution of the valuation engagement.

(IV) Verification and validation

This valuation entails conducting necessary verification of the enterprise's assets and liabilities to ascertain the operational status of assets.

(V) Determining valuation methods and gathering valuation data

Through investigation and understanding of the Valuation Object and assets within the Valuation Scope, appropriate valuation methods shall be determined. Concurrently, market data and information relevant to the valuation shall be collected, with necessary valuation materials supplemented in a timely manner according to the progress of the valuation project.

(VI) Analysis of financial and operating performance

Analyse the historical operating performance of the Valuation Target, analysing the composition of its revenues, costs and expenses along with the reasons for any changes therein. Analyse its business model and the formation process of its principal assets and liabilities.

(VII) Valuation assessment and internal review

Compile the materials provided by the Valuation Target and collected market data and information. Based on an analysis of the Valuation Target 's financial and operating performance, apply appropriate valuation method in accordance with fundamental valuation principles and regulatory requirements to arrive at preliminary valuation conclusions. Conduct a comprehensive analysis of the information, data, numbers and quality of parameters, and the rationality of their selection to form the final valuation conclusions. Prepare the valuation report, with the valuation institution undertaking necessary internal review procedures.

(VIII) Issuing the valuation report

Conduct necessary communications with the Engaging Party and other users of the valuation report, solicit feedback on the valuation conclusions from all parties, and guide the Engaging Party and other users of the valuation report towards a reasonable understanding of the valuation conclusions. Issue the valuation report and submit it to the Engaging Party in an appropriate manner.

(IX) Organising and compiling the valuation file

Following the issuance of the valuation report, organise and compile the relevant information and files.

X. VALUATION ASSUMPTIONS

The assumptions adopted for the analysis and estimation in this valuation report are as follows:

(I) Basic Assumptions

1. Open market assumption, which posits that assets traded on the market or intended for market trading involve parties of equal standing. Both parties possess sufficient opportunity and time to access market information, enabling them to make rational judgements regarding the asset's functionality, purpose, and transaction price;

2. Transaction assumption, which posits that all assets subject to valuation are already in the process of being traded. Valuation professionals simulate the market based on the transaction conditions of the assets being valued. Transaction assumption constitutes the most fundamental premise enabling asset valuation;

3. The going concern assumption: the production and operational activities of the Valuation Target can continue as they currently stand, with no significant changes anticipated in its operating status over a foreseeable operation period.

(II) General assumptions

1. It is assumed that there will be no significant changes to the current relevant national laws, regulations, policies, or macroeconomic conditions, or to the political, economic, or social environment of the region in which the Valuation Target operates;

2. It is assumed that there will be no significant changes after the Valuation Date to the interest rates, exchange rates, tax bases and rates, or policy-based levies relevant to the Valuation Target;

3. It is assumed that the operation and management team will act with due diligence after the Valuation Date and maintain the existing operation and management model;

4. Unless otherwise stated, it is assumed that the Company fully complies with all relevant laws and regulations, aligns with national industrial policies, and will not incur any material non-compliance issues that could adversely affect the Company's development and profit realisation;

5. It is assumed that no force majeure or unforeseeable factors will materially adversely impact the Valuation Target after the Valuation Date.

(III) Special assumptions

1. It is assumed that the accounting policies adopted by the Valuation Target after the Valuation Date will remain consistent in all material respects with those applied in preparing this valuation report;

2. It is assumed that the Valuation Target will maintain its current scope and manner of operations based on existing management practices and standards after the Valuation Date;

3. It is assumed that the foundational and financial data provided by the Valuation Target are true, accurate and complete.

The valuation conclusions in this valuation report are valid as of the Valuation Date under the aforementioned assumptions. Should any of these assumptions undergo significant changes, the valuation professionals and our firm shall not be held liable for differing valuation conclusions resulting from such alterations.

XI. VALUATION CONCLUSIONS

This valuation adopts the market approach to assess the Valuation Target.

(I) Market approach valuation results

Under the going concern assumption, the market approach valuation of all shareholders' equity of Zhuhai Eeasy Technology Co., Ltd. has been adopted as the final valuation conclusions for the valuation of all shareholders' equity of Zhuhai Eeasy Technology Co., Ltd. As at Valuation Date (being June 30, 2025), the valuation of all shareholders' equity of Zhuhai Eeasy Technology Co., Ltd. was RMB800,870,000 (in words: Renminbi Eight Hundred Million Eighty-Seven Thousand Yuan). Compared to the carrying amount of RMB-697,086,500 for equity attributable to the parent company under consolidated principles, the valuation represents an increase of RMB1,497,956,500, reflecting a premium of 214.89%.

The specific valuation results are shown in the table below:

Amount Unit: RMB0'000

Operating revenue of the Valuation Target from June 2024 to June 2025	15,391.39
Selected EV/SALES multiplier	6.76x
Circulating base of enterprise value (excluding Monetary Capital)	**104,002.62**
Less: interest-bearing liabilities	9,443.66
Discount for Lack of Marketability	30.6%
Less: Discount for Lack of Marketability	28,922.83
Non-circulating base of total shareholders' equity value (excluding Monetary Capital)	**65,636.13**
Control Premium	18.1%
Add: Control Premium	11,862.30
Market value of total shareholders' equity (excluding Monetary Capital)	**77,498.43**
Add: Monetary Capital	2,588.20
Market value of total shareholders' equity (including Monetary Capital)	**80,087.00**
Less: minority interests	–
Market value of equity attributable to owners of the parent	**80,087.00**

(II) Valuation conclusions

Ultimately, as at Valuation Date (being June 30, 2025), the valuation of all shareholders' equity of Zhuhai Eeasy Technology Co., Ltd. was RMB800,870,000 (**In words: Renminbi Eight Hundred Million Eighty-Seven Thousand Yuan**). Compared to the carrying amount of RMB-697,086,500 for equity value attributable to the parent company under consolidated principles, the valuation represents an increase of RMB1,497,956,500, reflecting a premium of 214.89%.

XII. SPECIAL MATTERS

The following matters are beyond the scope of assessment and estimation by our firm's valuation practitioners in the exercise of their professional standards and capabilities. However, these matters may indeed impact the valuation conclusions and are hereby brought to the attention of users of this valuation report for particular consideration:

(I) Incomplete or flawed asset title documentation

No incomplete or flawed title documentation were identified during this valuation.

(II) Mortgage or pledge security matters

No mortgage or pledge security matters were identified during this valuation.

(III) Pending matters, legal disputes, or other uncertainties

No pending matters, legal disputes, or other uncertainties were identified during this valuation.

(IV) Circumstances where valuation procedures were restricted

No restrictions on valuation procedures were encountered during this valuation.

(V) Significant subsequent events

No significant subsequent events were identified during this valuation.

(VI) Circumstances where conclusions from other institutions' reports were referenced

No direct reference to conclusions from other institutions' reports was made during this valuation.

(VII) Other matters requiring clarification

1. The legal responsibility of the valuers and our firm is to make professional judgements regarding the value of assets for the valuation purpose stated herein, which does not involve the valuers or our firm making any judgement concerning the economic transaction corresponding to such valuation purpose. The valuation work relies heavily upon the materials provided by the Engaging Party and the Valuation Target. Therefore, the valuation work is predicated upon the authenticity and legality of the economic transaction documents, asset title documents, certificates, accounting vouchers, and legal documents supplied by the Entrust Party and the Valuation Target.

2. The purpose of the valuers in undertaking the valuation is to estimate the value of the Valuation Object and to express a professional opinion thereto, and do not assume responsibility for the decisions made by the relevant parties. The valuation conclusions should not be deemed as a guarantee of the realisable price of the Valuation Object.

3. The Valuation Scope and the data, statements, relevant title documents, and supporting materials provided by the Valuation Target are subject to the legal responsibility of the Engaging Party and the Valuation Target for the authenticity, completeness, and legality of the information supplied therein.

4. The Valuation Scope is based solely on the financial statements provided by the Valuation Target and does not consider contingent assets or liabilities that may exist beyond the scope of the provided inventory.

5. During the validity period following the Valuation Date, should changes occur in asset quantities or valuation standards, the following principles shall apply:

   (1) Where asset quantities change, the asset value shall be adjusted accordingly using the original valuation methodology;

   (2) Where asset pricing standards change and significantly impact valuation outcomes, the Engaging Party shall promptly engage a qualified valuation institution to re-determine the value;

   (3) For changes to asset quantity or pricing standards occurring after the Valuation Date, the Engaging Party shall give full consideration to such changes when determining the actual valuation amount and make corresponding adjustments.

The Valuation Target has reclassified its fixed assets, resulting in slight discrepancies between the actual classification and the detailed breakdown disclosed in the Company's half-yearly financial data. This valuation adopts the reclassified breakdown, which has no impact on the valuation conclusions.

XIII. GENERAL LIMITATIONS AND CONDITIONS

(I) This valuation report may only be used for the valuation purposes and applications specified herein. Meanwhile, the valuation conclusions reflect the current fair market value of the Valuation Object determined under the principles of the open market for the stated valuation purpose, without considering the potential future pledges or guarantees, or additional payments that specific transaction counterparties may make, which could impact the valuation price. Meanwhile, this report does not consider the effects of changes in national macroeconomic policies, natural forces, or other force majeure events on asset prices. Should the aforementioned conditions or other circumstances, including the going concern principle applied in the valuation, undergo changes, the valuation conclusions shall generally become invalid. Our firm shall not bear any legal liability arising from the invalidation of valuation results due to such changes in conditions.

(II) All data, including historical financial data, which we relied upon in reaching opinions and conclusions or set forth in the Report are true and accurate to our best knowledge. Whilst reasonable care has been taken to ensure that the information contained in the Report is accurate, we cannot guarantee its accuracy and we assume no liability for the truth or accuracy of any data, opinions, or estimates furnished by or sourced from any third parties which we have used in connection with the Report.

(III) We also assume no responsibilities in the accuracy of any legal matters. In particular, we have not carried out any investigation on the title of or any encumbrances or any interest claimed or claimable against the total enterprise value of the Target appraised. Unless otherwise stated in the Report, we have assumed that the owner's interest is valid, the titles are good and marketable, and there are no encumbrances that cannot be identified through normal processes.

(IV) The value opinion presented in this Report is based on the prevailing or then prevailing economic conditions and on the purchasing power of the currency stated in the Report as of the date of analysis. The date of value on which the conclusions and opinions expressed apply is stated in this Report.

(V) This Report has been prepared solely for the use or uses stated. Except for extraction of or reference to the Report by the Company, its financial adviser and/or its independent financial adviser for their respective work in relation to the Proposed Transaction, it is not intended for any other use or purpose or use by any third parties. We hereby disclaim that we are not liable for any damages and/or loss arisen in connection with any such unintended use.

(VI) Our firm and its valuation personnel shall not be liable where the Engaging Party or other users of the valuation report fail to utilise the report in accordance with the scope of use stipulated by laws, administrative regulations, and as specified in the valuation report.

(VII) No institution or individual other than the Entrusted Party, other users of the valuation report as agreed in the valuation entrust contract, or users prescribed by laws and administrative regulations may be deemed a user of the valuation report.

(VIII) Users of the valuation report shall correctly interpret the valuation conclusions. Such valuation conclusions do not equate to the realisable price of the Valuation Object and shall not be deemed as a guarantee of the realisable price of the Valuation Object.

(IX) Without our firm's consent and prior review of relevant content, the valuation report shall not be excerpted, quoted, or disclosed in public media in whole or in part, except as required by laws, regulations, or otherwise agreed by relevant parties.

(X) When using these valuation conclusions, the relevant parties are advised to note the following:

The valuation results shall remain valid for one year, effective from the Valuation Date of June 30, 2025 until June 29, 2026. Should the period exceed one year, a new valuation shall be required.

XIV. DATE OF VALUATION REPORT

The date of this valuation report is May 28, 2026.

(No text below, it is the signature page)

XV. SEAL OF THE VALUATION FIRM

AVISTA Asset Appraisal (Beijing) Co., Ltd.

May 28, 2026

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 circular misleading.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short position of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) 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 which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors adopted by the Company (the "**Model Code**") were as follows:

(a) Interests of Directors and chief executives

Interests in the Shares

Name	Nature of interest[(1)]	Number of Shares held	Approximate percentage of shareholding in the total issued share capital of the Company[(2)]
Mr. Shan Jizhang ("**Mr. Shan**")	Beneficial interest[(3)]	45,000,000	6.30%
	Beneficial interest[(4)]	44,100,000	6.17%
	Others[(5)(6)]	38,887,308	5.44%
	Deemed interest[(7)]	8,300,160	1.16%
Mr. Liu Weihong ("**Mr. Liu**")	Beneficial interest[(8)]	9,891,667	1.38%
	Interest in controlled corporations[(9)]	14,700,000	2.06%
Mr. Zeng Daibing	Beneficial interest[(10)]	5,094,465	0.71%

Notes:

(1) All interests stated are long position.

(2) The calculations of the percentage of shareholding are based on the number of total Shares in issue as of the Latest Practicable Date, comprising 714,305,783 Shares.

(3) The interests comprise underlying Shares in respect of the options granted to Mr. Shan pursuant to the Pre-IPO Share Plan.

(4) Mr. Shan directly holds 44,100,000 Shares in the Company.

(5) Pursuant to the respective voting trust agreements ("**Voting Trust Agreements**") entered into by and among Mr. Shan, Mr. Liu and Ms. Pan Dan ("**Ms. Pan**"), Mr. Shan is entitled to exercise voting rights attached to all Shares held by Ruby Wealth International Limited ("**Ruby Wealth**"), New Key Trade Company Limited ("**New Key Trade**") and Ms. Pan. Mr. Shan is Ms. Pan's spouse and is hence also deemed to be interested in the 8,300,160 Shares of the Company held by Ms. Pan. Mr. Shan is therefore deemed to be interested in the total of 23,000,160 Shares held by Ruby Wealth, New Key Trade and Ms. Pan pursuant to the Voting Trust Agreements (including the 8,300,160 Shares held by Ms. Pan in which Mr. Shan is deemed to be interested as Ms. Pan's spouse).

(6) Excellent Ocean Trust is a trust with an independent professional trustee to manage the options granted to 12 grantees under the Pre-IPO Share Plan. Mr. Shan is entitled to exercise the voting rights attached to all Shares held by Excellent Ocean Trust at his sole discretion.

(7) Ms. Pan directly holds 8,300,160 Shares in the Company. Mr. Shan is the spouse of Ms. Pan. Under the SFO, Mr. Shan is deemed to be interested in Ms. Pan's interest in the Shares.

(8) The interests comprise underlying Shares in respect of the options granted to Mr. Liu pursuant to the Pre-IPO Share Plan.

(9) Ruby Wealth and New Key Trade are controlled by Mr. Liu. Mr. Liu is therefore deemed to be interested in the 14,700,000 Shares held through Ruby Wealth and New Key Trade.

(10) The interests comprise (i) 4,980,000 underlying Shares in respect of the options granted to Mr. Zeng Daibing pursuant to the Pre-IPO Share Plan; and (ii) 114,465 underlying Shares in respect of the awards granted to Mr. Zeng Daibing pursuant to the Post-IPO Share Plan.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required 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 which they were taken or deemed to have under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Interests of substantial Shareholders

As at the Latest Practicable Date, as far as the Directors are aware of, the following persons, (other than the Directors or chief executives of the Company whose interests are disclosed above), had interests in the Shares or underlying Shares of the Company which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, and were required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO:

Interests in Shares of the Company

Name	Nature of interest[(1)]	Number of Shares held	Approximate percentage of shareholding in the total issued share capital of the Company[(2)]
Ms. Pan	Beneficial interest[(3)]	8,300,160	1.16%
	Deemed interest[(4)]	127,987,308	17.92%
Shanghai Jixin Enterprise Management Limited Partnership (上海極芯企業管理合夥企業(有限合夥)) ("**Shanghai Jixin**")	Beneficial interest[(5)]	42,499,968	5.95%
Jiaxing Xincan Equity Investment Partnership (Limited Partnership) (嘉興信燦股權投資合夥企業(有限合夥)) ("**Jiaxing Xincan**")	Beneficial interest[(5)]	3,490,277	0.49%
Mr. Dai Siyuan ("**Mr. Dai**")	Beneficial interest[(6)]	42,339,900	5.93%

Notes:

(1) All interests stated are long position.

(2) The calculations of the percentage of shareholding are based on the number of total Shares in issue as of the Latest Practicable Date, comprising 714,305,783 Shares.

(3) Ms. Pan directly holds 8,300,160 Shares in the Company.

(4) Ms. Pan is the spouse of Mr. Shan. Under the SFO, Ms. Pan is deemed to be interested in all of Mr. Shan's interests in the Shares.

(5) The respective general partner of Shanghai Jixin and Jiaxing Xincan, being Shanghai Ronghui Enterprise Management Co., Ltd. (上海榮褘企業管理有限公司) and Shanghai Jixin Enterprise Management Partnership (Limited Partnership) (上海霽信企業管理合夥企業(有限合夥)), are ultimately managed by SummitView Capital (M&A).

(6) Ms. Dai directly holds 42,339,900 Shares in the Company.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any persons (who were not Directors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

3. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, to the best knowledge of the Directors, none of the Directors had any interest in any asset which have been, since December 31, 2025 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Enlarged Group, or are proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

As at the Latest Practicable Date, to the best knowledge of the Directors, none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date and which is significant in relation to the businesses of the Enlarged Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, there was no existing or proposed service contract, excluding contract expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation) between any of the Directors of the Company and any member of the Group.

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or, so far as is known to them, any of their respective associates was interested in any business (apart from the Enlarged Group's businesses) which competes or is likely to compete, either directly, or indirectly with the Enlarged Group's businesses (as would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them were a controlling shareholder).

6. MATERIAL ADVERSE CHANGES

The Directors confirm that there was no material adverse change in the financial or trading position of the Group since December 31, 2025 (being the date to which the latest published audited accounts of the Company were made up).

7. LITIGATION

As of the Latest Practicable Date, none of the members of the Enlarged Group were engaged in any litigation or arbitration or claim of material importance affecting its business operation, and the Directors were not aware of any litigation or arbitration or claim of material importance affecting its business operation which was pending or threatened by or against any member of the Enlarged Group.

8. MATERIAL CONTRACTS

Except for the Equity Transfer Agreement, the Capital Increase Agreement and the Management Agreement (details of which are disclosed in this circular), the following contracts have been entered into by Enlarged Group (not being contracts entered into in the ordinary course of business) within the two years preceding the date of this circular:

(i) the cornerstone investment agreement dated July 26, 2024 entered into among the Company, Gardex Development Limited, China International Capital Corporation Hong Kong Securities Limited and Huatai Financial Holdings (Hong Kong) Limited;

(ii) the cornerstone investment agreement dated July 29, 2024 entered into among the Company, Joyson Electronic USA LLC, China International Capital Corporation Hong Kong Securities Limited and Huatai Financial Holdings (Hong Kong) Limited;

(iii) the Hong Kong Underwriting Agreement;

(iv) the placing agreement entered into among the Company, China International Capital Corporation Hong Kong Securities Limited and Huatai Financial Holdings (Hong Kong) Limited dated February 19, 2025 in relation to the placing of 53,650,000 new Shares at the price of HK$23.20 per Share;

(v) the subscription agreement entered into between the Company and Shanghai Jixin Enterprise Management Limited Partnership dated January 8, 2026 in relation to the subscription of 19,980,000 new Shares at the price of HK$18.88 per Share;

(vi) the subscription agreement entered into between the Company and Shanghai Shuangchuang Jinhong Enterprise Management Co., Ltd. dated January 8, 2026 and the supplemental agreement entered into between the Company, Shanghai Shuangchuang Jinhong Enterprise Management Co., Ltd. and Innovital Holdings Limited, in relation to the subscription of 8,563,000 new Shares at the price of HK$18.88 per Share; and

(vii) the subscription agreement entered into between the Company and Infini Global Master Fund dated March 9, 2026 in relation to the subscription of 33,544,600 new Shares at the price of HK$18.88 per Share.

9. EXPERTS

(a) The following are the qualifications of the expert who has given opinion or advice contained in this circular:

Name	Qualification
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountants Ordinance (Cap. 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under Financial Reporting Council Ordinance (Cap. 588 of the Laws of Hong Kong)
AVISTA Asset Appraisal (Beijing) Co., Ltd.	Independent Professional Valuer

(b) Each of PricewaterhouseCoopers and the Independent Valuer has given and has not withdrawn its written consent to the issue of this circular, with inclusion of its report and/or letter and references to its name in the form and context in which it appears.

(c) As at the Latest Practicable Date, each of PricewaterhouseCoopers and the Independent Valuer did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

(d) As at the Latest Practicable Date, each of PricewaterhouseCoopers and the Independent Valuer had no interest in any asset which have been since December 31, 2025 (being the date to which the latest published audited accounts of the Company were made up) acquired or disposed of by, or leased to, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

10. MISCELLANEOUS

(a) The joint company secretaries of the Company are Mr. SUN Xiaoxiang and Ms. KWOK Siu Ying Sarah. Mr. Sun is a non-practicing member of the Shanghai Institute of Certified Public Accountants. Ms. Kwok is an associate member of both The Hong Kong Chartered Governance Institute (formerly The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly The Institute of Chartered Secretaries and Administrators) in the United Kingdom.

(b) The registered office of the Company is situated at P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands.

(c) The principal place of business in Hong Kong of the Company is situated at Room 1901, 19/F Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

(d) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited which is situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(e) The principal share registrar and transfer office in the Cayman Islands of the Company is Vistra (Cayman) Limited which is situated at P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

(f) Save as otherwise stipulated in this circular, in the event of any inconsistency between the English version and the Chinese version, the English version shall prevail.

11. DOCUMENTS ON DISPLAY

The following documents are published on the respective websites of Company (www.blacksesame.com) and the Hong Kong Stock Exchange (www.hkexnews.hk) from the date of this circular up to 14 days thereafter:

(i) the Equity Transfer Agreement;

(ii) the Capital Increase Agreement;

(iii) the Management Agreement;

(iv) the accountant's report of the Target Company, the text of which is set out in Appendix II to this circular;

(v) the report on the unaudited pro forma financial information of the Enlarged Group, the text of which is set out in Appendix IV to this circular;

(vi) the Valuation Report, the text of which is set out in Appendix V to this circular; and

(vii) the written consent of the experts referred to in the paragraph headed "Experts" in this appendix.

Black Sesame International Holding Limited
黑芝麻智能國際控股有限公司*
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2533)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**Meeting**") of Black Sesame International Holding Limited (the "**Company**") will be held at 30/F, Building A, Zhongxing Times · Digital Trade Port, No. 79 Xudong Street, Hongshan District, Wuhan City, Hubei Province, China on Wednesday, June 17, 2026 at 10:00 a.m. for the following purpose:

ORDINARY RESOLUTION

1. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

"**THAT**

(a) the equity transfer agreement dated December 31, 2025 (the "**Equity Transfer Agreement**") entered into between (i) Black Sesame Technologies Co., Ltd. (黑芝麻智能科技有限公司), an indirect wholly-owned subsidiary of the Company, as the purchaser, (ii) Chongqing Jichuang Yuyuan Equity Investment Fund Partnership (Limited Partnership)* (重慶極創渝源股權投資基金合夥企業(有限合夥)), Intel Products (Chengdu) Co., Ltd.* (英特爾產品(成都)有限公司), Zhuhai Hengqin Lingjun Investment Partnership Enterprise (Limited Partnership)* (珠海横琴靈雋投資合夥企業(有限合夥)), Guangdong Wenrun Zhenxin No. 2 Equity Investment Partnership (Limited Partnership)* (廣東溫潤振信貳號股權投資合夥企業(有限合夥)), Jiangsu Datai Yueda Big Data Venture Capital Fund (Limited Partnership)* (江蘇達泰悦達大數據創業投資基金(有限合夥)), Li Lijun (李立軍), Jiaxing Jiayong Investment Partnership Enterprise (Limited Partnership)* (嘉興嘉湧投資合夥企業(有限合夥)), Chengdu Maiqiu Venture Capital Partnership Enterprise (Limited Partnership)* (成都麥秋創業投資合夥企業(有限合夥)), Ningbo Yaji Enterprise Consulting Center (Limited Partnership)* (寧波雅集企業諮詢中心(有限合夥)), Jiangsu Shengyu Artificial Intelligence Entrepreneurship Investment Partnership Enterprise (Limited Partnership)* (江蘇盛宇人工智能創業投資合夥企業(有限合夥)), Wenrun Growth No. 1 (Zhuhai) Equity Investment Fund

* *For identification purposes only*

Partnership (Limited Partnership)* (溫潤成長壹號(珠海)股權投資基金合夥企業(有限合夥)), Zhuhai Sci Tech Innovation and High Tech Venture Capital Fund Partnership Enterprise (Limited Partnership)* (珠海科創高科創業投資基金合夥企業(有限合夥)), Sanqi Lexin (Guangzhou) Industrial Investment Partnership (Limited Partnership)* (三七樂心(廣州)產業投資合夥企業(有限合夥)), Suzhou Hengtong Datai Big Data Industry Fund Partnership Enterprise (Limited Partnership)* (蘇州亨通達泰大數據產業基金合夥企業(有限合夥)), Nantong Tongzhou District Dongdu Electronic Technology Co., Ltd* (南通市通州區東渡電子科技有限公司), Shanghai Datai Venture Capital Management Co., Ltd.* (上海達泰創業投資管理有限公司), Jiaxing Yueyi Equity Investment Partnership Enterprise (Limited Partnership)* (嘉興岳益股權投資合夥企業(有限合夥)), Zhuhai Port Kerui No. 3 Venture Capital Fund Partnership Enterprise (Limited Partnership)* (珠海港灣科睿三號創業投資基金合夥企業(有限合夥)), Zhuhai Port Datai Equity Investment Partnership Enterprise (Limited Partnership)* (珠海港灣達泰股權投資合夥企業(有限合夥)), Zhuhai Hengqin Qichuang Shared Investment Partnership Enterprise (Limited Partnership)* (珠海橫琴齊創共享投資合夥企業(有限合夥)), and Zhuhai Fukunyi Management Consulting Co., Ltd.* (珠海富昆億管理諮詢有限公司) (collectively, the "**Vendors**") as vendors, (iii) Chen Feng (陳峰), Wu Lang (吳浪), and Shan Jun (單軍) (collectively, the "**Management Shareholders**"), and (iv) Zhuhai Eeasy Technology Co., Ltd. (珠海億智電子科技有限公司) (the "**Target Company**"), and the transactions contemplated thereunder, be and are hereby confirmed, approved and ratified;

(b) the capital increase agreement dated December 31, 2025 (the "**Capital Increase Agreement**") entered into between (i) Black Sesame Technologies (Zhuhai) Co., Ltd. (黑芝麻智能科技(珠海)有限公司), (ii) the Management Shareholders, (iii) Cai Zhenhua (蔡振華), Yu Zhenhui (余振輝), Yan Zhi (嚴智), Xiao Zhenliang (肖振亮), and Yang Shaojun (楊少軍), who are the existing shareholders of the Target Company, (iv) Zhuhai Yihui Technology Partnership Enterprise (Limited Partnership) (珠海億匯科技合夥企業(有限合夥)), Zhuhai Yiju Technology Partnership Enterprise (Limited Partnership) (珠海億聚科技合夥企業(有限合夥)), and Zhuhai Zhiju Technology Partnership Enterprise (Limited Partnership) (珠海智聚科技合夥企業(有限合夥)) (collectively, the "**Employees Partnerships**") and (iv) the Target Company, and the transactions contemplated thereunder, be and are hereby confirmed, approved and ratified;

(c) the management agreement (and its schedules) dated December 31, 2025 (the "**Management Agreement**") entered into between the Company, the Management Shareholders, the Employees Partnerships and the Target Company be and are hereby confirmed, approved and ratified; and

(d) any one director of the Company be and is hereby authorized on behalf of the Company to do all such acts and sign, execute, seal (where required) and deliver the Equity Transfer Agreement, the Capital Increase Agreement and the Management Agreement and all such other documents and to take all such steps as the directors of the Company in their discretion may consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Equity Transfer Agreement, the Capital Increase Agreement and the Management Agreement and the transactions contemplated thereunder."

By order of the Board
Black Sesame International Holding Limited
Mr. SHAN Jizhang
Chairman of the Board, Executive Director and
Chief Executive Officer

Hong Kong, June 2, 2026

As at the date of this notice, the Board comprises (i) Mr. SHAN Jizhang and Mr. ZENG Daibing as executive directors; (ii) Mr. LIU Weihong and Dr. YANG Lei as non-executive directors; and (iii) Prof. LI Qingyuan, Prof. LONG Wenmao and Prof. XU Ming as independent non-executive directors.

Notes:

1. All resolutions at the Meeting (except those relate to the procedural or administrative matters, which should be taken by a show of hands as the chairman of the Meeting may decide, in good faith) will be taken by a poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.

2. Shareholders are reminded that they may exercise their right to vote by using the forms of proxy to appoint the Chairman of the Meeting as their proxies to vote on the relevant resolutions.

3. Any Shareholder of the Company entitled to attend and vote at Meeting is entitled to appoint another person as proxy to attend and vote instead of him/her/it. For the avoidance of doubt and for the purpose of the Listing Rules, holders of treasury shares of the Company (if any) are not entitled to vote at this Meeting. A proxy need not be a shareholder of the Company. A Shareholder who is the holder of two or more shares of the Company may appoint any number of proxies to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed. On a poll, votes may be given either personally or by proxy.

4. Where there are joint registered holders of any share, any one of such persons may vote at this Meeting, either personally or by proxy, in respect of such share as if he/she/it were solely entitled thereto; but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register of members of the Company in respect of the relevant joint holding.

5. In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority, must be deposited at the Company's share registrar in Hong Kong (i.e. Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong) as soon as possible but in any event not less than 48 hours before the time appointed for holding the Meeting (i.e. not later than 10:00 a.m. on Monday, June 15, 2026) or any adjournment thereof. Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person physically at the Meeting (or any adjourned meeting thereof) and, in such event, the form of proxy shall be deemed to be revoked.

6. For determining the entitlement to attend and vote at Meeting, the register of members of the Company will be closed from Friday, June 12, 2026 to Wednesday, June 17, 2026 (both days inclusive), during which period no transfer of shares of the Company will be registered. Shareholders whose names appear on the register of members of the Company on Wednesday, June 17, 2026 (i.e. the record date) are entitled to attend and vote at the Meeting. In order to be eligible to attend and vote at the Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Thursday, June 11, 2026.

7. References to time and dates in the Notice are to Hong Kong time and dates.