

OVERVIEW**Who We Are**

We are a leading analog IC company in China. We design, develop and sell high-performance analog ICs and sensors that sense, amplify, convert and power, forming the fundamental building blocks of all electronic systems. According to Frost & Sullivan, in terms of revenue in 2025, we ranked first among domestic companies and eighth among global companies in the China analog IC market, representing a market share of 1.8%.

Since our founding in 2007, we have developed a comprehensive and expanding product portfolio that extends the reach of what electronics can achieve. With over 7,200 analog and sensor products spanning 38 categories as of the Latest Practicable Date, we offer system-ready solutions backed by robust design and process capabilities that shorten time-to-market. We deliver analog advances that move customers forward in every generation of their designs and innovations. Having long been core components in end markets such as industrial, networking and consumer electronics, our products are also contributing to broader uptake in applications across EVs, data centers, robotics, renewable energy and next-generation consumer devices.

Our Products

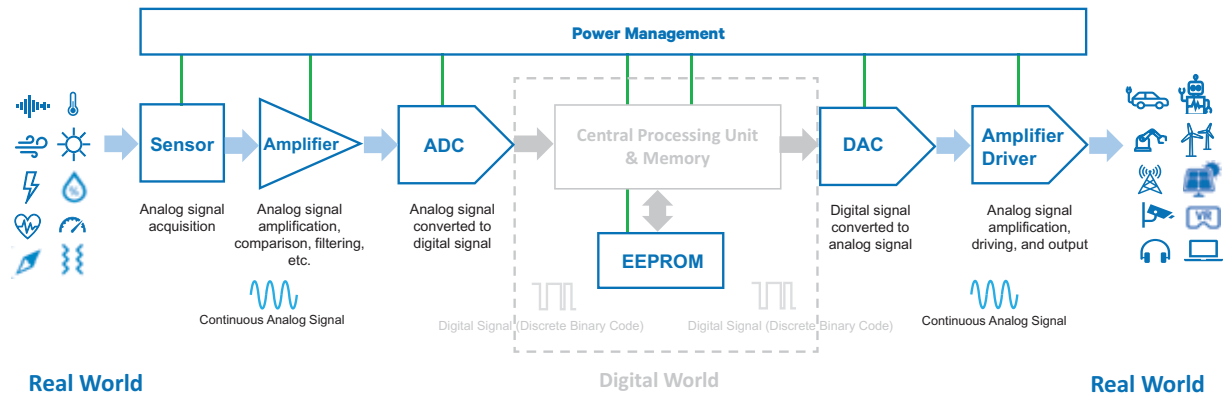
We offer a wide, differentiated portfolio of general-purpose and application-optimized analog products, encompassing signal chain and power management, the twin pillars of our product matrix that define our role as a major provider of analog ICs in China.

Our signal chain ICs help electronic devices interpret the physical world. They take signals that come from sensors and prepare them for digital processing. Our signal chain ICs capture, condition and amplify signals from the physical world and convert them into digital data with high accuracy. Our products maintain data integrity from the point of acquisition to the final output, which is important for applications that require precise measurement, low noise and minimal error.

Our power management ICs control how energy is delivered within an electronic device. They determine how much power each part of a device receives, convert power into the levels required by different components and distribute power safely through the system. They also guard against issues such as surges or irregular power flow. By keeping power steady and well regulated, these products help systems operate reliably and use energy efficiently.

Complementing our analog portfolio, we also provide a specialized range of sensors that mark the entry point of connection between the real and digital worlds, delivering high-precision measurement and monitoring of key environmental and physical parameters.

The following diagram illustrates the signal chain, power management and sensor within a simplified electronic system:



Our leadership in product offerings rests on several core strengths:

- **A Comprehensive, Expanding Portfolio.** We provide customers with a breadth of differentiated analog ICs and sensors engineered to work cohesively out-of-the-box, simplifying component selection and system-level architecture decisions. Among over 7,200 products, (i) 19 categories are signal chain products that cover the entire signal path from acquisition and conditioning to conversion and transmission, including amplifiers, comparators, analog switches, data converters and EEPROM, (ii) 17 categories are power management products, such as DC/DC converters, LDOs, AMOLED power supply ICs and lithium battery charging and protection ICs, and (iii) two categories are sensors, including temperature sensors and magnetic sensors. With an agile, customer-centric innovation cycle, we maintain a rapid product rollout cadence, launching approximately 3,400 new products during the Track Record Period and up to the Latest Practicable Date.
- **Forward-Leaning Analog Design.** Our product development strategy focuses on differentiated solutions that address critical gaps in high-performance analog markets, particularly in applications requiring high voltage tolerance, high integration and novel power delivery architectures. According to Frost & Sullivan, we have introduced a series of analog products in China that advance performance, efficiency and system-level capability, such as a 60nA ultra-low quiescent current synchronous buck converter, an ultra-low-noise op amp with an input voltage noise density of 1.6 nanovolts per square root hertz, an 18-bit SAR ADC with a sampling rate of 2 MSPS and an SNR of 99 decibels, a high-accuracy TEC controller and EML bias power supply.
- **High-Integrity Analog Performance.** Our analog innovations achieve high precision, minimal noise, high-speed response and low power consumption for high-performance and high-reliability systems. They maintain consistent accuracy across wide operating conditions, protect signal integrity in sensitive applications and respond swiftly to time-critical operations. Engineered for energy efficiency, our analog products achieve peak performance with minimal power draw, making them ideal for demanding applications.
- **System-Level Cost Optimization.** Our products are optimized beyond mere datasheet specifications to deliver lower total cost of ownership. We achieve this through premium quality, inherent reliability and long lifecycle support, reducing the need for over-design and mitigating field failure risks.

Our Technology

Our technological edge derives from proprietary R&D in advanced circuit design and process technologies, driving analog breakthroughs in signal and power integrity as well as system reliability and safety across diverse applications.

- **Solid Design Capabilities.** Our design strengths deliver strong performance in high-performance signal conditioning, efficient power management and advanced sensor solutions to power next-generation electronic systems. The signal conditioning suite spans high-precision, low-noise, high-speed, high-voltage and low-power analog functions, delivering high fidelity and rapid responsiveness. In power management, we provide battery charging and protection, display power and driver ICs, and high-efficiency DC/DC and LDO products engineered for minimal quiescent current and compact footprints. For example, our 60nA ultra-low quiescent current DC/DC converter and 250nA ultra-low quiescent current LDO, together with sub-millimeter LDO (0.63mm×0.63mm) and op amp and comparator (0.8mm×0.8mm) exemplify leading low-power, high-efficiency and miniaturized analog design, enabling precise performance in space- and energy-constrained applications. We elevate the standard of analog integration with 2mm×2mm power modules that integrate an inductor, capacitor and DC/DC converter to deliver outstanding power efficiency in a minimal footprint. Our sensor technologies, including high-sensitivity magnetic and high-precision temperature sensors, integrate signal processing, flexible output interfaces and built-in calibration to deliver accuracy, stability and operational robustness in rigorous environments.
- **Proprietary Process Technology.** We believe our proprietary process technology is a strategic asset. By adapting foundry process recipes, we have developed processes that deliver higher performance than standard flows, aligning with our broad product portfolio and enabling us to serve diverse applications and markets without being tied to a single process. We operate under a fabless model integrating our proprietary process expertise into the standard fabless model. By fine-tuning key parameters across performance, yield and cost, our products achieve the stringent requirements of precision-driven applications, delivering high-level performance and improved power efficiency while scaling efficiently from prototyping to high-volume manufacturing.
- **Vast IP Repertoire.** We have developed an extensive suite of analog products leveraging proprietary IP and process technologies. For instance, we hold a patent for the SIMO topology for power management ICs and AMOLED displays, delivering multiple supply voltages from a single inductor with high efficiency, a reduced board footprint and lower power dissipation. As of December 31, 2025, in China and overseas, we had 588 granted patents, including 497 invention patents, and 401 IC layout design registrations.

Our Demand-Driven Go-to-Market Strategy

We leverage a land-and-expand model that deepens customer engagement through repeated design wins across customer systems. Our early involvement during customer design-in cycles allows us to establish technical credibility and commercial trust before securing design-win status. We maintain disciplined, iterative processes for need capture and requirements translation, which enable us to accurately interpret nuanced customer demands into precise engineering specifications and performance benchmarks. Our sales, marketing and field application teams operate at the frontline, continuously capturing industry trends and delivering a high-frequency stream of ground-level, actionable insights that directly sharpen our R&D direction. By working alongside customers from

system specification to on-site validation, we accelerate deployment cycles, synchronize our roadmap with customers' next-generation systems and compress time-to-market windows. These long-term engagements enable us to serve over 6,000 end customers in 2025, positioning us as a preferred partner for end markets such as industrial & energy, automotive, networking & computing and consumer electronics.

Our Market Opportunities

Our ability to bridge the real and digital worlds places us at the center of transformative discoveries. The intelligence era is characterized by ubiquitous sensing, hyper-scale and edge computing, artificial general intelligence and pervasive connectivity. These convergent forces are reshaping the global economic and technological landscape, creating an arena where product innovation and performance are paramount.

- **Industrial & Energy.** Emerging technologies such as predictive maintenance, digital twins, smart grids and embodied AI in robotics and industrial machinery are ushering in a new industrial era. These developments are driving expansion in the analog IC market for the industrial & energy sector, which is estimated to reach RMB77.3 billion by 2030, according to Frost & Sullivan. Our analog portfolio powers these industrial applications with products continuously optimized on par with evolving demands. High-voltage, high-current motor driver ICs enable precise, reliable control of robotic actuators and industrial machinery, supporting greater efficiency, precision and autonomy on the factory floor and across energy and infrastructure networks.
- **Automotive.** The automotive industry is shifting beyond electrification and toward smart mobility and connectivity, fueling growth in the automotive analog IC market to reach RMB105.3 billion by 2030, with a CAGR of 16.9% from 2026 to 2030, according to Frost & Sullivan. We support leading OEMs with a focused portfolio supporting LiDAR, radar, lighting, camera power management, display drivers, audio systems, battery packs, on-board chargers, BCMS and e-driver systems. Our DC/DC converters, LDOs, LED lighting and backlight power devices, high-side/low-side driver ICs, eFuses and magnetic sensors enable robust power switching, circuit protection and accurate position sensing for EVs and smart vehicles. In addition, our amplifiers, data converters, interface ICs and battery management ICs deliver high-performance signal conditioning and monitoring across vehicle systems. The portfolio meets stringent automotive-grade reliability and functional safety standards, including ISO 26262 compliance, enabling advanced sensing and centralized E/E architectures.
- **Networking & Computing.** Hyperscalers race to build next-generation data centers and secure critical computing capacity, creating an execution gap where adoption is outpacing the ability to deploy at scale. According to Frost & Sullivan, the analog IC market for the networking & computing sector is forecasted to reach RMB132.7 billion by 2030, with a CAGR of 15.8% from 2026 to 2030. Our eFuses, high-power DC/DC converters, multi-phase DC/DC controllers and DrMOS devices enable efficient, high-current, fast-transient power delivery for CPUs and microprocessors, while our high-precision clock management devices (such as retimers) deliver timing synchronization in servers and high-speed interconnect equipment.
- **Consumer Electronics.** The rise of AI-native consumer electronics is propelling the consumer electronics analog IC market to an estimated RMB74.1 billion by 2030, according to Frost & Sullivan. We deliver differentiated, high-performance analog

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products characterized by ultra-low power and high integration. For example, our 60nA DC/DC converters and 300nA op amps power wearables and AR/VR devices, such as smart glasses, while extending battery life and enhancing immersion, and our low-noise, high-fidelity op amps and audio DACs have become preferred choices for leading customers in high-performance audio applications.

Our Financial Achievements

In 2023, 2024 and 2025, our revenue amounted to RMB2,615.7 million, RMB3,347.0 million and RMB3,898.1 million, representing a CAGR of 22.1% from 2023 to 2025. We maintained sustainable profitability throughout the Track Record Period. Our gross profit margin was 44.9%, 47.2% and 46.2% for the same years, respectively. We recorded adjusted net profit (non-IFRS measure) of RMB388.7 million, RMB576.0 million and RMB693.5 million for the same years, respectively.

OUR STRENGTHS

Comprehensive Product Portfolio Powering Wide Adoption

We have engineered the most comprehensive and broad product portfolio in China, according to Frost & Sullivan, with over 7,200 products across 38 categories, providing our customers with distinctive breadth and depth to address complex design challenges across industries. With our dual focus on impactful technology and real-world applications, our product innovation engine remains highly agile, delivering approximately 3,400 new products during the Track Record Period and up to the Latest Practicable Date. Our vast selection of products grants design engineers a comprehensive suite of critical analog products, which allows them to meet any application requirement without the complexity and risk of multi-vendor sourcing. Furthermore, our broad coverage across voltage ranges, applications and performance tiers allows us to capture more design wins and expand customer engagements from single-product opportunities to multi-product or system-level solutions.

As an analog IC powerhouse, we are pushing the technical boundaries and setting benchmarks in signal chain and power management technologies. Our signal chain portfolio delivers a complete, high-fidelity path from signal acquisition to conversion, supporting reliable signal integrity and precise system performance in demanding environments. Our power management portfolio provides end-to-end energy control, from battery charging ICs and protection circuits to system-level power conversion and distribution, delivering high efficiency, ultra-low power consumption, fast transient response and robust safety performance across applications. Our comprehensive coverage is exemplified through several key product families:

- *High-Performance Op Amps.* We offer a broad range of op amps featuring low-noise, high-precision, low-power, high-speed and zero-drift variants, rivaling the bandwidth and performance of global industry leaders, according to Frost & Sullivan. Specifically, our high-precision variants achieve internationally advanced levels in critical parameters such as input bias current, offset voltage and temperature drift, enabling their successful adoption in sophisticated markets such as industrial automation and medical devices.
- *Analog-to-Digital Converters.* Our ADC platform combines multiple architectures to tackle diverse design challenges. Our 24-bit, 16-channel ADC achieves a remarkably low

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input-referred noise, capturing extremely weak signals for breakthroughs in medical imaging, industrial automation and test & measurement. Our 18-bit, single-channel SAR ADC delivers outstanding signal fidelity, making it optimal for widespread use in industrial automation, communications and automotive.

- *Digital-to-Analog Converters.* Complementing our high-performance ADCs, our DAC portfolio includes general-purpose DACs and specialized audio DACs, providing comprehensive signal chain solutions for both precision instrumentation and high-fidelity audio applications, ensuring complete digital-to-analog output capability.
- *Full-Stack Charge Guard.* We deliver a power pathway from advanced battery charging ICs and protection circuits to optimized BMS, providing superior safety and an extended lifespan for smartphones, tablets, wearables and EVs. Features such as high integration, support for rapid charging protocols (“**PD/QC**”), superior efficiency and ultra-low standby power make these solutions preferred choices for top-tier global brands, particularly in the lithium battery-charging IC segment.
- *Pixel-Perfect Display Power & Drivers.* Our display power and driver ICs for liquid crystal display (“**LCD**”) and OLED panels power immersive visuals in smart devices, automotive infotainment and high-end industrial displays. Characterized by ultra-low noise, high efficiency, minimal power consumption and compact integration, these products have positioned us as a strategic partner to top global consumer electronics brands.
- *High-Efficiency DC/DC Converters.* Covering buck, boost, buck-boost and multi-phase architectures, our DC/DC converters deliver extreme efficiency, fast transient response, high-voltage/current capability and robust thermal performance, well-suited for servers and next-generation automotive systems.
- *Ultra-Low-Power LDOs.* Defined by rock-bottom quiescent current, high Power Supply Rejection Ratio (“**PSRR**”) and minimal noise, our LDOs are the go-to for power-sensitive applications in consumer electronics, wearables, high-end audio and networking. Our AEC-Q100-qualified, automotive-grade LDOs are already achieving volume shipments in automotive applications.
- *Intelligent Load Switches / eFuses.* Our high-voltage, high-current load switches and eFuse products have achieved volume adoption in applications such as portable devices, personal computing and data centers, delivering robust protection and precise power distribution and enhancing system safety and reliability in space-constrained, power-dense environments.

Backed by an elite team of analog experts and standardized cross-functional playbooks covering product development, sales and technical support, we accelerate customer time-to-market and enforce best practices. Our robust design resources, including in-depth technical documentation, training programs and simulation tools, enable customers to achieve higher integration, functionality and performance in their final products. The combination of broad selection, proven performance and engineer-focused value defines our product portfolio, making us the trusted and high-value partner for analog and sensing solutions.

Customer-Centric, Tech-Powered Innovation Amplified by Strategic Synergy

Innovation is the core of our business and the engine of our growth. We strategically concentrate our resources and expertise on what we do best: tech-driven R&D and proprietary process

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technologies. Our development is governed by holistic lifecycle management, featuring rigorous discipline from initial product definition and IC design through simulation, validation and rigorous reliability testing. Our structured process not only ensures execution excellence but also cultivates a growing repository of leading-edge technologies, including high-precision analog design, ultra-low-power circuit architecture, and high-voltage process optimization.

Our R&D is intensely market-driven and closely aligned with real-world customer demands. This synergy is facilitated by our marketing, sales and technical support teams, who work side by side with customers throughout the product definition, performance validation and application testing phases. Embedded within customer ecosystems, these teams provide critical frontline insights that directly inform our development priorities. Additionally, we simplify system design with our comprehensive library of sub-circuit ideas that include step-by-step instructions, basic formulas and schematic diagrams. This deep collaboration allows us to engage in early co-creation projects during the product definition and planning stages for our customers' next-generation systems, resulting in a technology roadmap synchronized with future market needs and effectively reducing time-to-market.

Furthermore, our strategic acquisitions serve as a powerful force multiplier for our innovation engine, which has been instrumental in expanding our reach into pivotal growth areas. The integration of acquired technologies and talent has fortified our R&D capabilities and overall market competitiveness.

Fabless Model Integrating Proprietary Process Expertise with Full-Lifecycle Quality Management

We operate under a fabless model integrating our proprietary process expertise into the standard fabless model. This model is a strategic advantage that allows us to channel resources into circuit design, system innovation and differentiated analog processes while avoiding the massive capital expenditure required to build and maintain semiconductor fabrication plants. We build application-optimized know-how in critical areas such as high-voltage operation, ultra-low power consumption, wide temperature range and precision analog design. Our know-how and processes also support a smooth transition from prototyping to high-volume production, reducing exposure to supply chain volatility and securing a stable, high-quality output. To scale effectively, we orchestrate manufacturing through collaboration with leading global foundries and top-tier OSAT providers. Through early-stage joint development with our partners focusing on process selection, material science and advanced test methodologies, we continuously optimize yield and final product performance.

Our quality management system is architected on a world-class assurance framework, implemented with uniform rigor across all product categories throughout the entire product lifecycle, from product definition and tape-out to wafer fabrication, assembly, testing and post-sales support. We hold ourselves to rigorous benchmarks that often exceed industry standards for product reliability, longevity, interference immunity, manufacturing yield and lot-to-lot consistency. For example, all our automotive-grade products are developed in full compliance with ISO 26262 for functional safety and have achieved AEC-Q100 certification, securing reliability for the most demanding road applications. Our industrial-grade product lines meet functional safety standards and undergo complete reliability verification at third-party laboratories.

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High-Touch Customer Engagement Fueling Widespread Adoption

Our growth is fueled by design-in partnerships with global industry leaders. We engage at the early stages of product definition, employing a co-creation model to develop general-purpose and application-specific products that become integral to our customers' flagship and volume-driven product lines. Our products are engineered into high-value systems and mission-critical applications globally. In the automotive sector, we are among the few China-based analog product providers capable of mass-producing a variety of automotive-grade analog ICs, with a product portfolio that has successfully passed over 100 sets of AEC-Q100 qualification tests and comprises more than 600 automotive-grade products available in the market. In industrial automation, our high-precision ADCs, isolation amplifiers and motor drivers are integral to the systems of renowned brands, enabling high-accuracy control in medical imaging, PLCs and automated manufacturing. We foster continuous customer engagement on market needs, technology shifts and future product planning through high-level dialogs, joint workshops and collaborative development efforts, which enable us to anticipate technology transitions and capture new opportunities in high-growth markets.

We blend local expertise with a globally scaled support network to deliver customer responsiveness. Dedicated technical sales teams in each region provide deep regional application knowledge and direct, in-person support. Our local force is amplified through strategic alliances with leading global distributors, extending our channel reach and responsiveness worldwide, which we believe is instrumental in driving consistent and robust overseas expansion.

Expert-Led Team Catalyzing Innovation and Growth

Behind SG MICRO's growth story is a recognized team of semiconductor experts. Our leadership combines nearly three decades of experience in analog design, semiconductor operations and global market execution. Senior management brings deep expertise in cross-border leadership and long-term strategic planning.

We foster a people-centric culture that champions innovation, collaboration and accountability. We invest in people through structured training, cross-functional development and international collaboration. The result is a unified, high-performance organization geared toward technology leadership and market impact.

We are powered by talent. We have established a group-level mentorship program, which creates a formal framework designed to build a well-structured talent echelon. As of December 31, 2025, approximately 72.8% of our employees are dedicated to R&D, with 56.3% holding master's or doctoral degrees. Furthermore, more than 31% of our R&D team have accrued more than ten years of domain expertise, including a core group of approximately 100 personnel with over two decades of expertise in their fields.

OUR STRATEGIES

Advance R&D to Lead in Technology and Market

Building on our extensive experience in analog IC development, we are accelerating R&D and core IP expansion in critical analog domains to drive technological breakthroughs across our entire product portfolio. We will develop a robust and highly adaptable suite of high-reliability signal chain and high-voltage, high-power power management solutions that meet evolving market demands and strengthen our leading position in high-growth sectors. We also aim to broaden the application of our proprietary process technologies, covering over one-third of our new products in the coming years.

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To maximize R&D efficacy and time-to-market, we intend to employ cross-functional, project-based management methodologies that streamline development cycles and enhance the translation of advanced research into scalable, market-ready products. Our strategy is reinforced by our deep commitment to nurturing R&D talent through equity incentives and an open innovation culture, ensuring that we attract and retain industry-leading engineers who provide a sustainable foundation for long-term technology leadership and innovation.

Further Expand Analog Portfolio for Next-Generation Applications

We are strategically expanding our analog portfolio to deliver a comprehensive suite of general-purpose and application-specific solutions that extend beyond signal chain and power management products into highly specialized domains, including the development of sensor technologies to capture, process and transmit critical environmental and operational data with high precision and reliability.

Our development roadmap is sharply aligned with emerging application demands, focusing on enhancing performance benchmarks, reducing power consumption and optimizing form-factor efficiency to set new industry standards. We intend to further expand our product range, focusing on automotive-grade ICs, server power management ICs, sensors, BMS, high-performance audio ICs, high-speed interface ICs and driver ICs.

We will continue to be deeply embedded in the technological evolution of various sectors, including computing, ADAS, renewable energy equipment and power photovoltaics, while continuing to discover opportunities in automotive intelligence and electrification, networking, computing, industrial applications, embodied AI and edge AI.

Optimize Our Business Model Leveraging Scalable Supply Chain

We are strategically committed to our fabless model integrating our proprietary process expertise, which allows us to concentrate our resources and expertise on our core competencies. On the one hand, we will continue to optimize and develop our proprietary process technologies to strengthen product differentiation and competitiveness. On the other hand, we will further orchestrate manufacturing through expertise-driven collaboration with leading foundries and OSAT providers, building a resilient, high-quality supply chain characterized by deep collaboration on process node selection, test optimization and yield improvement. By leveraging the intrinsic synergies between our technical expertise and fabless structure, we expect to efficiently scale our business, broaden our product portfolio and application reach, and respond with agility to fragmented and evolving market demands, positioning us to capture emerging opportunities in next-generation industries.

Deepen Customer Collaboration to Power Product Innovation

Our growth is fueled by long-term, stable relationships with high-profile customers across different sectors to guide our product planning and development. We believe that our customer-centric product innovation is critical to establishing competitive advantages across markets and gaining a deeper understanding of real-world application challenges and emerging market needs. We will further expand our global sales network to gain profound, real-time insight into customer demands and technical requirements. Such frontline insights will ensure our product iterations are precisely aligned with market needs, enabling rapid optimization of critical parameters such as current capability, power efficiency and signal accuracy.

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Beyond responsive support, we will actively engage in co-creation initiatives and joint development projects with end customers, which allow us to co-define and incubate next-generation products directly with industry innovators. We believe our strategy not only addresses immediate, application-specific challenges but also allows us to crystallize successful custom developments into standardized products. These products can subsequently be generalized for broader market applications, accelerating our time-to-market and enhancing our growth potential. By evolving in lockstep with our customers' most advanced projects, we will drive continuous innovation together, cementing our leadership in delivering products with performance and reliability.

Pursue Strategic Expansion and Alliances and Expand Overseas Market Reach

We plan to actively pursue investment opportunities and identify high-quality acquisition targets. We intend to focus on both domestic and overseas markets to identify potential strategic investment and acquisition opportunities, aiming to integrate high-quality assets, broaden our technology boundaries, extend our product categories and expand into new and emerging markets and sectors. Through prudent evaluation and targeted acquisitions across the industry, we aim to further strengthen our competitive position and drive long-term growth.

We are committed to expanding our global footprint by establishing and strengthening our R&D capabilities, sales networks, and field application support across regions. We believe our unique business model allows us to closely monitor emerging technology trends, respond swiftly to diverse customer needs, achieve global resource synergy and technology adoption, continuously improve product competitiveness and customer service capabilities, and further consolidate our comprehensive strength in overseas markets.

OUR PRODUCTS

Our product strategy is built on a foundation of deep portfolio breadth and rapid innovation cycles, positioning us to capitalize on high-growth market trends and address the complex demands of modern electronics. We have continuously expanded and refined our product families through significant R&D investment, achieving breakthroughs in core IP and proprietary processes. Our extensive portfolio spans 38 categories and over 7,200 products, delivering solutions across a wide range of end markets such as industrial & energy, automotive, networking & computing and consumer electronics.

We have a comprehensive analog portfolio comprising signal chain ICs and power management ICs. We are also strategically expanding into sensor products, enhancing our ability to provide sensing and processing solutions for diverse applications.

- **Signal chain ICs** are designed to sense, condition and process real-world analog signals (such as temperature, pressure, sound and light) and convert them into precise digital data for further processing. These ICs perform critical functions including signal amplification (using op amps and instrumentation amplifiers), filtering, data conversion (both ADC and DAC) and signal conditioning. By accurately translating continuous physical phenomena into digital information, they form the foundation for measurement and control in a wide array of applications.
- **Power management ICs** are designed to regulate, distribute and optimize electrical power within electronic systems. They enhance energy efficiency, promote operational reliability

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and extend battery life in portable and embedded devices. A typical power management IC integrates multiple power-related functions, such as DC/DC conversion (including synchronous buck and boost regulators), LDOs, battery charging and management, power sequencing, supervision (featuring power-on reset and under-/overvoltage protection) and load switching. This high degree of integration results in a compact, efficient and thermally optimized power solution that simplifies overall system design and improves performance.

- **Sensors** are designed to perceive and measure real-world physical phenomena, such as temperature, magnetic fields, position and pressure, and convert them into electrical signals for processing by electronic systems. They serve as the bridge between the physical and digital domains, providing critical input data for measurement, monitoring, and automated control systems. Typical sensor products range from discrete sensing elements to highly integrated sensor products that combine sensing elements with signal conditioning circuitry. This approach can provide a calibrated digital output, which not only significantly simplifies system design but also enhances overall performance and reliability by reducing external interference.

The following table sets forth a breakdown of our revenue by product category for the years indicated.

	Year Ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentages)</i>					
Power management ICs	1,746,024	66.8	2,181,660	65.2	2,379,834	61.1
Signal chain ICs	864,242	33.0	1,156,700	34.5	1,471,023	37.7
Others ⁽¹⁾	5,450	0.2	8,623	0.3	47,198	1.2
Total	2,615,716	100.0	3,346,983	100.0	3,898,055	100.0

(1) Others primarily include our revenue from our sensor products and technology services. Technology services represented the service fees charged for providing customized development products for customers.

The following table sets forth a breakdown of the sales volume and average selling price (ASP) of our major products by product category for the years indicated. During the Track Record Period, the ASP of our products decreased, which was primarily due to changes in our product mix.

	Year Ended December 31,					
	2023		2024		2025	
	Sales volume	ASP	Sales volume	ASP	Sales volume	ASP
	<i>(Units in millions)</i>	<i>(RMB/unit)</i>	<i>(Units in millions)</i>	<i>(RMB/unit)</i>	<i>(Units in millions)</i>	<i>(RMB/unit)</i>
Power management ICs	3,060.6	0.5705	3,934.6	0.5545	5,022.8	0.4738
Signal chain ICs	1,427.4	0.6055	2,012.7	0.5747	2,792.6	0.5268

Signal Chain ICs

Our signal chain ICs comprise ADC/DAC, amplifiers and comparators, analog switches, audio and video amplifiers, logic and interface circuits, radio frequency (“RF”) devices and voltage references.

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The following table sets forth our major signal chain ICs, description and features:

<u>Product Category</u>	<u>Product Description</u>	<u>Application Scenarios</u>
ADCs/DACs	<p>ADCs/DACs are critical components enabling bidirectional conversion between analog and digital domains, each employing distinct architecture suited to different performance requirements.</p> <p>Among ADCs, Delta-Sigma ADCs achieve high resolution by using oversampling and noise-shaping techniques. Pipeline ADCs are designed to emphasize high sampling rates through multi-stage and parallel conversion stages. Successive Approximation Register (“SAR”) ADCs offer a balance of speed, resolution and power consumption, making them well-suited for power-sensitive systems.</p> <p>Among DACs, Voltage-output DACs are designed to directly drive loads and are widely used in audio equipment, while current-output DACs provide the high-speed performance required in communication systems. They are also classified by input method as either parallel or serial. DACs are widely used in audio equipment and communication systems.</p>	<p>Industrial control Communication equipment Measurement instruments Medical devices</p> <p>Data acquisition systems Optical communications Automotive electronics Consumer electronics</p>
Amplifiers and comparators	<p>Amplifiers and comparators are core components in the signal chain, primarily used for signal amplification and voltage comparison. This product category encompasses a comprehensive range of types, including high-speed op amps, precision op amps, low-noise op amps, low-power op amps, precision instrumentation amplifiers, high-voltage op amps, high-speed comparators and low-power comparators.</p>	<p>Industrial automation Test equipment Medical devices Sensor systems Notebooks Automotive electronics Consumer electronics</p>
Analog switches	<p>Analog switches facilitate the routing of analog signals with high speed, low distortion and minimal crosstalk. Key product variations include high-speed switches, low-on-resistance switches, high-fidelity audio switches and switch matrices.</p>	<p>Audio and video systems Communication systems Data acquisition systems Test equipment Industrial control Consumer electronics</p>
Audio and video amplifiers	<p>Audio and video amplifiers comprise a range of specialized ICs engineered for the conditioning and amplification of audio and video signals. This product category includes audio amplifiers, audio power amplifiers, video buffers and audio DACs, among other signal-path components. These ICs have demanding performance requirements, including high precision, low-noise operation, minimal total harmonic distortion, low power consumption and multi-channel support.</p>	<p>Audio and video systems Consumer electronics Automotive electronics Medical devices Surveillance systems</p>
Logic and interface circuits	<p>Logic and interface circuits include a wide range of basic logic components, such as inverters, buffers and simple gates like AND, OR and NAND, as well as level shifters and interface circuits. These ICs help handle signal</p>	<p>Industrial control Networking and communication systems Consumer electronics</p>

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Product Category	Product Description	Application Scenarios
	integrity and support communication between parts of a system that may use different voltage levels or logic standards.	Automotive electronics PCs and Notebooks
RF devices	RF devices are designed to work with high-frequency wireless signals, commonly referred to as RF signals. This product category typically includes components such as RF switches, low-noise amplifiers, power amplifiers, RF tuners and Wi-Fi transceivers. Their main tasks include sending and receiving RF signals, as well as handling tasks like modulation, demodulation, power amplification and filtering to help build reliable wireless connections.	Wireless communications IoT Radar and navigation Automotive electronics Medical devices Consumer electronics
Voltage references	Voltage reference ICs are designed to provide accurate and stable voltage outputs. Their main function is to create a dependable voltage reference point inside electronic systems. These ICs use specialized circuit methods, such as bandgap and Zener-based designs, to maintain consistent performance across temperature changes and to reduce noise.	Data acquisition systems Test equipment Industrial control Consumer electronics Automotive electronics

Power Management ICs

Our power management ICs encompass AMOLED power supply ICs and LED drivers, DC/DC converters, driver ICs, LDOs, lithium battery-charging and protection ICs, load switches and protection circuits, MOSFETs and electrostatic discharge/transient voltage suppressor (“ESD/TVS”) devices, power management units and ASICs and system monitoring ICs.

The following table sets forth certain major power management ICs, descriptions and features:

Product Category	Product Description	Application Scenarios
AMOLED power supply ICs and LED drivers	AMOLED power supply ICs and LED drivers are a family of highly efficient, low-power ICs for a variety of display and lighting applications. This product category includes solutions for driving LED backlights and camera flashes, supplying bias power to LCD panels and powering AMOLED displays, featuring a range of devices such as backlight drivers with high dynamic range, multi-channel backlight drivers, high-current LED flash drivers, LCD bias power ICs and AMOLED power supply ICs that use a proprietary power architecture with a single inductor to support multiple outputs.	Smartphones and smartwatches Tablets and notebooks TVs AR/VR devices AMOLED displays Wearable devices displays Automotive lighting and displays

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Product Category	Product Description	Application Scenarios
DC/DC converters	DC/DC converters change one DC voltage level into another, generating the specific voltage levels required in electronic systems. These ICs support several conversion methods including step down (buck), step up (boost), step up and step down (buck boost) and charge pump architectures. This product category includes a full range of high-efficiency, low-power DC/DC converters, covering the common conversion types and working with a broad spectrum of voltage and current levels ranging from high-voltage, high-current systems to low-voltage, ultra-small current designs.	Consumer electronics Industrial control Portable electronic devices IoT Communication equipment Automotive electronics
Driver ICs	Driver ICs comprise a range of devices. LED driver ICs adjust LED brightness by regulating the drive current. Motor driver ICs are primarily used to drive inductive loads like DC motors and stepper motors. High-side and low-side drivers regulate the current in a circuit by controlling the load's connection to the positive power supply and ground, respectively. Gate drivers perform the function of driving and controlling power semiconductor devices.	Industrial control Automotive electronics Consumer electronics Robotics Medical devices
LDOs	LDOs are linear voltage regulators that provide stable DC output by continuously and linearly adjusting the input voltage. Their key characteristic is the ability to maintain a regulated output even when the difference between the input voltage and the output voltage is minimal, typically less than one volt. We offer a comprehensive portfolio of high-precision LDO products, including low-noise LDOs, ultra-low-power LDOs with Iq as low as 0.25 microamperes, high-voltage LDOs and multi-output LDO solutions.	Portable electronic devices Consumer electronics Automotive electronics Industrial control Medical devices
Lithium battery charging and protection ICs	<p>We offer a range of high-efficiency battery charging ICs based on multiple circuit architectures, including linear, switching and switched-capacitor topologies. Our battery charging management ICs are typically placed on the device mainboard, supporting multiple circuit architectures such as linear, switching, and switched-capacitor to enable charging modes from standard to high-voltage fast charging.</p> <p>Our battery protection ICs include both dedicated protection controllers for smartphones, which serve as a core component of the Protection Circuit Module placed directly on the battery cell, and highly integrated protector solutions for wearables, which co-package the control circuitry and MOSFETs to provide an ideal solution for space-constrained designs.</p>	Battery-powered equipment Portable electronic devices Consumer electronics Automotive electronics Industrial control Energy storage systems

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Product Category	Product Description	Application Scenarios
Load switches and protection circuits	Load switches and protection circuits are essential components used to manage power delivery and protect electronic systems from faults. This product category includes a variety of ICs such as load switches, eFuses, overvoltage protection (“OVP”) circuits and overcurrent protection (“OCP”) circuits. These ICs are typically manufactured using a highly reliable BCD process technology, an advanced fabrication approach that integrates bipolar, CMOS and DMOS devices.	Consumer electronics Industrial control Communication equipment Battery-powered equipment Automotive electronics Energy storage systems
MOSFETs and ESD/TVS devices	MOSFETs, along with ESD and TVS devices, are classified as discrete devices, with key performance parameters heavily influenced by specific fabrication processes, circuit design methodologies and layout strategies. This product category encompasses N-Channel MOSFETs, P-Channel MOSFETs, GaN MOSFETs, as well as dedicated ESD and TVS devices.	Power systems Motor drive systems Industrial control Automotive electronics Mobile devices
PMUs and ASICs	<p>PMUs are highly integrated power management ICs primarily used for monitoring, regulating and distributing power supply in electronic systems. These ICs are offered as both general-purpose and special-purpose solutions. They typically integrate multiple power rails, deliver a high level of integration and support advanced functionality.</p> <p>ASICs include specialized solutions for optical modules, such as bias power controllers for Avalanche Photodiodes (“APDs”) and Electroabsorption Modulated Lasers (“EMLs”), as well as drivers for Thermoelectric Coolers (“TECs”). This product category encompasses a variety of PMUs addressing diverse application requirements, alongside a series of special-purpose power ICs catering to optical module power needs.</p>	Portable electronic products IoT Optical modules Communications equipment Consumer electronics Automotive electronics Industrial control Energy storage systems
System monitoring ICs	System monitoring ICs include microprocessor power supply monitoring circuits, voltage detection circuits, current monitoring circuits and power sequencers. Among these, microprocessor power supply monitoring circuits further include ICs featuring watchdog timers and timing functions.	Industrial control Consumer electronics Automotive electronics Smart grids and security equipment Medical devices Energy storage systems

Sensors

Our sensor portfolio primarily includes temperature sensors and magnetic sensors, and is designed to provide a broad portfolio of reliable sensing solutions for a wide range of applications.

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The following table sets forth certain major sensor products, descriptions and features:

Product Category	Product Description	Application Scenarios
Temperature sensors	Our temperature sensor products are designed for the precise measurement of ambient or object temperatures. These products efficiently convert temperature information into digital or analog signals for system processing.	Industrial control Medical devices Consumer electronics Automotive electronics Energy storage systems
Magnetic sensors	Our magnetic sensors are used to detect the magnitude, direction, or presence of a magnetic field and are widely used in various position sensing, angle measurement, and current sensing applications. Our product line covers both coaxial and off-axis types.	Consumer electronics Automotive electronics Medical devices Industrial control IoT Energy storage systems

MARKETS FOR OUR PRODUCTS

The global analog IC market is experiencing significant growth driven by industrial upgrading and continuous innovation in analog IC technology. We are well positioned to capture the booming market opportunities, fueled by rising demand across key markets such as industrial & energy, automotive, networking & computing and consumer electronics, creating vast opportunities for efficient and cost-effective analog solutions. We are strategically positioned to capitalize on these trends with a diverse portfolio of analog ICs adapting to the evolving needs of end customers in these markets.

The table below lists the major end markets for our products:

Market	Application
Industrial & Energy	Industrial automation Measurement and test Robotics IoT Medical devices Energy infrastructure
Automotive	ADAS Body electronics & lighting Infotainment & cluster Hybrid, electric & powertrain systems
Networking & Computing	AI-driven imaging and audio systems High-bandwidth networking equipment Communications equipment Computing systems
Consumer Electronics	Smartphones PCs & notebooks Tablets Portable electronics Wearables

Industrial & Energy

Industrial & energy includes industrial automation, measurement and test, robotics, IoT, medical devices and energy infrastructure. The core objectives across these applications are to enhance operational efficiency, system reliability and energy sustainability, often through the integration of digital and smart technologies.

Analog ICs are a fundamental “bridge” and “control system” within these industrial and energy application scenarios, enabling precise data acquisition, signal conditioning, data conversion, detection, drive control, and efficient power management.

In industrial automation equipment, analog ICs perform the core functions of signal acquisition and conversion. Such ICs must possess high precision and low distortion to ensure the operational stability of the equipment. In industrial motor control, analog ICs are responsible for functions like current sensing and power regulation. Our high-performance amplifiers and high-speed comparators, such as precision op amps with microvolt-level input offset voltage, and high-speed comparators with microsecond-level propagation delay, ensure accurate sensor signal amplification and high-speed voltage comparison in demanding environments such as industrial control and instrumentation systems. For critical analog-to-digital and digital-to-analog conversion, our high-precision ADCs and DACs provide measurement capabilities essential for closed-loop control, battery monitoring and energy system synchronization.

Our power management ICs, including high-efficiency DC/DC converters, battery charging management ICs with multiple topology architectures, high-power motor driver ICs, and high-immunity LDOs, are widely deployed in the process control and power management of industrial automation equipment, motor control, solar MPPT controllers, and bidirectional ESS to optimize power conversion efficiency and extend battery life. Additionally, our driver ICs and GaN-based gate drivers enhance switching efficiency in inverters and motor control units, reducing energy loss and supporting higher power densities.

Automotive

Automotive covers ADAS, body electronics and lighting, infotainment & cluster and hybrid, electric & powertrain systems. The architecture of automotive is undergoing a significant transformation, evolving from traditional distributed ECUs towards more integrated domain control and centralized compute architectures, which enhances functionality and simplifies system complexity.

Analog ICs function as the central nervous system in modern automotive applications, enabling critical functions in sensing, power management, actuation and signal chains.

Automotive-grade analog ICs have a wide range of applications across the four major systems of a vehicle: the powertrain system, body electronics and lighting system, ADAS, and infotainment system. For instance, in the powertrain system, analog ICs are used to implement high-voltage power conversion in applications such as motor control systems and on-board chargers, while battery management ICs enable precision measurement and protection for high-voltage batteries in EVs, which contributes to extended range and safety. In the body electronics system, analog ICs are utilized in BCMs and lighting systems; for example, BCMs use analog ICs to manage electrical components like air conditioning and wipers, and lighting systems rely on LED drivers to achieve pixelated, scalable and efficient lighting solutions. In ADAS, analog signals from sensing systems like cameras and radars

require signal conditioning ICs to enhance signal integrity and noise immunity, while high-resolution ADCs (including Delta-Sigma and SAR ADCs) enable precise conversion of these signals to digital for real-time analysis by digital processors. In the infotainment system, analog ICs such as display drivers and audio/video amplifiers are essential for the smooth playback and interactive response of multimedia content.

In power management, power management ICs deliver stable, efficient and low-noise power to safety-critical domains (such as ADAS, braking, steering) and complex infotainment systems. For example, display power solutions integrate buck converters and LDOs to support high-resolution TFT panels, while camera power management ICs enable reliable operation of ADAS camera modules with stable, low-noise power supplies.

Networking & Computing

Networking & computing encompasses the core infrastructure that underpins the operation of modern digital society. This includes communication systems such as 5G base stations and fiber-optic networks, which are responsible for the high-speed transmission of massive amounts of data; networking equipment such as switches and routers, which form the backbone of the internet and data centers; and computing and AI infrastructure, which provide immense computational power through centralized clusters of CPUs and ASICs for tasks ranging from scientific computing and big data analytics to AI model training. Collectively, these systems face a continuous demand for higher bandwidth, lower latency, greater computational power, and improved energy efficiency. The core function of this infrastructure is to ensure reliability, efficiency, and scalability in handling exponentially growing data and computational demands.

Analog ICs are pivotal in networking and computing, primarily addressing power management, timing control and signal integrity.

In timing control and signal integrity, RF devices such as low-noise amplifiers and RF switches, and PAs, along with logic and interface circuits, enable precise synchronization and robust signal transmission across high-speed SerDes, PCIe and Ethernet interfaces, which is critical to maintaining coordination in high-bandwidth networking equipment. In signal conditioning and conversion, ADCs/DACs (including pipeline, SAR and Delta-Sigma ADCs) and amplifiers (such as high-speed and precision op amps) enable accurate translation between analog and digital domains, which are vital for tasks such as sensor data acquisition, analog preprocessing and signal fidelity maintenance in AI-driven imaging or audio systems.

In power management, DC/DC converters (including multi-phase controllers and DrMOS solutions and point-of-load Converters) and PMUs are engineered for highly efficient, high-current, fast-transient power delivery systems for core computing units such as CPUs and ASICs. Additionally, our power management ICs provide bias power for high-speed optical communication modules, TEC drivers, and power for memory.

Consumer Electronics

Consumer electronics mainly includes augmented/virtual reality (“AR/VR”) devices, high-end audio equipment, smart devices, wearables and AI-enabled portable electronics. These devices are continually engineered to deliver more immersive user experiences, to extend battery life and to incorporate stronger on-device intelligence, moving beyond basic functionality to become integrated parts of the connected lifestyle.

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Analog ICs are instrumental in striking the balance between performance, power consumption and integration in future-proof consumer devices. Power management is achieved through new-generation, higher-efficiency, low-power, and small-footprint power management ICs, multi-output LDOs, ultra-low-quiescent-current DC/DC converters and other products, which are vital for maintaining the sleek form factors of portable electronic devices and extending battery longevity. The audio signal chain is enhanced by high SNR op amps, audio amplifiers and audio DACs, which work together to deliver low-distortion, high-definition sound output. Furthermore, colorful displays and fast, precise sensing interfaces, such as AMOLED display power supply ICs, LED backlight and flash drivers, and temperature sensors, significantly enhance the visual fidelity and interactive experience of these gadgets.

OUR BUSINESS MODEL

We operate under a fabless model integrating our proprietary process expertise into the standard fabless model. This model is a strategic advantage that allows us to channel resources into circuit design, system-level development and specialized analog processes without incurring the capital costs of owning fabrication facilities.

We partner with foundries to develop custom, specialized fabrication processes tailored specifically to our designs, rather than using the standard foundry libraries. This collaboration enables closer partnerships with our foundry partners and greater control over our production and quality control processes. Our business model supports multiple proprietary process technologies for distinct product families. We build know-how in critical areas such as high-voltage operation, ultra-low power consumption, wide temperature range and precision analog design. Our know-how and processes also support a smooth transition from prototyping to high-volume production, stabilizing our supply chain and ensuring high-quality output. These designs are then produced via selected foundry partners and OSAT providers. Our engineering samples undergo extensive validation, including performance, reliability and compliance testing, in order to ensure they meet stringent industry standards before mass production.

Furthermore, as a part of our business model, we have established our own testing base located in Jiangsu Province, PRC, with a floor area of approximately 2,200 square meters. The testing base enables us to develop specialized testing capabilities and strengthen our technological foundation. Our testing base is strategically positioned to focus on high-precision and high-complexity products that require specialized testing procedures, such as high-precision ADC/DAC products. Prior to relocating to a new facility at the beginning of 2025, we operated a testing base in a leased facility from 2022 to 2024. The utilization rate of the testing base was 59.7%, 71.1% and 76.6% in 2023, 2024 and 2025, respectively. The utilization rate is measured based on machine hours, calculated as actual equipment operating hours divided by theoretical available operating hours. Fluctuations in utilization rates were primarily driven by the timing and intensity of our product development cycles.

Our business model enhances operational flexibility and agility and enables us to freely select diverse process platforms and respond to evolving customer requirements and technology trends.

RESEARCH AND DEVELOPMENT

R&D is the lifeblood of our business and the cornerstone of our competitive advantage. We are committed to a market-driven and customer-centric R&D approach, focusing on the development of high-performance and high-reliability analog IC products. Our continuous investment in R&D enables

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us to stay at the forefront of technological innovation, expand our product portfolio and address the evolving needs of our customers.

We believe our strong and experienced R&D team is one of our key competitive strengths. As of December 31, 2025, our R&D team comprised 1,335 research and engineering personnel, accounting for approximately 72.8% of our total number of employees. Our R&D team members possess profound professional expertise, with 56.3% holding a master's degree or above. More than 31% of our R&D team have accrued more than ten years of domain expertise, including a core group of approximately 100 personnel with over two decades of expertise in their fields.

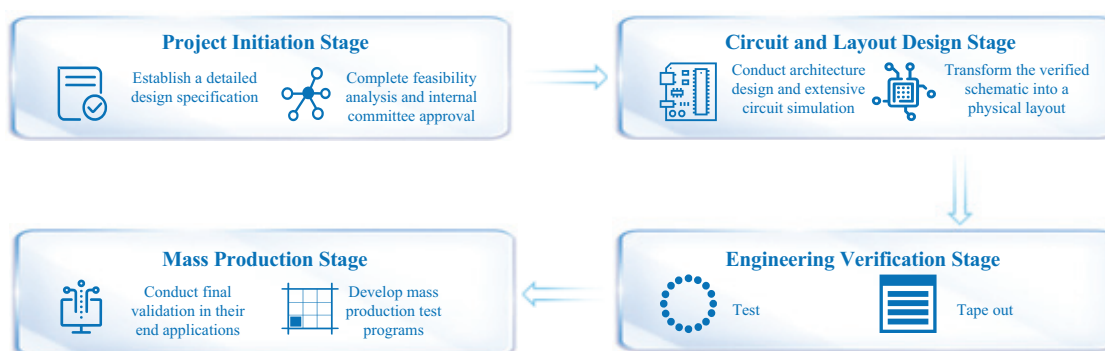
Our R&D activities are led by our senior management and core technical experts, who possess decades of experience in the analog IC industry. Our team is composed of experienced returnees from overseas, seasoned talent recruited from leading domestic and international semiconductor companies, and a core group of talent who we have cultivated internally over many years.

Leveraging our deep technical expertise and commitment to industry advancement, we actively participate in the formulation and revision of key national standards within the industry. Our contributions include key national standards such as GB/T 4377-2018 Semiconductor Integrated Circuits—Measuring Methods for Voltage Regulators (半導體集成電路—電壓調整器測試方法), which provides critical methodologies for testing voltage regulator parameters, and GB/T 14028-2018 Semiconductor Integrated Circuits—Measuring Methods for Analog Switches (半導體集成電路—模擬開關測試方法), which defines test procedures for analog switch performance.

We have invested, and will continue to invest, significant resources in our R&D activities. In 2023, 2024 and 2025, our R&D expenses amounted to RMB737.1 million, RMB870.7 million and RMB1,045.2 million, accounting for 28.2%, 26.0% and 26.8% of our total revenue for the respective years.

Our R&D Process

We have established a systematic and structured R&D process to ensure stringent quality control and project management across all our R&D activities. This process enables us to efficiently translate market needs into high-quality, commercially viable products.



R&D Process

Our R&D process consists of four key stages. First, during project initiation, we establish a detailed design specification based on market and customer needs, following a comprehensive, multi-

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departmental feasibility analysis and internal committee approval. Subsequently, in the circuit and layout design stage, our teams conduct architecture design and extensive circuit simulation based on the approved specifications, transforming the verified schematic into a physical layout. Then, during engineering verification, the finalized layout data is delivered to our foundry partners for tape-out, and the resulting engineering samples undergo testing to ensure their performance and long-term reliability under demanding conditions. Finally, in the mass production introduction stage, we develop mass production test programs, and collaborate with customers to conduct final validation in their end-applications. When all the verifications are successfully completed, the product will pass the quality review and obtain mass production approval.

Our Technology

Our technology strategy is fundamentally market-driven and customer-centric, enabling our innovation pipeline to remain closely aligned with real-world applications and high-growth commercial opportunities. We focus on two parallel growth pathways: (i) the continuous performance enhancement and technological upgrading of our established product lines to sustain their competitive edge, and (ii) the strategic expansion into new and emerging application fields to diversify our portfolio and capture future growth vectors.

Our R&D investments are concentrated on three foundational technology domains: signal chain ICs, power management ICs, and sensor products. Through sustained commitment and capability-building in these pillars, we have developed a robust suite of core technologies that not only address evolving customer requirements but also align with industry trends:

- *High-Performance Signal Conditioning and Other Key Technologies.* Our high-performance signal conditioning technology platform includes technologies for high-precision op amps, low-noise op amps, high-speed op amps, high-voltage op amps, low-power op amps, high-speed comparators, low-power comparators, high-precision and high-speed ADCs and DACs, high-end audio ICs, high-fidelity analog switches, and fast level-shifting and high-speed interface ICs, providing a complete range of high-fidelity signal conditioning functions. In addition, our RF team is continuously developing a range of RF products to meet the needs of the wireless communication market.
- *Automotive Electronics Technology.* We believe the rapid development of China's EV market has provided us with a significant opportunity to collaborate directly with automakers and Tier-1 suppliers. We are dedicated to developing a wide range of automotive-grade analog ICs that meet the stringent industry requirements for wide operating temperature ranges and high reliability, including high-side and low-side switches, gate drivers, LDOs, DC/DC converters, load switches, eFuses, LED drivers, voltage references, amplifiers, comparators, audio DACs, analog switches, ADCs, voltage and current monitoring ICs, small logic ICs, and magnetic sensors. As of the Latest Practicable Date, we had over 600 automotive-grade IC products in mass production and nearly 200 automotive-grade IC projects in our R&D pipeline, with a particular focus on applications within the core systems of EVs.
- *Efficient, Low-Power Power Management Technology.* We are dedicated to providing advanced power management solutions. These include: (i) battery charging and protection, where we address the substantial demand from portable electronics by developing innovative technologies such as switched-capacitor chargers for faster and more efficient charging; (ii) display power and driver ICs, where we offer a comprehensive range of power supply

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solutions for advanced displays like AMOLED, and various high-efficiency driver solutions for LED backlights and flashlights; and (iii) high-efficiency, low-power DC/DC converters and LDOs for various power conversion needs. These products are widely used in applications ranging from wearables to smartphones and tablets.

- *Sensor Technology.* This includes high-sensitivity magnetic sensors and high-precision temperature sensors that deliver excellent performance and can be widely used in consumer electronics, industrial automation, and automotive applications. For example, our AMR-based magnetic encoder for off-axis mounting is housed in a compact 3mm×3mm package and highly integrates the magnetic sensor with an ASIC through an excellent signal processing circuit. It outputs angle data with an effective resolution of 14 bits and an absolute angular accuracy of $\pm 0.3^\circ$. It also offers multiple output options, including SPI, ABZ, and UVW, for customer selection. User-friendly features such as one-key zeroing and one-key auto-calibration significantly improve motor accuracy and production efficiency for our customers. Its built-in functions for offset compensation, amplitude compensation, and temperature compensation provide excellent vibration resistance and low temperature drift characteristics, making it suitable for various demanding operating environments.
- *Small Form Factor and High-Density Integration Technology.* As portable devices and various space-constrained applications demand increasingly smaller footprints, the ability to achieve miniaturization without compromising performance has become a core competitive advantage. We have established miniaturization as a key R&D focus, continuously pushing physical limits through a combination of advanced circuit design, efficient and compact layout and routing and proprietary process capabilities. Our accumulated know-how enables us to integrate complex functionalities within exceptionally small packages while maintaining excellent performance. Our expertise in this area is demonstrated in various products: for instance, we offer LDOs in packages as small as 0.63mm×0.63mm, amplifiers and comparators in 0.8mm×0.8mm footprints, and power modules that integrate an inductor, capacitor, and DC/DC converter within a 2mm×2mm TDFN package. Furthermore, our 3.1 milliohm MOSFET products can achieve ultra-compact dimensions of 2mm×2mm. This capability to strike an optimal balance between size, power consumption, and performance allows us to empower our customers to develop more compact and efficient end-products.
- *Technological and Process Advantage of Our Portfolio.* The majority of our product portfolio is comprised of active products developed using newer-generation process technologies. We have established a proprietary process team and developed them rapidly, building a complete process device development system and device testing laboratories. Our proprietary process devices have already been utilized across multiple product lines, demonstrating clear performance advantages.

SUPPLY CHAIN MANAGEMENT

We operate a business model centered on our core competencies in R&D and sales. We outsource our major manufacturing processes, including wafer fabrication, packaging, and testing, to third-party suppliers. We believe this model allows us to optimize our operational efficiency and focus our resources on innovation.

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We typically engage reputable suppliers to ensure the quality of our products. We exercise strict control over the quality and performance of each product. On the one hand, we select foundries and OSAT providers with high reliability, consistency, and product yield as suppliers; on the other hand, we subject every new product to a full suite of high-standard tests, and only after passing these tests do we commence mass production, thereby expanding our product portfolio while ensuring product quality, reliability and consistency. To further enhance our quality control and oversight, we station our quality management personnel on-site at our key suppliers to conduct regular quality audits and oversee the manufacturing process.

Raw Materials and Procurement

Our procurement activities primarily consist of securing (i) foundry-manufactured wafers and (ii) chip packaging and testing services, which constitute the core components of our products. In addition, we procure a range of non-production materials and services, including R&D consumables and equipment, to support our daily operations.

We have implemented a structured procurement process tailored to different types of needs. For high-volume, long-term procurement such as wafers, we typically enter into framework agreements with our key suppliers. For project-based or engineering needs, we may conduct a tendering process. For infrequent, non-production-related purchases, we adopt a spot purchase approach on a case-by-case basis.

Supplier Selection and Management

We have implemented a rigorous and multifaceted process for the selection and ongoing management of our suppliers to ensure the quality and reliability of our supply chain.

Our selection criteria prioritize technical capability, including process technology compatibility, quality performance, and the supplier's scale and reputation in the industry. Importantly, we have fully integrated ESG considerations into our selection process. We require potential suppliers to have obtained key management system certifications, such as ISO 14001 (Environmental Management) and ISO 45001 (Occupational Health and Safety), as a prerequisite for partnership. See “— Environmental, Social and Governance — Social Responsibility — Supply Chain Management” for more details.

Our procurement department collaborates with our quality, engineering, and R&D teams to conduct comprehensive due diligence on all new suppliers. Once approved, suppliers are subject to our continuous management. Furthermore, we require our suppliers to sign our Code of Conduct and Integrity and Anti-corruption Commitment Letter, ensuring their alignment with our standards on labor practices, health and safety, business ethics, and responsible sourcing, including the prohibition of conflict minerals.

Our Major Suppliers

During the Track Record Period, our suppliers primarily consisted of foundries and OSAT providers. In 2023, 2024 and 2025, purchases from our five largest suppliers in each year amounted to RMB1,517.5 million, RMB1,919.6 million and RMB2,180.7 million, respectively. Purchases from our five largest suppliers in each year of the Track Record Period accounted for 92.4%, 92.3% and 91.0% of our total purchases, respectively. All of our five largest suppliers in each year during the Track Record Period were Independent Third Parties.

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

Year Ended December 31, 2025

No.	Supplier	Products/ services provided	Purchase amount <i>(RMB in thousand)</i>	% of total purchase	Year of commencement of business relationship with us
1	Supplier A ⁽¹⁾	Wafer	949,187	39.6	2007
2	Supplier B ⁽²⁾	Packaging and testing services	379,679	15.8	2007
3	Supplier C ⁽³⁾	Wafer	345,303	14.4	2019
4	Supplier D ⁽⁴⁾	Packaging and testing services	284,597	11.9	2007
5	Supplier E ⁽⁵⁾	Packaging and testing services	221,910	9.3	2007
Total			<u>2,180,676</u>	<u>91.0</u>	

Notes:

- (1) Founded in 1987, Supplier A is a public company originated and located in Taiwan, China and listed on the Taiwan Stock Exchange, engaging in the manufacturing of semiconductor products.
- (2) Founded in 1998, Supplier B is a public company originated and located in Jiangsu, China and listed on the Shanghai Stock Exchange, engaging in the provision of OSAT services.
- (3) Founded in 2000, Supplier C is a public company originated and located in Shanghai, China and listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, engaging in the manufacturing of semiconductor products.
- (4) Founded in 2003, Supplier D is a public company originated and located in Gansu, China and listed on the Shenzhen Stock Exchange, engaging in the provision of OSAT services.
- (5) Founded in 1994, Supplier E is a public company originated and located in Jiangsu, China and listed on the Shenzhen Stock Exchange, engaging in the provision of OSAT services.

Year Ended December 31, 2024

No.	Supplier	Products/ services provided	Purchase amount <i>(RMB in thousand)</i>	% of total purchase	Year of commencement of business relationship with us
1	Supplier A	Wafer	1,104,277	53.1	2007
2	Supplier B	Packaging and testing services	258,472	12.4	2007
3	Supplier C	Wafer	192,531	9.3	2019
4	Supplier D	Packaging and testing services	190,389	9.2	2007
5	Supplier E	Packaging and testing services	173,906	8.3	2007
Total			<u>1,919,575</u>	<u>92.3</u>	

Year Ended December 31, 2023

No.	Supplier	Products/ services provided	Purchase amount <i>(RMB in thousand)</i>	% of total purchase	Year of commencement of business relationship with us
1	Supplier A	Wafer	905,878	55.2	2007
2	Supplier B	Packaging and testing services	212,301	12.9	2007
3	Supplier D	Packaging and testing services	159,733	9.7	2007
4	Supplier C	Wafer	125,426	7.6	2019
5	Supplier E	Packaging and testing services	114,179	7.0	2007
Total			<u>1,517,517</u>	<u>92.4</u>	

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To the best of our knowledge and as of the Latest Practicable Date, we were not aware of any information or arrangement that would lead to the termination of our relationships with any of our major suppliers. Save for the equity interests previously held by one of our executive Directors, in Supplier E and Supplier B, which were fully divested in 2022 and 2023, respectively, none of our Directors and their respective associates, or Shareholders who own 5% or more of the total issued Shares had any interest in any of our five largest suppliers in each year during the Track Record Period.

Salient terms of our agreements with major suppliers typically include:

- *Duration.* The duration of our agreement typically spans at least two years.
- *Price.* The price is specified in the purchase orders.
- *Transfer of Risk.* The risk transfers to us after we complete inspection and confirm receipt of the products.
- *Product Return or Exchange.* We have the right to return or exchange products if there are reasonable grounds, such as product defects.
- *Termination.* We are entitled to terminate the purchase order when the supplier fails to perform and does not make timely corrections after receipt of our written notice.

Supplier Concentration

During the Track Record Period, we procured wafers and packaging and testing services from our suppliers. According to Frost & Sullivan, supplier concentration is in line with the industry norm in the analog IC industry. We have developed long-term and stable cooperative relationships with our major suppliers to ensure quality consistency of our products and centralized management of manufacturing demands. Our familiarity with the suppliers' technical parameters not only supports the smooth launch and continuity of R&D projects, but also helps us quickly resolve any issues that may arise during the R&D and manufacturing processes. As we source a significant portion of wafers and packaging and testing services from our major suppliers, if our relationships with our major suppliers are terminated, interrupted, or modified in any way adverse to us, there may be material interruptions to our operations and business. See "Risk Factors — Risks Relating to Our Business and Industry — We depend on a limited number of third-party suppliers to manufacture our products" for more details.

We have implemented several measures to mitigate the potential risks associated with supplier concentration. We have expanded our procurement network to include more foundries and OSAT providers, to strengthen our collaborative relationships with existing suppliers. We dynamically allocate order volumes among our major suppliers to avoid over-reliance on any single entity. We proactively identify and qualify second sources for our key products and process technologies as part of our risk management strategy to ensure supply continuity. We maintain a safety stock of key materials and finished goods to buffer against unforeseen supply fluctuations or disruptions.

We have maintained long-term and stable relationships with our major suppliers. We have implemented a supply chain diversification strategy and collaborate with multiple leading foundries and are continuously qualifying alternative suppliers for our key processes. This strategy enhances our supply chain resilience and provides us with the flexibility to reallocate production orders if necessary. The proportion of our total purchases from our largest supplier has decreased during the Track Record Period. Furthermore, a significant portion of our products utilize mature process technologies for

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which there is ample and available capacity from a wide range of foundries. This reduces our dependence on any single supplier and ensures supply continuity.

During the Track Record Period, Supplier A was our largest supplier but not our exclusive supplier for raw materials. We selected Supplier A based on a comprehensive assessment of its technical capabilities, process technologies and quality performance. We have maintained a business relationship with Supplier A since our inception and have established a long-term and stable collaboration. We have maintained a constructive working relationship and did not experience any material disputes with Supplier A during the Track Record Period and up to the Latest Practicable Date. Based on the foregoing factors, our Directors are of the view that our relationship with Supplier A is unlikely to have any material adverse change or be terminated.

OUR SALES NETWORK

We sell our products through a combination of distribution channels and direct sales. We primarily rely on professional distributors to promote and sell our products. According to Frost & Sullivan, engagement of distributors for the sales of products is in line with the industry norm in the analog IC industry. During the Track Record Period, a majority of our revenue was generated from our distributors. The table below sets forth a breakdown of revenue contribution by sales channels for the years indicated.

	Year Ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentages)</i>					
Distribution sales	2,388,799	91.3	2,999,044	89.6	3,609,911	92.6
Direct sales	226,917	8.7	347,939	10.4	280,648	7.2
Others ⁽¹⁾	—	—	—	—	7,496	0.2
Total	2,615,716	100.0	3,346,983	100.0	3,898,055	100.0

Notes:

(1) Others primarily include our technology services' revenue.

Our Distribution Channels

For analog IC companies with a wide variety of products and a widely distributed customer base, adopting a distribution model is a common practice. The distribution model can efficiently cover end markets and satisfy fragmented industry demand. Distributor networks provide localized service capabilities, handling orders, settlement, and delivery, thereby reducing our operating costs. In addition, distributors have advantages in the accumulation of customer resources and cross-regional services, helping us acquire new customers. Through the distribution model, we are also able to leverage our distributors' local presence and market knowledge to effectively acquire new customers and penetrate new regional markets.

Our cooperation model with distributors is a buyout model: distributors purchase our products and then resell them to end customers, and bear most of the inventory risk themselves. During the Track Record Period, we identified no material outstanding non-compliance incidents involving distributors.

As of December 31, 2025, we had 169 distributors. Our distributors are primarily located in the Chinese Mainland, Hong Kong, Taiwan (China), Singapore, Germany, South Korea, Japan and other

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regions, supplemented by cross-regional distributors operating across multiple areas. The following table sets forth the movement in the number of our distributors during the years indicated.

	Year Ended December 31,		
	2023	2024	2025
Distributor at the beginning of year	96	105	106
Addition of new distributors	9	7	70
Terminated distributors	0	6	7
Distributors at the end of year	105	106	169

We engaged nine, seven and 70 new distributors in 2023, 2024 and 2025, and terminated zero, six and seven distributors during the years indicated, respectively. The increase in 2025 was primarily due to the acquisition and integration of two companies primarily engaged in distribution, whose distributor networks were subsequently consolidated into our own as part of our efforts to broaden our distribution reach. During the Track Record Period, we did not engage any sub-distributors. Given the broad and fragmented customer base typical of the analog IC industry, our distribution agreement does not strictly prohibit distributors from selling products to sub-distributors. Some practitioners engaged in IC trading will purchase goods from our distributors with smaller order volumes. These businesses are very small, scattered, and not long-term, so there is no need for them to report to us. According to Frost & Sullivan, this model aligns with the industry norm. Our transparent management system safeguards the stability of our distribution network. During the Track Record Period and up to the Latest Practicable Date, we had no material outstanding disputes or litigation with our distributors.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our distributors were Independent Third Parties. To the best of our knowledge, besides the distribution arrangement with us, there is no other relationship between the distributors and each of our Company, our subsidiaries, our shareholders who own 5% or more of the total issued Shares, Directors or senior management or any of their respective associates.

Principal Contractual Terms with Distributors

The key terms of the contracts we entered into with distributors are as follows:

- *Term.* The duration of our agreement spans a period of two years.
- *Purchase.* Purchases are made through individual purchase orders placed by our distributors. Our agreements do not include a minimum purchase commitment.
- *Selling Price.* The purchase price for our products is confirmed in each individual purchase order.
- *Product Return or Exchange.* Generally, we allow product returns or exchanges for distributors under specific circumstances. Distributors are generally entitled to a certain return quota provided that the returned products have not been damaged or altered and remain in a resalable condition. If the products were purchased directly from us within the past year, the product return request must be approved by us in advance. The return process is as follows: the distributor submits a return application; our customer service department verifies the return amount and whether the product satisfies the aforementioned conditions; upon successful verification, our vice president must grant final approval before the return can be executed.

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- *Termination.* Generally, the contract may be terminated if the distributor fails to perform its obligations. We are entitled to unilaterally terminate the agreement under the circumstances including (i) there is a material adverse change in the distributor's management or ownership; (ii) the distributor violates applicable laws and regulations; or (iii) the distributor enters into bankruptcy or liquidation.

During the Track Record Period, the product return rates from our distributors remained at a low level, accounting for less than 2% of our total distribution revenue during the Track Record Period. According to Frost & Sullivan, our return policy with distributors is consistent with the industry norm.

Distributor Management

An effective management system has been set up for our distributors to maintain the long-term and stable relationships with our distributors.

- *Selection.* We are prudent in selecting our distribution partners, seeking to establish long-term relationships based on mutual trust.
- *Performance Review.* We achieve mutually agreed-upon sales targets with distributors.
- *Price Management.* We manage the price range for their resale to end customers. This strategy is designed to maintain a stable and consistent pricing structure, ensuring consistent price management across our entire distribution channel.
- *Cannibalization Management.* We have established and strictly enforce a channel management system to prevent unauthorized sales and other forms of cannibalization, ensuring that our pricing system and market order will not be disrupted.
- *Distributor Inventory Management.* Distributors are responsible for managing their own inventory. To enhance supply flexibility, our distributors typically maintain a reasonable level of safety stock to better service the end customers.
- *Channel Stuffing Management.* We operate on a buyout model, meaning our distributors purchase products for resale and bear the primary inventory risk.

Our Direct Sales

We have adopted a direct sales model, which serves as an effective complement to our distribution network. This approach allows us to address the specific needs of different customer types. Our direct sales customers are primarily distributed across sectors such as consumer electronics, automotive, networking & computing and industrial, comprising enterprises engaged in manufacturing, research and development, and sales operations within their respective industries. Under this model, we enter into sales agreements directly with these end customers and are responsible for the entire sales process, including order processing, product delivery and payment settlement. This allows for a streamlined transaction and service workflow managed entirely by us.

Pricing

We adopt a market-based pricing approach. Our pricing takes into account a comprehensive set of factors, including market conditions in application fields, transaction volume, growth potential, the competitive landscape, and cost considerations. In our pricing strategy, we adopt a long-term, stable, and sustainable pricing model. Our pricing is based on the product's long-term value, quality and customers' recognition of the brand.

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As of December 31, 2025, our sales team totaled over 200 people, including sales and field application engineering teams. We have overseas sales teams in Germany and Japan, and our distributors cover Europe and other regions worldwide. After product release, we develop the market through routine methods such as website updates, advertising, technical seminars, and distributor promotion. We focus on customer needs to continuously strengthen our comprehensive development capabilities for new products. This enables us to gradually establish a market position as a comprehensive supplier with complementary multi-product lines and broad market support capabilities.

OUR CUSTOMERS

During the Track Record Period, our customers primarily consisted of distributors and direct sales customers. In 2023, 2024 and 2025, our five largest customers in each year during the Track Record Period together generated RMB974.2 million, RMB1,190.0 million and RMB1,291.3 million of revenue, respectively, accounting for 37.3%, 35.6% and 33.1% of our total revenue, respectively. All of our five largest customers in each year during the Track Record Period were Independent Third Parties.

The following table sets forth the details of our five largest customers each year during the Track Record Period. In each year during the Track Record Period, our five largest customers consisted of distributors.

Year Ended December 31, 2025

No.	Customer	Products sold	Revenue	% of total revenue	Year of commencement of business relationship with us
			<i>(RMB in thousand)</i>		
1	Customer A ⁽¹⁾	Signal chain ICs and power management ICs	303,593	7.8	2015
2	Customer B ⁽²⁾	Signal chain ICs and power management ICs	263,998	6.8	2019
3	Customer C ⁽³⁾	Signal chain ICs and power management ICs	243,063	6.2	2008
4	Customer D ⁽⁴⁾	Signal chain ICs and power management ICs	242,796	6.2	2007
5	Customer E ⁽⁵⁾	Signal chain ICs and power management ICs	237,808	6.1	2007
Total			<u>1,291,258</u>	<u>33.1</u>	

Notes:

- (1) A public company originated and located in Guangdong, China and listed on the Shenzhen Stock Exchange, engaged in the sales of semiconductor products.
- (2) A public company originated and located in Taiwan, China and listed on the Taiwan Stock Exchange, engaged in the sales of semiconductor products.
- (3) A private company originated and located in Guangdong, China, engaged in the sales of semiconductor products.
- (4) A private company originated and located in Guangdong, China, engaged in the sales of semiconductor products.
- (5) A private company originated and located in Hong Kong, engaged in the sales of semiconductor products.

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Year Ended December 31, 2024

No.	Customer	Products sold	Revenue	% of total revenue	Year of commencement of business relationship with us
			<i>(RMB in thousand)</i>		
1	Customer C	See above	312,564	9.3	2008
2	Customer A	See above	268,954	8.0	2015
3	Customer F ⁽¹⁾	Signal chain ICs and power management ICs	218,554	6.5	2007
4	Customer B	See above	201,142	6.0	2019
5	Customer G ⁽²⁾	Signal chain ICs and power management ICs	188,820	5.8	2007
Total			<u>1,190,034</u>	<u>35.6</u>	

Notes:

- (1) A private company originated and located in Guangdong, China, engaged in the sales of semiconductor products.
(2) A private company originated and located in Hong Kong, engaged in the sales of semiconductor products.

Year Ended December 31, 2023

No.	Customer	Products sold	Revenue	% of total revenue	Year of commencement of business relationship with us
			<i>(RMB in thousand)</i>		
1	Customer C	See above	251,420	9.6	2008
2	Customer H ⁽¹⁾	Signal chain ICs and power management ICs	195,355	7.5	2017
3	Customer F	See above	191,132	7.3	2007
4	Customer A	See above	175,020	6.7	2015
5	Customer B	See above	161,290	6.2	2019
Total			<u>974,217</u>	<u>37.3</u>	

Note:

- (1) A public company originated and located in the United States and listed on the NASDAQ Stock Exchange, engaged in the sales of semiconductor products.

To the best of our knowledge and as of the Latest Practicable Date, we were not aware of any information or arrangement that would lead to the termination of our relationships with any of our major customers. None of our Directors and their respective associates, or Shareholders who own 5% or more of the total issued Shares had any interest in any of our five largest customers in each year during the Track Record Period.

INTELLECTUAL PROPERTY RIGHTS

Intellectual property rights are important to our business. Our future commercial success depends, in part, on our ability to obtain and maintain patents, IC layouts and other intellectual property rights related to our business, defend and enforce our patents, preserve the confidentiality of our trade secrets, and operate without infringing, misappropriating or otherwise violating the intellectual property rights of third parties.

As of December 31, 2025, we had 588 granted patents in China and overseas, including 497 invention patents. As of the same date, we had 401 registered IC layouts and 156 registered trademarks in China and overseas.

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DATA SECURITY

We attach the greatest importance to data security and protection. We categorize our data management systems into business, office, and R&D data. Our information architecture is centered on SAP ERP, complemented by PLM for R&D management, MES for manufacturing, OA for office management, distributor management and sales, and WMS for warehousing and logistics systems, covering key processes such as product and R&D management, sales and customer management, procurement and supply chain collaboration, inventory and cost control, and quality oversight. We have established a distributor management database to record and manage information on distributors, but we do not collect sensitive personal information from distributors or customers. We collect basic contact information of contact persons from our suppliers, distributors and customers for the purposes of contract performance and business communication.

To strengthen data protection, we have formulated an information security management scheme that sets out overall guidance and principles, under which we have established policies and procedures for system operations management and confidentiality. We have adopted our standard protective measures including network attack monitoring and prevention, confidentiality categorization, access control and data backup to prevent unauthorized access, leakage, improper use or modification of, damage to or loss of data. Our IT Department oversees our digital development and maintains data security. Together, these measures form a robust security framework that protects our data and upholds strict information security standards.

LOGISTICS AND INVENTORY MANAGEMENT

Logistics

For the delivery of all finished goods from our warehouse to locations specified by our customers, we engage qualified third-party logistics service providers. To ensure compliance and efficient delivery, we set strict standards for the transportation of our products and conduct regular evaluations. In the supply chain, for wafer procurement, we typically arrange for our designated freight forwarder to collect the goods from the foundry. For packaging and testing services, our major suppliers are generally responsible for delivering the finished goods to our designated locations. As of the Latest Practicable Date, our business operations have not been materially or adversely affected by any significant delay or inappropriate handling of goods.

Inventory Management

Our main inventories include raw materials, work-in-progress and finished goods. We emphasize inventory management and implement various policies to ensure effective inventory management, including continuous monitoring of safety stock and continuous attention to inventory turnover. Our warehouse specialists regularly perform periodic stock counts and evaluations. Our production planning specialists refer to inventory levels when formulating procurement plans. The production planning manager performs inventory analysis based on inventory conditions and formulates new production plans.

QUALITY MANAGEMENT

We are committed to providing our customers with high-performance and high-quality products. We have established a rigorous and comprehensive quality assurance system that is guided by our quality policy. Our commitment to quality is embedded throughout our entire product lifecycle, from R&D to supply chain management to post-sales service.

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Supply Chain Quality Management

Since we operate under a fabless model, the quality of our products is dependent on the performance of our third-party supply chain partners. We have implemented a stringent and systematic quality control framework to manage our key suppliers, primarily foundries and OSAT providers.

Foundries

We procure wafers from world-leading foundries. Before a foundry can be added to our approved vendor list, it must undergo a rigorous factory process audit conducted by our quality and technology teams. We require our foundry partners to adhere to foundry quality management specifications. To ensure quality consistency, we conduct periodic on-site audits of our foundry partners, after which they are required to submit corrective action plans as required. The agreements we enter into with our foundry partners reserve us with the right to claim compensation for or return wafers that fail to meet agreed-upon specifications.

Packaging and Testing Providers (OSAT Providers)

We engage leading OSAT providers to provide packaging and testing services. Similar to our foundry partners, each OSAT provider must pass a comprehensive on-site audit and reliability verification to be included in our approved list. We issue our Packaging and Testing Quality Control Requirements to our packaging and testing providers and require their strict adherence.

Product Returns

We have established a customer complaint handling procedure to ensure that quality issues reported by customers are addressed in a timely, efficient, and professional manner. We allow product returns or exchanges for our customers under reasonable circumstances. During the Track Record Period and up to the Latest Practicable Date, we had not received any material complaints relating to product quality that had a material or adverse effect on our business, operations or financial condition.

Certifications

Our quality management system is established in accordance with the requirements of internationally recognized standards, including ISO 9001 and the automotive industry standard IATF 16949. We also adhere to stringent industry-specific standards such as ISO 26262 for automotive functional safety, as well as standards set by JEDEC and the Automotive Electronics Council (“AEC”).

COMPETITION

Due to the wide range of application scenarios and the diversity of product categories, the analog IC industry has developed into a fragmented market structure characterized by the coexistence of multiple players. According to Frost & Sullivan, the market size of China’s analog IC market increased from RMB157.0 billion in 2021 to RMB218.4 billion in 2025, and is expected to continue expanding at a CAGR of 12.2% from 2026 to 2030, reaching RMB389.4 billion by 2030.

The principal competitive factors in our market include technological accumulation, a comprehensive product portfolio, stable supply chain partnerships, and brand recognition. We have demonstrated strong market competitiveness and are recognized as a leading domestic analog IC company. See “Industry Overview — China’s Analog IC Market Competition Analysis — Rankings

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and Market Share Analysis of Analog IC Companies” for more details. We remain focused on leveraging our R&D capabilities and comprehensive product portfolio to enhance our position in the market.

AWARDS AND RECOGNITIONS

During the Track Record Period and up to the Latest Practicable Date, we received awards and recognition in respect of our products, technology and innovation, significant ones of which are set forth below:

Award/Recognition	Award Authority	Award Year
China Patent Excellence Award	China National Intellectual Property Administration and the World Intellectual Property Organization	2024
National Intellectual Property Demonstration Enterprise	China National Intellectual Property Administration	2025, 2024, 2023
Beijing Invention Patent Award	Beijing Intellectual Property Office	2024, 2023
Top 10 China IC Design Companies	AspenCore	2025, 2024, 2023
Innovative Product of the Year Award at the Global Electronic Achievement Awards	AspenCore	2025, 2024, 2023
Best Power Management IC of the Year	AspenCore	2023

EMPLOYEES

As of December 31, 2025, we had 1,835 full-time employees. The following table sets forth the number of our employees by function:

<u>Employee Function</u>	<u>Number of Employees</u>	<u>% of Total</u>
Technology	1,359	74.06
Sales and Marketing	259	14.11
Production	118	6.43
Administration	99	5.40
Total	<u>1,835</u>	<u>100.00</u>

To conduct human resource management, we established a comprehensive set of internal management measures, outlining the procedures and criteria for recruitment and training, among others. See “ — Environmental, Social and Governance — Social Responsibility — Employment and Labor Practices” for more details. We enter into standard labor contracts and confidentiality agreements with our full-time employees.

As required under PRC laws and regulations, we participate in various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury, maternity and unemployment benefit plans, under which we make contributions at specific percentages of the salaries of our employees.

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We believe we maintain a good working relationship with our employees, and we have not experienced any material labor dispute or any difficulty in recruiting staff for our operations during the Track Record Period.

INSURANCE

We maintain insurance policies to cover various aspects of our business, including import and export cargo property insurance, domestic cargo property insurance and product liability insurance to secure our business continuity. Our product liability insurance generally covers our legal liability in respect of personal injury or property damage caused by accidents that occurred directly in connection with products we supplied. According to Frost & Sullivan, the coverage of our product liability insurance is in line with the market practice. We review our insurance policies timely to ensure their compliance with the statutory PRC laws and regulations. We believe that our existing insurance coverage is adequate for our business operation and is in line with the general market practice.

During the Track Record Period, we were not subject to any material claim of insurance. Nevertheless, we may be exposed to claims and liabilities which exceed our insurance coverage. See “Risk Factors — Our insurance coverage may not be sufficient to cover all losses or potential claims by our customers, which would affect our business, financial condition and results of operations” for more details.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We are committed to fostering sustainable practices, promoting social responsibility, and maintaining strong governance standards, reflecting our dedication to Environmental, Social, and Governance (“ESG”) principles. Our Board oversees our ESG strategy and is responsible for ensuring that we operate ethically, responsibly, and in compliance with all applicable laws and regulations. During the Track Record Period, we had not been subject to significant administrative penalties due to non-compliance with social, health, safety or environmental laws and regulations.

To demonstrate our commitment, we have established comprehensive management systems structured in accordance with or certified to internationally recognized standards, including ISO 9001, ISO 14001, ISO 45001, and ISO 26262. Our efforts and performance in the ESG field have also received widespread recognition. Our MSCI ESG rating has maintained at “BBB” for the past two years. Furthermore, in 2025, in recognition of our continuous innovation and practices in green and energy-saving technologies, we were honored with the “Annual Decarbonization & Energy Efficiency Leadership Award” by the Elexcon Shenzhen International Electronics Exhibition.

Looking forward, and to proactively address climate change, we have set clear long-term carbon reduction targets with 2025 as the baseline year: we aim to reduce our Scope 1 and Scope 2 carbon emissions per million RMB of revenue from our own operating sites by 50% by 2030, and by 90% by 2050. We have also extended our reduction goals to our value chain, aiming to reduce carbon emissions from purchased goods and services per million RMB of purchases by 25% by 2030, hoping to achieve these targets through continuous improvements in our ESG practices.

ESG Governance Structure

We attach great importance to ESG governance and believe that a robust governance structure is fundamental to the effective integration of ESG considerations into our strategy and operations. We

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have implemented an ESG management organizational structure to ensure the effective execution of our ESG strategies and policies. This structure is designed to provide clear lines of responsibility and facilitate both top-down oversight and bottom-up implementation. The structure is organized as follows:

- Our Board Office takes the lead in our ESG management system, responsible for the overall coordination and planning of our ESG initiatives and steering the relevant functional departments. Our Board has the ultimate responsibility for our ESG strategy and performance. The Board provides overall leadership and direction for our ESG initiatives, ensuring that they are aligned with our corporate strategy and the long-term interests of our shareholders and other stakeholders. The Board's responsibilities include, among others, reviewing and approving our material ESG policies and targets, overseeing the implementation of our ESG management systems, and monitoring our performance against our ESG objectives.
- Our various functional departments, including human resources, operations, quality, internal control, and information technology, are responsible for the implementation of specific ESG-related tasks and initiatives that fall within their respective areas of expertise.
- We have established an ESG Working Group to coordinate day-to-day ESG management, communication, and information disclosure. The ESG Working Group is also responsible for tracking progress against our ESG goals and reporting such progress and results to the Board on a regular basis.

We commenced issuing our ESG report in 2022. We release our ESG report on an annual basis in the first half of the year. We plan to continue disclosing relevant information on our ESG strategy, progress and performance in accordance with the requirements of the Stock Exchange and good international industry practice.

ESG Risk Management

We place a high priority on the identification, assessment, and management of ESG-related risks. We have established a systematic risk management framework to evaluate the potential impact of ESG issues on our business operations and financial performance and to formulate corresponding mitigation measures.

Potential Impacts of ESG-related Risks

We assessed the actual and potential climate-related and social impact on our business and identified the following risks and opportunities:

Climate-related Risks and Opportunities

We recognize that climate change poses both risks and opportunities to our business. Our operations and those of our key suppliers in the value chain could be susceptible to the following climate-related risks:

- *Transition Risks.* These risks arise from the transition to a lower-carbon economy, which may entail extensive policy, legal, technology, and market changes. These include (i) risks associated with increasingly stringent environmental laws and regulations, such as those

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related to carbon emissions and energy consumption, which could increase our compliance costs; and (ii) market risks related to shifts in customer preferences towards products with a smaller environmental footprint. Failure to align our products and operations with these trends could adversely affect our market competitiveness.

- *Physical Risks.* Our global operations and supply chain may be exposed to physical risks from climate change, such as extreme weather events. Such events could potentially disrupt our operations, interrupt our supply chain, and adversely impact our business.
- *Opportunities.* Concurrently, we believe the transition to a low-carbon economy presents opportunities for our business. Our strategic focus on “green R&D” and the development of high-efficiency, low-power consumption products positions us to meet the growing market demand for green and energy-saving technologies. We have generally optimized the design of analog ICs in various categories to reduce their own energy consumption, improve product competitiveness, provide customers with lower power consumption, more energy-saving and environmentally-friendly solutions, and promote end-products in the direction of green and low-carbon. We believe our commitment to sustainability and our portfolio of energy-efficient products enhance our brand reputation and provide us with a competitive advantage.

Social Risks

We face social risks primarily related to our supply chain and labor practices. Risks in our supply chain could arise from the failure of our suppliers to comply with applicable laws and our standards concerning environmental protection, labor rights, and health and safety. Such failures could lead to supply chain disruptions and reputational damage. See “ — Social Responsibility — Supply Chain Management” for more details.

Risk Identification, Assessment and Management Process

Our risk identification and management process involves the following key steps:

- *Risk Identification.* We identify and analyze potential risks from internal and external sources by taking into account our development strategy, the characteristics of the industry, and the macroeconomic environment.
- *Risk Assessment.* We assess the identified risks based on their nature, likelihood of occurrence, and the potential severity of their impact on our operations and strategy.
- *Risk Response.* Based on the assessment results, we formulate and implement targeted risk mitigation measures, which include continuously monitoring risks, updating our response plans, allocating necessary resources to ensure business continuity, and conducting relevant compliance training to enhance the risk management awareness of our employees. We have also established emergency response procedures to ensure that effective measures can be taken promptly in the event of an incident.

Environmental Protection

We are committed to operating our business in an environmentally responsible manner and minimizing our environmental footprint. We have implemented a comprehensive environmental management system and various initiatives to conserve energy, reduce emissions, and manage waste.

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We pay close attention to resource consumption and greenhouse gas (“GHG”) emissions in our operations, and we strive to optimize our routine practices to manage the environmental and climate-related risks arising from our business and production activities.

Metrics and Targets

We monitor our environmental performance by tracking key metrics related to our GHG emissions and resource consumption.

GHG Emissions

Our primary operations focus on R&D and sales of products under a fabless model. We mainly source wafers as our key raw materials, while delegating most of the associated packaging and testing procedures to external professional processing service providers. In addition to a testing base for product testing, neither our Company nor our subsidiaries are directly engaged in manufacturing activities. During the Track Record Period, we experienced an increase in GHG emissions as our number of employees and offices increased. The following table sets forth metrics on our GHG emissions during the Track Record Period.

	Year Ended December 31,		
	2023	2024	2025
Scope 1 GHG emissions ⁽¹⁾ (tCO ₂ e)	11.23	12.59	11.35
Scope 2 GHG emissions ⁽²⁾ (tCO ₂ e)	3,840.40	4,235.59	6,276.17
Total GHG emissions	3,851.63	4,248.18	6,287.52

Notes:

1. Scope 1 GHG emissions are calculated based on natural gas consumption, gasoline consumption, diesel consumption and corresponding emission factors.
2. Scope 2 GHG emissions are calculated based on purchased electricity, purchased steam and corresponding emission factors.

We deeply recognize the importance of identifying and reducing Scope 3 GHG emissions as an integral part of our climate actions. Given the complexity of data collection within the value chain, we are currently enhancing our data gathering mechanism to ensure future compliance with relevant emission reporting requirements. We have initiated the assessment of our Scope 3 emissions at the beginning of 2025. As the data-collecting process from our key upstream partners matures, we intend to progressively disclose our Scope 3 GHG emissions in our future ESG reporting and, in due course, establish corresponding reduction targets.

To support this initiative, we will strengthen our collaboration with value chain partners to improve the availability and accuracy of carbon footprint data. Furthermore, we plan to implement specific measures to reduce Scope 3 emissions, including collaborating with suppliers who demonstrate lower carbon emissions intensity while maintaining product standards, and encouraging employees to opt for low-carbon transportation methods.

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Resource Consumption

We primarily utilize resources such as electricity, water, natural gas and fuel in our daily operations. We actively promote energy saving and consumption reduction to optimize resource usage. The following table sets forth metrics on our greenhouse gas emissions, electricity and water consumption during the Track Record Period.

	Year Ended December 31,		
	2023	2024	2025
Natural gas consumption (m ³)	4,217.00	4,913.82	4,104.03
Fuel consumption (L)	970.00	889.49	1,081.80
Water consumption (m ³)	10,148.00	12,630.16	26,562.80
Electricity consumption (kWh)	6,734,013.00	7,893,380.47	11,615,082.65

Carbon Reduction Targets

To proactively address climate change and align with national and global decarbonization goals, we have set long-term carbon reduction targets. With 2025 as the baseline year, we aim to reduce our Scope 1 and Scope 2 carbon emissions per million RMB of revenue from our own operating sites by 10% by 2026, 20% by 2027, 30% by 2028, 50% by 2030, and 90% by 2050. With 2023 as the baseline year, we aim to reduce carbon emissions per million RMB of purchases by 5% by 2026, 10% by 2027, 15% by 2028, and by 25% by 2030. We aim to achieve these targets through continuous improvements in energy efficiency, promotion of green R&D, and other emission reduction initiatives.

Energy Conservation and Climate Actions

We established and implemented an environmental management system certified to the ISO 14001 standard. We have formulated our Environmental Management Manual to guide our daily operations. Our key initiatives to conserve energy and address climate change include:

- *Energy-efficient Operations.* We have implemented various energy-saving measures in our offices, such as utilizing energy-efficient LED lighting systems and promoting energy and water conservation awareness among our employees. We also encourage paperless operations by leveraging our online meeting systems and smart conference tablets. We use inverter air conditioners and strictly control the air conditioning temperature in accordance with company regulations. In the next three years, we plan to continuously optimize our energy usage structure. Specifically, we intend to utilize photovoltaic power generated from our own rooftops and purchase renewable electricity to reduce our reliance on traditional energy sources and lower our carbon footprint.
- *Green R&D.* We have integrated the concept of “Green R&D” into our product development process. We have accumulated a batch of core technologies, intellectual properties, and products in areas such as reducing chip power consumption, improving power conversion efficiency, optimizing processes, and minimizing chip area. Examples include ultra-low power series op amps, comparators, LDOs, boost and buck DC/DC converters, and more. We are dedicated to designing and developing products with low power consumption, smaller form factors, and high efficiency, thereby helping to reduce the energy consumption of end-user electronic devices.
- *Responsible Sourcing.* In the processes of raw material selection, wafer manufacturing, packaging and testing, we strictly require our supply chain partners to adhere to green

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environmental standards. Our products strictly follow the RoHS directive to complete the corresponding investigation, confirmation, and testing work. Our products meet the EU REACH regulation's requirement that the content of SVHC substances is less than 0.1%. Our partners provide us with the latest third-party testing reports for raw materials and products, ensuring full compliance with environmental protection laws, regulations, and certification standards, thereby reducing the environmental impact during chip production, use, and after failure and disposal.

Waste Management

In addition to a testing base for product testing, neither our Company nor our subsidiaries are directly engaged in manufacturing activities. As a result, we do not generate large amounts of waste directly in the operational process. We have established procedures for proper management and disposal of waste generated from our daily operations. Our approach includes 100% source separation and clear labeling of all waste. We engage qualified and licensed third-party vendors for the collection and disposal of electronic waste, such as used cartridges and IT equipment, to ensure compliant and responsible handling.

Social Responsibility

Employment and Labor Practices

We believe that our employees are our most valuable asset and the core driver of our sustainable growth. We are committed to protecting the rights and interests of our employees, providing a safe and healthy work environment, and offering competitive remuneration and comprehensive development opportunities.

- *Employee Health and Occupational Safety.* We place the utmost importance on the health and safety of our employees. We have established a robust occupational health and safety management system, guided by our Occupational Health and Safety Manual and structured in accordance with the requirements of the ISO 45001 standard. We have implemented a range of measures to ensure a safe working environment, including providing regular safety training to all employees, conducting emergency drills such as fire drills, and performing routine safety inspections of our facilities and equipment. As a result of our efforts, during the Track Record Period, no major work-related accidents or work-related fatalities were recorded, our rate of recordable incidents was zero and our employee health checkup coverage rate was 100%.
- *Remuneration, Welfare and Employee Care.* We offer competitive compensation packages linked to corporate and individual performance. We are firmly committed to the principle of equal pay for equal work, irrespective of gender. In addition to statutory social insurance and housing provident funds, which cover 100% of our employees, we provide a comprehensive range of supplementary benefits, including annual health checkups, group accident insurance, paid sick leave, and festive allowances. We foster a caring and supportive corporate culture through various employee activities, including regular sports clubs and team-building events. Notably, we organize Women's Development Forum to support the personal and professional growth of our female employees.
- *Employee Development and Training.* We are committed to fostering the professional growth of our employees and have established a comprehensive training and development

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system. We offer dual-track career development pathways, thereby catering to diverse career aspirations. Our training system is designed to empower employees at all stages of their careers, featuring various technical training and programs for managers and new graduates. In 2025, our training initiatives covered 100% of our employees, with an average of 78.7 training hours per person.

- *Diversity and Equal Opportunity.* We are committed to creating a diverse, equitable, and inclusive workplace. We have established policies that ensure equal opportunity in all aspects of employment, including recruitment, promotion, and remuneration, strictly prohibiting discrimination based on race, gender, religion, age, disability, or any other personal characteristic. Furthermore, our policies explicitly forbid any form of harassment. We have a zero-tolerance policy towards child labor and forced labor. In furtherance of our commitment to diversity, we actively hire disabled persons to offer them employment opportunities. As of December 31, 2025, we employed 15 individuals with disabilities.

We have a diverse employee composition. The table below sets forth our employee composition as of December 31, 2025, in terms of gender, age and education level:

	<u>Number of Employees</u>
By Gender	
Male	1,211
Female	624
 By Age	
50 and above	66
40 to 49	315
30 to 39	672
Below 30	782
 By Education	
Doctorate	23
Master's	870
Bachelor's and below	<u>942</u>
Total	<u>1,835</u>

Supply Chain Management

We recognize that a responsible and resilient supply chain is critical to our business. We have implemented a rigorous supply chain management system to ensure that our suppliers adhere to the same high standards of environmental, social, and ethical conduct that we uphold.

- *Supplier ESG Management.* Our supplier management process integrates comprehensive ESG criteria. When onboarding new suppliers, we conduct a multi-dimensional assessment that includes their environmental and social responsibility performance. We require our suppliers to obtain and maintain key management system certifications, including ISO 14001 and ISO 45001. We encourage and support suppliers in implementing sustainable development, prioritizing those with low energy consumption and low emissions. We conduct regular performance evaluations of our suppliers, and those who fail to meet our standards are required to implement corrective actions or risk termination of our business relationship.

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- *Responsible Sourcing and Conflict Minerals Management.* We are highly committed to responsible sourcing of minerals. We have a zero-tolerance policy for conflict minerals. We utilize the Conflict Minerals Reporting Template developed by the Responsible Minerals Initiative to survey our suppliers and ensure the traceability of minerals such as tin, tantalum, tungsten, and gold. We have also incorporated conflict-free sourcing requirements into our agreements with suppliers.

Product Responsibility

We are committed to providing our customers with high-performance, high-quality products. We have established a comprehensive quality assurance system that has been certified to internationally recognized standards, including ISO 9001 quality management system and ISO 26262 for automotive functional safety. Our quality control measures are embedded throughout the entire product lifecycle, from design and development to production to post-sales service. To ensure that we consistently meet and exceed customer expectations, we have implemented a customer complaint handling procedure, which ensures that all customer feedback is addressed in a timely and effective manner. We continuously monitor customer satisfaction, and for the year 2025, we achieved a weighted customer satisfaction score of 92.88%.

Anti-corruption

We are resolutely committed to upholding the highest standards of business ethics and integrity in all our operations. We strictly prohibit any form of bribery, corruption, extortion, and fraud. To ensure adherence to this principle, we have established and rigorously implemented our Integrity and Anti-corruption Management Regulations, which apply to all employees and business partners. Our Audit Committee is responsible for the oversight of matters concerning commercial ethics and anti-corruption. We conduct regular anti-corruption training for all employees to enhance their awareness of and compliance with our ethical standards. Furthermore, all employees in sensitive roles, such as marketing and procurement, are required to sign an Integrity and Anti-corruption Commitment Letter, reinforcing their obligation to conduct business ethically.

During the Track Record Period and up to the Latest Practicable Date, we were not involved in any material legal proceedings or subject to any penalties in relation to bribery, extortion, fraud, and money laundering.

Community Investment

We believe that our long-term success is intrinsically linked to the well-being of the communities in which we operate. We are committed to being responsible corporate citizens and actively seek opportunities to make positive contributions to society. Our community investment strategy is primarily focused on supporting education and nurturing future talent for the industry, which we believe creates shared value for both society and our Company. We actively collaborate with charitable foundations to carry out public welfare activities. Our initiatives include programs aimed at supporting the educational pursuits of students. We have provided scholarships and teaching awards to multiple universities to encourage academic excellence and support faculty development. We also engage with the next generation of engineers by sponsoring events such as student chip design competitions, providing a platform for them to innovate and apply their knowledge to real-world challenges.

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PROPERTY

Our headquarters is in Beijing, China. According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this prospectus is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all our interests in land or buildings, for the reason that, as of the Latest Practicable Date, none of the properties leased by us had a carrying amount of 15% or more of our consolidated total assets.

Owned Property

As of the Latest Practicable Date, we owned two properties in Harbin and Jiangyin City, corresponding to nine real estate ownership certificates, with an aggregate gross floor area of approximately 43,786.61 sq. m., which were mainly used in our business operations.

Leased Property

As of the Latest Practicable Date, we primarily leased 25 properties in China with an aggregate gross floor area of 21,405.82 sq.m. mainly as our offices. We believe that there is sufficient supply of properties in Chinese Mainland, and we do not rely on the existing leases for our business operations. We believe that our current facilities are adequate to meet our current needs.

As of the Latest Practicable Date, we did not obtain title documents for certain leased properties from lessors. In addition, we had not obtained the registration of lease agreements for 13 of our leased properties in the PRC, two of which were in the process of registration as of the Latest Practicable Date. In accordance with the relevant PRC laws and regulations, failure to complete the registration and filing of lease agreements will not affect the validity of the lease agreements, but we may be subject to a penalty ranging from RMB 1,000 to RMB10,000 for each non-registered lease if we fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant competent authorities.

LICENSES, APPROVALS AND PERMITS

During the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, permits, approvals, and certificates from the relevant government authorities that are material for our business operations. We continually monitor our compliance with these requirements in order to ensure that we have all such approvals, licenses and permits as are necessary to operate our business.

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The following table sets forth certain material licenses, approvals and permits:

License/Approval/Permit	Granting Authority	Registration Date	Expiration Date
Customs Broker Registration Certificate	Zhongguancun Customs, PRC	June 26, 2012	N/A
Customs Broker Registration Certificate	Pudong Customs, PRC	August 31, 2018	N/A
Customs Broker Registration Certificate	Wujin Office, Changzhou Customs, PRC	June 1, 2021	N/A
Customs Broker Registration Certificate	Pudong Customs, PRC	August 31, 2021	N/A
Customs Broker Registration Certificate	Jiangyin Customs, PRC	March 15, 2022	N/A
Customs Broker Registration Certificate	Xiaoran Office, Qianjiang Customs, PRC	December 5, 2022	N/A
Customs Broker Registration Certificate	Shanghai-Xuhui Customs, PRC	March 28, 2023	N/A
Customs Broker Registration Certificate	Bingcheng Customs, PRC	March 7, 2024	N/A
Customs Broker Registration Certificate	Fuzhong Customs, PRC	April 7, 2026	N/A

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations and financial condition.

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any non-compliance matters that have led to significant administrative penalties that we believe would have a material adverse effect on our business, results of operations and financial condition. During the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, the Group had complied with the applicable Listing Rules and securities laws, and the applicable laws and regulations in all material respects. Based on the due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the Directors.

THE IMPACT OF COVID-19

Since the first quarter of 2020, the global economy has been disrupted by the onset of the COVID-19 pandemic. To contain the spread, the PRC government and authorities worldwide enforced various containment protocols, including travel restrictions, quarantines, remote working policies, and temporary business closures. However, by January 2023, substantially all restrictive measures within the PRC had been rescinded or relaxed.

During the pandemic, customs controls impeded the cross-border flow of raw materials, which contributed to the industry-wide wafer shortage and raw material price inflation witnessed in 2021 and 2022. Nevertheless, the implications of COVID-19 on our general business operations and R&D progress remained manageable. During the Track Record Period and up to the Latest Practicable Date, we encountered no significant suspension of operations, nor were our product delivery capabilities

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materially impaired by the pandemic. We have maintained a stable financial performance over the Track Record Period and have not been significantly impacted by the pandemic. We adopted strict health and safety protocols in compliance with government guidelines to maintain our daily operations. Accordingly, our Directors are of the view that the COVID-19 outbreak has not had, and will not have, any material adverse impact on our business, financial condition or results of operations.

IMPACT OF THE OUTBOUND INVESTMENT RULE

Our Sanctions Legal Adviser is of the view that the Outbound Investment Rule will not have any material impact on the Global Offering, the operations, financial performance, or investment prospects of our Company for the reasons outlined below:

- We are a Covered Foreign Person. Our business constitutes “covered activities,” and investments by U.S. persons in us constitute “notifiable transactions” under the Outbound Investment Rule. However, they do not constitute “prohibited transactions” because our integrated circuits do not meet the criteria of advanced ICs or any other parameters under “prohibited transactions”.
- An investment by a U.S. person in a publicly traded security is exempted under the Outbound Investment Rule. Therefore, U.S. investors who acquire publicly traded shares in us are excepted from the notification requirements as long as the investment does not afford the U.S. persons rights beyond standard minority shareholder protections.
- Should the investments by U.S. persons be considered “notifiable transactions,” the obligation to report the “notifiable transactions” to the U.S. Department of the Treasury falls on the U.S. persons if they subscribe for the Shares in the Global Offering, but not on us. Investments by persons other than U.S. persons are not subject to the Outbound Investment Rule.

Based on the factors above, nothing has come to the Joint Sponsors’ attention that would reasonably cause them to disagree with the Directors’ view above. Nonetheless, the Outbound Investment Rule may increase the compliance burden on U.S. investors if any U.S. investors intend to purchase shares before the initial public offering or if future U.S. investors intend to make other types of “covered transactions.” See “Risk Factors — Risks Relating to Our Business and Industry — We may be subject to the risks associated with international trade policies, export controls, economic or trade sanctions, investment restrictions, geopolitics and trade protection measures such as unreasonable tariff arrangements, and our business, financial condition and results of operations could be adversely affected” for more details. See “Regulatory Overview — Outbound Investment Rule by the U.S. Department of the Treasury” for details of the Outbound Investment Rule.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established and currently maintain risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations. We are dedicated to continuously improving these systems. We have adopted and implemented risk management policies in various aspects of our business operations. We have formulated and implemented our Procedures for the Control of Risks and Opportunities to guide our risk management efforts. Our Board is responsible for the establishment and updating of our internal control systems, while our audit committee monitors the daily implementation of the internal control procedures and measures with respect to each subsidiary and functional department.

Operational Risk Management

We are faced with operational risks relating to our daily operations, which primarily arise from inadequate or failed internal controls and systems, human errors, IT system failures or external events. We consider these operational risks to be the key risks in our business and believe that, with adequate operational policies and procedures, these inherent risks can be controlled and mitigated. To ensure effective risk management, we have put in place a detailed risk management policy which sets out the main operational risks and risk control measures of each department within our Group. We conduct risk management evaluations on an annual basis, and our internal audit department will report the evaluation results to our Directors for further improvement.

Financial Reporting Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management, including an accounting manual, budget management policies, treasury management policies, expense management policies, and employee reimbursement policies. We have various procedures and IT systems in place to implement our accounting policies, and our finance department reviews our management accounts based on such procedures. For example, we implement our budget plan through the IT system and continuously track various operating expenses for effective monitoring. We also provide regular training to our finance department employees to ensure that they understand our financial management and accounting policies and implement them during daily operations.

Compliance Risk Management

We are subject to evolving regulatory requirements in the PRC, including requirements to obtain and renew certain licenses, permits, approvals and certificates for our business operations in different regions. In order to manage our ongoing compliance with the laws and regulations applicable to our business effectively, we have implemented several internal control measures. In particular, we designated personnel to regularly monitor changes in laws, regulations and policies issued by the relevant government authorities in the regions we operate to ensure we obtain requisite licenses to operate our business, and we have an up-to-date understanding of the applicable requirements. In addition, we monitor and review the status of our licenses and permits on a regular basis. We continually improve our internal policies according to changes in laws, regulations and industry standards, and update our internal protocols accordingly.

Intellectual Property Risk Management

To ensure proper management of our intellectual property and avoid litigation concerning intellectual property infringement, we have implemented various internal policies and established an internal intellectual property management system. As a technology-intensive company, we have been and may continue to be subject to claims from companies holding patents or other intellectual property rights, alleging infringement of such rights or otherwise asserting their rights and urging us to obtain licenses in the course of our operations. See “Risk Factors—We may be involved in intellectual property litigation and disputes, which could be costly and time-consuming, and an adverse outcome could materially and adversely affect our business, financial condition and results of operations” for more details.

Human Resources Risk Management

We have put in place a series of human resources policies and codes of conduct, which contains internal rules and guidelines regarding anti-corruption, conflicts of interest, confidentiality and intellectual property protection, work ethics, and fraud prevention mechanisms. We provide employees with regular training and guide employees to work in accordance with the policies and codes of conduct.

We have in place an anti-bribery and corruption policy to safeguard against any corruption within our Group. The policy explains potential bribery and corruption conduct and our anti-bribery and corruption measures. We make our internal reporting channel open and available for our employees to report any bribery and corruption acts to the head of internal audit on an anonymous basis.